# IPO readiness

## Beyond Compliance – Toward lasting value

BDO

# The IPO Journey

**Preparation** → **Conversion** → **Filling & Review** → **IPO Execution** → **First Day Trading**

18 – 24 months before IPO

6 – 12 months before IPO

### Preparation

- **Regulatory Review:** Study SEC/SET rules, appoint SEC-approved Financial Advisor.
- **Governance Setup:** Restructure shareholding and corporate governance, establish audit committee.
- **Financial Standards:** Align Financial Statement with IFRS/SEC, appoint SEC-approved auditor.
- **Controls & Audit:** Conduct practice preparation of financial statement, enhance internal controls & internal audit.
- **IPO Readiness:** Review business model, ESG reporting, IT & risk systems.

### Conversion

- **Pre-Consultation:** Meet with SEC/SET to discuss key issues, prepare draft filings.
- **Corporate Conversion:** Convert to Public Limited Company, amend bylaws & articles.
- **Compliance Setup:** Establish provident fund, appoint securities registrar.
- **Regulatory Preparation:** Complete Financial Advisor and Auditor reviews, prepare for SEC management interview.
- **Final Documentation:** Finalize and complete document all document for submission.

### Filling & Review

- **Application Filing:** Submit listing application to the SET and the IPO application to SEC.
- **Regulatory Review:** SEC/SET conduct company visits, information checks, and management interviews.
- **Prospectus Preparation:** Draft and finalize prospectus (56-1 One Report)
- **IPO Strategy:** Plan pricing, share allocation, and PR/investor relations.

### IPO Execution

- **Underwriting & Roadshow:** Appoint underwriter, launch investor roadshows, and provide information to investors.
- **Public Offering:** Offer shares to public and complete the allocation process.
- **Market Readiness:** Update forecasts, valuations, disclosures to support IPO pricing.

### First Day Trading

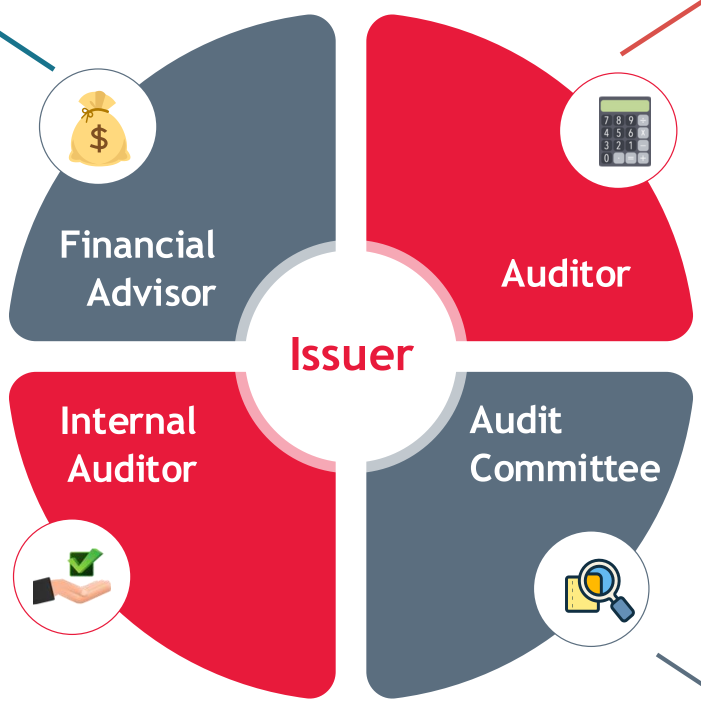
- **Regulatory Approval:** Obtain SEC/SET clearance.
- **Market Listing:** Begin official trading on SET.
- **Post-IPO Compliance:** Continue with ongoing reporting, ESG compliance, and investor relations.

