

RAJAH & TANN ASIA

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REGIONAL GUIDE ON
LISTINGS & INITIAL
PUBLIC OFFERINGS IN
SOUTHEAST ASIA



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CONTENTS

Foreword	3
Singapore	4
Indonesia	16
Malaysia	29
Thailand	41
Cambodia	48
Vietnam	56
Key Contacts	61
Regional Contacts	63
Disclaimer	64

FOREWORD



We set out below the Rajah & Tann Asia regional guide on listings and initial public offerings ("IPOs") in Southeast Asia prepared by law firms which are part of the Rajah & Tann Asia network. This guide gives an overview of the key requirements and processes involved in listing and initial public offerings in the following jurisdictions:

- Singapore
- Indonesia
- Malaysia
- Thailand
- Cambodia
- Vietnam

We hope you find this guide to be useful. We are happy to assist you further if you have any queries on any of the specific jurisdictions. We set out below an introduction to our offices and affiliate firms which have contributed to this guide:

Singapore - [Rajah & Tann Singapore LLP](#) has grown to be one of the largest law firms in Singapore with over 420 fee earners and the highest concentration of Senior Counsel in Singapore.

Indonesia - Based in Jakarta and founded in 2001, [Assegaf Hamzah & Partners](#), member firm of Rajah & Tann Asia, has grown rapidly to become one of Indonesia's leading full-service law firms.

Malaysia - [Christopher & Lee Ong](#), member firm of Rajah & Tann Asia, is led by a team of senior Malaysia-qualified partners who have accumulated considerable experience over the years in the Malaysian legal market.

Thailand - Based in Bangkok, [R&T Asia \(Thailand\) Limited](#), member firm of Rajah & Tann Asia, is a well-regarded full service law firm, providing local and international clients with advice of the highest quality, right across the commercial spectrum.

Cambodia - Based in Phnom Penh, [R&T Sok & Heng Law Office](#), member firm of Rajah & Tann Asia, is recognised as one of Cambodia's leading law firms, serving local and international clients, and extensively involved in local and cross-border transactions.

Vietnam - With offices in Ho Chi Minh City and Hanoi, [Rajah & Tann LCT Lawyers](#) is one of Vietnam's leading full service law firms, providing a combination of practical legal solutions with responsive service to a diverse base of multinational and local clients.

This publication is up to date as of 3 January 2024.

SINGAPORE – GUIDE TO LISTING A COMPANY ON THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED



This section gives an overview of the process and requirements involved in the listing and initial public offering ("IPO") of a company on the Mainboard or Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). It is cast in general terms and not exhaustive. Detailed advice must be sought on specific situations or queries.

Why SGX-ST

- **An international listing hub.** Singapore has been consistently highly ranked for its business environment¹ and for the ease of doing business in Singapore.²
- **Capturing the attention of global investors.** SGX-ST is an international exchange, providing access to the wealth management hub of Asia and a global investor base.
- **Trusted and efficient regulatory regime.** Singapore is one of the few Asian countries with an "AAA" credit rating. SGX-ST offers a fast time-to-market and market-oriented regulatory framework and has lower trading costs (with no stamp duty for electronic transfers through the scripless trading system operated by The Central Depository (Pte) Limited (which provides clearing, settlement and depository services for products in the SGX-ST), capital gains tax, and withholding tax on dividends paid to both resident and non-resident shareholders).
- **Leading exchange in Asia for various sectors.** SGX-ST is an international exchange, featuring a diversity of industries and sector strength in the Commodities and Resources, Mineral, Oil and Gas ("**MOG**"), Maritime and Offshore sectors. It is also a preferred venue for IPOs and listings of Real Estate Investment Trusts ("**REITs**") and business trusts ("**BTs**").³

¹ The Economist Intelligence Unit's business environment rankings has placed Singapore as the top country to do business for 15 consecutive years. The Economist Intelligence Unit's Report is available [here](#).

² The World Bank ranked Singapore as 2nd for ease of doing business in its Doing Business 2020 Report, as reported [here](#). The actual Report can be accessed [here](#).