*Reference : SET*

# People who play an important role in the preparatory process

## Financial Advisor

- Conduct due diligence and advise and resolve problematic issues
- Prepare a complete and accurate filing
- Coordinate with the auditor and internal auditor




## Auditor

- Recommend, audit and certify financial statements to ensure they meet accounting standards
- Provide opinions on the internal control system

## Internal Auditor

- Evaluate the internal control system's adequacy and appropriateness
- Recommend, improve, and co-develop an effective internal control system
- Monitor the result of complying with the improve internal control system

## Audit Committee

- Examine whether the company has accurate financial reporting and an effective and adequate internal control system
- Examine compliance with applicable laws
- Consider if connected transactions are reasonable and beneficial to the company

*Reference: SET*

# What to prepare?

Stepping into life as public company demands more responsibility, including more transparency, stricter regulatory compliance, and closer examination from various party. Companies are expected to demonstrate credibility and deliver on their commitments.

To navigate this complex shift effectively, a well-prepared strategy and **The Right Advisory** support are paramount to achieving your goals.

## Build your successful path with BDO

Working with us, you gain more than advisory, you gain a **CATALYST** for emerge stronger, more competitive, and ready for sustainable growth.

### With BDO, you benefit from…

**1 End-to-end guidance**

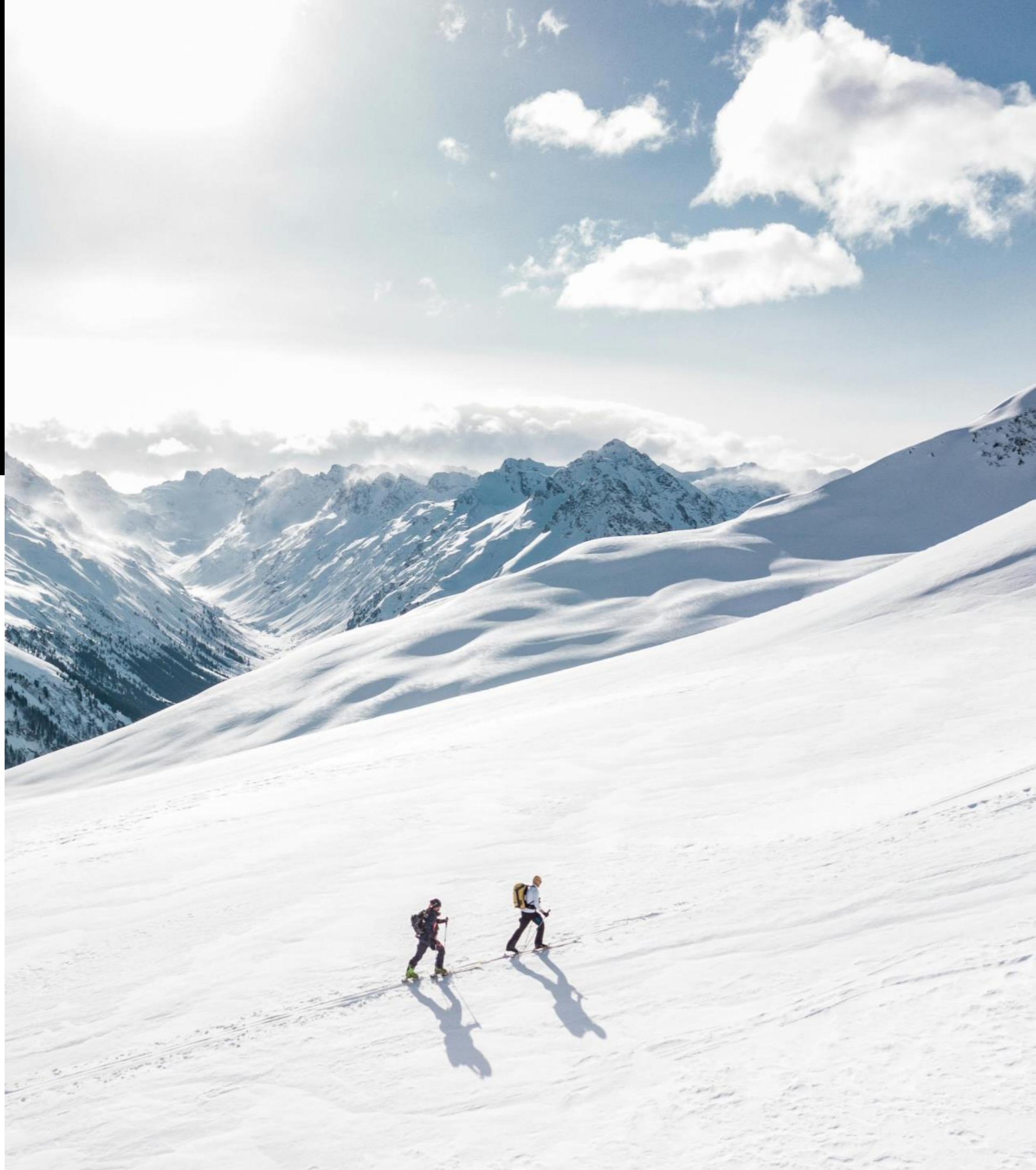
From readiness diagnostics to post-listing strategy.

**2 A Value Focused Approach**

Turning each IPO stage into an opportunity to improve performance and investor appeal.

**3 Practical framework**

Designed to simplify complex processes and accelerate your journey with BDO framework.



# Let’s do a qualification check

Qualifications for the applicants since January 1, 2025

| Topic | SET | MAI |
|---|---|---|
| Status | Must be a public limited company or corporation established under special law. | |
| Operating Track Record | ≥ 3 years | ≥ 2 years |
| Profit | ▸ ≥ THB 125 million in accumulate over the past 2-3 years<br>▸ ≥ THB 75 million for the latest full year in prior | ▸ ≥ THB 40 million in accumulate over the past 2-3 years<br>▸ ≥ THB 25 million for the latest full year in prior |
| Paid-up capital in Common Shares (After Public Offering) | ≥ THB 100 million | ≥ THB 50 million |
| Shareholder’s Equity | ≥ THB 800 million | ≥ THB 100 million |
| Market Capitalization Approach /1 | | |
| Distribution of minority shareholders or free float /2 (After IPO) | Issued shares in hands: ≥ 1,000 shareholders. | Issued shares in hands: ≥ 300 shareholders. |
| | Shareholding Ratio:<br>▸ Total shareholding ≥ 30% of paid-up capital, incase the paid-up capital is < Baht 300 million<br>▸ Total shareholding ≥ 25% of paid-up capital, in case the paid-up capital is ≥ Baht 300 million, but < Baht 3,000 million<br>▸ Total shareholding ≥ 20% of paid-up capital, in case the paid-up capital is ≥ Baht 3,000 million<br>▸ Each shareholder must hold at least 1 trading unit in accordance with the rule | |

*Reference: SET*

**Ready? Let’s explore how BDO’s approach unlocks your IPO value!**

# Let’s do a qualification check

Qualifications for the applicants since January 1, 2025

<table>
<tr><th>Topic</th><th>SET</th><th>MAI</th></tr>
<tr><td>Public Offering Approval</td><td colspan="2">
<ul>
<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>
<li>Number of shares cumulatively offered for sale:
<ul>
<li>Offer for sale ≥ 20% of paid-up capital, in case the paid-up capital is < Baht 300 million</li>
<li>Offer for sale ≥ 15% of paid-up capital or value of the shares based on par value ≥ Baht 60 million, whichever is higher, in case the paid-up capital is ≥ Baht 300 million but < Baht 500 million</li>
<li>Offer for sale ≥ 10% of paid-up capital or value of the shares based on par value ≥ Baht 75 million, whichever is higher, in case the paid-up capital is ≥ Baht 500 million</li>
</ul>
</li>
</ul>
</td></tr>
<tr><td>Management and Control Personnel</td><td colspan="2">
<ul>
<li>Board of directors and Management must hold qualifications accordingly;
<ul>
<li>Not have any characteristics prohibited by The Capital Market Supervisory Board.[/3]</li>
<li>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.</li>
</ul>
</li>
<li>The Board of Director’s duties and responsibilities must be clearly defined as specified by The Capital Market Supervisory Board.[/3]</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.[/3]</li>
<li>The Chairman and the Chief Executive Officer or equivalent position in other names must not be the same person.</li>
</ul>
</td></tr>
</table>

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# Let's do a qualification check