³ In particular, SGX-ST is one of Asia's largest REIT and property trust markets, with 42 listed REITs and property trusts with a total market capitalisation of S\$101 billion (as at 28 February 2023).

Mainboard and Catalyst

- SGX-ST currently comprises the Mainboard and a second board, Catalyst.
- The Mainboard generally attracts larger, more established companies that have met prescribed financial entry requirements.
- Companies without a track record of profitability may list on Catalyst, a sponsor-supervised listing platform for fast-growing local and international companies seeking a primary listing.
- The procedures and requirements for Mainboard listings and offers of securities are principally governed by the Listing Manual of the SGX-ST ("**Listing Manual**") and the Securities and Futures Act 2001 ("**SFA**"). The procedures and requirements for Catalyst listings are set out in Section B of the Listing Manual ("**Catalist Rules**").
- Shares of companies can be listed on the Mainboard or Catalyst, whereas units in REITs and BTs and shares or units of an investment fund can only be listed on the Mainboard. REITs must be authorised or recognised by the Monetary Authority of Singapore ("**MAS**") and BTs must be registered with MAS under the Business Trusts Act 2004 or recognised by MAS under the SFA. Secondary listings are only permitted on the Mainboard.
- Offers of securities (including shares and units of BTs) are regulated under Division 1 of Part 13 of the SFA and offers of REITs are regulated under the collective investment scheme regime under Division 2 of Part 13 of the SFA.
- SGX-ST has introduced admission rules and continuing listing obligations for MOG companies,⁴ allowing a wider spectrum of MOG companies which require funding for its exploration, development and production to tap into Asia's vast pool of liquidity via the SGX-ST. However, the Listing Manual also prescribes additional disclosures required for issuers in the MOG and life sciences sectors.
- Companies may list on the Mainboard with a dual class share ("**DCS**") structure⁵, subject to the fulfilment of the listing criteria for Mainboard listings and other additional requirements under the DCS listing framework. A special purpose acquisition company ("**SPAC**")⁶ may also list on the Mainboard, subject to the fulfilment of the listing criteria for Mainboard listings and other additional requirements under the SPAC listing framework. However, SPACs are not permitted to adopt a DCS structure at IPO.

Quantitative Requirements

The following table sets out a comparison of the quantitative listing requirements of the Mainboard and Catalyst.⁷

	Mainboard (other than SPACs)	Catalist
Quantitative Requirements	Companies intending to join the Mainboard must meet one of the following requirements: <ul style="list-style-type: none"> (a) minimum consolidated pre-tax profit of at least S\$30 million for the latest financial year and an operating track record of at least three years ("Profit Criteria 1"); or (b) profitable in the latest financial year, has an operating track record of at least three years and a market capitalisation of not less than S\$150 million based on the issue price and post-invitation issued share capital ("Profit Criteria 2"); or (c) operating revenue (actual or pro forma) in the latest completed 	No minimum earnings, operational track record or capitalisation required. SGX-ST may publish specific additional or other criteria for different types of listing

⁴ "**Mineral, oil and gas company**" refers to a company whose principal activities consist of exploration, development or production of mineral, oil or gas. This excludes companies that purely provide services or equipment to other companies engaged in such activities.

⁵ "**Dual class share structure**" is a share structure that gives certain shareholders voting rights disproportionate to their shareholding. Shares in one class carry one vote, while shares in another class carry multiple votes. A multiple voting share is a share that carries multiple votes but that otherwise has the same rights as an ordinary voting share. A multiple voting share is neither listed nor traded.

⁶ "**Special purpose acquisition company**" refers to a company with no prior operating history, operating and revenue-generating business or asset at the point of the IPO, and raises proceeds for the sole purpose of undertaking a business combination in accordance with the business strategy and acquisition mandate disclosed in the prospectus issued in relation to the SPAC's IPO.

⁷ Rule 210 of the Listing Manual applies to companies intending to join the Mainboard. Generally, for companies intending to join Catalyst, there is no minimum quantitative criteria required by SGX-ST and sponsors will use their own house deal selection criteria.

	Mainboard (other than SPACs)				Catalist
	<p>financial year and a market capitalisation of not less than S\$300 million based on the issue price and post-invitation issued share capital. REITs and BTs which have met the S\$300 million market capitalisation test may apply under this rule ("Market Capitalisation Criteria").</p> <p>With respect to Profit Criteria 1 and Profit Criteria 2, the following additional requirements apply:</p> <ul style="list-style-type: none"> (a) an issuer must have been substantially the same business and have been under substantially the same management throughout the period for which the three-year operating track record applies; (b) if the group made low profits or losses in the two years before the application due to specific factors which were of a temporary nature and such adverse factors have either ceased or are expected to be rectified upon the issuer's listing, the application may still be considered; (c) in determining profits, non-recurrent income and items generated by activities outside the ordinary course of business must be excluded; and (d) SGX-ST will normally not consider an application for listing from an issuer which has changed or proposes to change its financial year end if SGX-ST is of the opinion that the purpose of the change is to take advantage of exceptional or seasonal profits to show a better profit record. <p>Where a MOG listing applicant cannot meet the above requirements, it must satisfy the following additional conditions:</p> <ul style="list-style-type: none"> (a) market capitalisation of not less than S\$300 million based on the issue price and post-invitation issued share capital; and (b) disclosure of its plans, milestones and capital expenditure to advance to production stage. These plans must be substantiated by the opinion of an independent qualified person.⁸ The effective date of the qualified person's report must not be more than six months from the date of lodgement of the offer document. 				applicants.
	Public Float ⁹				
Market capitalisation	Less than S\$300 million	At least S\$300 million and not more than S\$400 million	At least S\$400 million and not more than S\$1 billion	S\$1 billion or more	Any size
Shareholding spread ¹⁰	At least 25% of its post-invitation share capital has	At least 20% of its post-invitation share	At least 15% of its post-invitation share	At least 12% of its post-invitation share	At least 15% of its post-invitation share capital has to be in

⁸ A qualified person is one who has who has the appropriate experience in the type of activity undertaken or to be undertaken by a mineral, oil and gas company and meets certain minimum requirements. Here, the relevant person must be a qualified person that fulfils additional requirements to be considered an independent qualified person.

⁹ "Public" refers to persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the issuer and its subsidiaries and their respective associates.

¹⁰ For a secondary listing on the Mainboard, the issuer must have at least 500 shareholders worldwide. Where SGX-ST and the primary home exchange do not have an established framework and arrange to facilitate the movement of shares between the jurisdictions, the issuer must have at least 500 shareholders in Singapore or 1,000 shareholders worldwide.

	Mainboard (other than SPACs)				Catalist
	to be in the hands of at least 500 public shareholders	capital has to be in the hands of at least 500 public shareholders	capital has to be in the hands of at least 500 public shareholders	capital has to be in the hands of at least 500 public shareholders	the hands of at least 200 public shareholders
	Distribution				
Total offer size	Less than S\$75 million	At least S\$75 million but not more than S\$120 million	S\$120 million or more	-	Overall distribution of shareholdings should provide an orderly secondary market in the securities when trading commences and be unlikely to lead to a corner situation in the securities.
Distribution¹¹	At least 40% of the invitation shares or S\$15 million, whichever is lower, must be distributed to investors each allotted not more than 0.8% of the invitation shares or S\$300,000 worth of shares, whichever is lower	At least 20% of the invitation shares must be distributed to investors, each allotted not more than 0.4% of the invitation shares	No requirement applicable	-	

¹¹ Preferential allotments of reserved securities made to the issuer's employees, directors, customers, suppliers and persons who have contributed to the success of the issuer must be excluded.