Qualifications for the applicants since January 1, 2025

| Topic | SET | MAI |
|---|---|---|
| Corporate Governance and Internal Control | ▸ The Audit Committee's duties and responsibilities must be clearly defined as specified by The Capital Market Supervisory Board./3<br>▸ Must demonstrate a good corporate governance practice as specified by The Capital Market Supervisory Board/3 and have a qualified Audit Committee as specified by SET. | |
| Conflicts of Interest | Must have none of existing or potential conflicts of interest as defined by The Capital Market Supervisory Board | |
| Nature of Business Operation | 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 /3/4 | |
| Financial Statements and Auditors | ▸ Must ensure that financial statements have been prepared in accordance with The Capital Market Supervisory Board rules and regulations/3<br>▸ Auditors must be approved by the SEC | |
| Provident Fund | By the date the listing application is filed, the applicant shall register a provident fund | |
| Registrar | Appoint TSD or an approved registrar by SET | |
| Corporate Governance and Internal Control | <u>Net Profit Approach</u><br>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 a maximum of 25% only of the locked-up shares after 6 months. | |

Reference: SET

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# Let’s do a qualification check

Qualifications for the applicants since January 1, 2025

| Topic | SET | MAI |
|---|---|---|
| Conflicts of Interest | **Market Capitalization Approach**[/1]<br>The specification shall be in accordance with the Market Cap Test criteria. | |
| Nature of Business Operation | 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 [/3/4] | |
| Financial Statements and Auditors | ▸ Must ensure that financial statements have been prepared in accordance with The Capital Market Supervisory Board rules and regulations[/3]<br>▸ Auditors must be approved by the SEC | |
| Silent Period | **Net Profit Approach**<br>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 a maximum of 25% only of the locked-up shares after 6 months. | |
| | **Market Capitalization Approach**[/1]<br>The specification shall be in accordance with the Market Cap Test criteria. | |
| Opportunity Day | **Net Profit Approach**<br>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. | |
| | **Market Capitalization Approach**[/1]<br>The specification shall be in accordance with the Market Cap Test criteria. | |

Reference: SET

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# Let’s do a qualification check

Qualifications for the applicants since January 1, 2025

**Remarks**

/1 Please kindly refer to Summary of the revision of listing requirements for companies in the target industries (Market Capitalization Test)
Market Capitalization can be calculated using

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

/2 Strategic shareholders are

- Board of director, management, and related person
- Shareholders and their related-person who hold at least 5% of paid-up capital
- Authorized person

/3 Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2559 Applications for Approval and Granting of Approval for Offering of Newly Issued Shares (Codified).

/4 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.

After a parent company is listed on the Exchange, its potential subsidiaries or joint ventures can also be listed through a process of “Spin-off”. Such process allows the subsidiaries or joint ventures to do its own IPO and be separately listed on the Stock Exchange of Thailand (SET) or the Market for Alternative Investment (mai). However, in the event that such subsidiaries or joint ventures are separately listed, it is important that the parent company is still able to meet all the qualifications of maintaining status.

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Reference: SET

# Unlock your IPO potential with BDO

Step by Step with BDO Framework

"Establish a Baseline"

## 1 Clarify

**Readiness Assessment**

What we do in this step:

Identifying critical gaps to address and areas of opportunity to enhance your offering's value.

"Develop a Strategic Plan"

## 2 Calibrate

**Roadmap and Project Management**

What we do in this step:

Laying the roadmap to going public, figuring out the most effective and efficient way to get it done — and then executing

"Prepare and Execute"

## 3 Catalyze

**March to IPO**

What we do in this step:

Helping you meet all regulatory requirements and filing deadlines in the runup to the IPO.

"Transaction to Life Public"

## Post IPO Support

What we do in this step:

Preparing you for the demands of public company status and providing continued lift and guidance post-IPO.

**Process Improvement | Value Creation | Project Management**

Support Management & Fractional Leadership : Accounting & SEC/SET Reporting, Tax, Internal Audit, IT, ESG, Corporate Governance, Control Implementation

Co-Sourcing & Outsourcing : Tax, Internal Audit, IT and Cyber Operations

# BDO’s IPO leaders

Meet our team and explore your journey together

**Noel Ashpole**
Managing Partner
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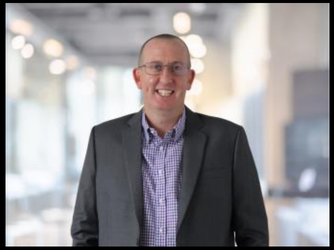
Read more



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