Other Admission Requirements

	Mainboard	Catalist
Listing application/IPO document	<ul style="list-style-type: none"> The listing application is to be prepared in compliance with the Listing Manual requirements and submitted to the Listings Function of SGX-ST for review, which includes the draft prospectus, and SGX-ST considers whether the application satisfies the listing requirements. Issuer must produce a prospectus which complies with the Listing Manual, the SFA and (as applicable) the Securities and Futures (Offers of Investments) (Securities and Derivatives Contracts) Regulations 2018 and the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005. The prospectus is lodged on the Opera website of MAS for a period of at least seven days for public comments. MAS reviews the prospectus for disclosure compliance. 	<ul style="list-style-type: none"> The sponsor must submit to SGX-ST a pre-admission notification for an IPO, which includes the draft offer document. Issuer must produce an offer document. The offer document has similar disclosure requirements as that of a prospectus. It will also include statements from the issuer's directors and Sponsor that the working capital available to the company will be sufficient for its present purposes and for at least 12 months from listing date, or an 18-month period for MOG companies. The offer document is to be lodged with SGX-ST acting as agent on behalf of MAS. The offer document is lodged on the Catalodge website of SGX-ST.
Sponsor requirement	<ul style="list-style-type: none"> No sponsor requirement. Issuer will be admitted through a listing process managed by an issue manager. 	<ul style="list-style-type: none"> Issuer will be admitted by a sponsor. The sponsor must be named as both sponsor and issue manager in the offer document. The sponsor must provide the confirmation that the listing applicant is suitable for listing and complies with the Catalist Rules.
	<ul style="list-style-type: none"> Post-IPO, the issue manager will be "badged" to the issuer for two years, (i.e. the issuer must prominently include a statement that its IPO was sponsored by the issue manager in all announcements and documents issued by it during that period). 	<ul style="list-style-type: none"> Post-IPO, the issuer must retain a sponsor at all times or may otherwise face delisting. The sponsor bringing the company to list must sponsor the issuer for at least three years after listing. SGX-ST may delist an issuer that does not have a sponsor for more than three continuous months.

	Mainboard	Catalist
Directors	<ul style="list-style-type: none"> There must be at least two non-executive directors who are independent and free of any material business or financial connection with the issuer.^{12 13} Independent directors must comprise at least one-third of the issuer's board or a majority of the issuer's board where the chairman is not independent.¹⁴ For foreign companies, at least two of these independent directors must be residents in Singapore. For MOG companies, there must be at least one independent director with appropriate industry experience and expertise. 	<ul style="list-style-type: none"> There must be at least two non-executive directors who are independent and free of any material business or financial connection with the issuer.¹² Independent directors must comprise at least one-third of the issuer's board. For foreign companies, at least one of these independent directors must be a resident in Singapore. There is no additional requirement on directors of a MOG company.
Accounting standards	<ul style="list-style-type: none"> For primary listings: Financial statements to be prepared in accordance with Singapore Financial Reporting Standards ("FRS"), International Financial Reporting Standards ("IFRS") or US Generally Accepted Accounting Principles ("US GAAP") For secondary listings: Financial statements to be reconciled with FRS, IFRS or US GAAP 	<ul style="list-style-type: none"> Financial statements to be prepared in accordance with FRS, IFRS or US GAAP

¹² A director will not be independent under any of the following circumstances: (i) he/she is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years; (ii) he/she has an immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer; or (iii) he/she has been a director for an aggregate period of more than nine years.

¹³ For REITs, a director of a REIT Manager is generally considered to be independent if he (i) is independent from the management of the REIT Manager and the REIT that is managed or operated by the REIT Manager; (ii) is independent from any business relationship with the REIT Manager and the REIT that is managed or operated by the REIT Manager; (iii) is independent from every substantial shareholder of the REIT Manager and every substantial unitholder of the REIT that is managed or operated by the REIT Manager; (iv) is not a substantial shareholder of the REIT Manager or a substantial unitholder of the REIT that is managed or operated by the REIT Manager; and (v) has not served as a director of the REIT Manager for a continuous period of nine years or longer. For BTs, a director of the trustee-manager is considered to be independent from management and business relationships with the trustee-manager if he/she (i) has no management relationships with the trustee-manager or with any of its subsidiaries; and (ii) has no business relationships with the trustee-manager or with any of its related corporations, or with any officer of the trustee-manager or its related corporations, that could interfere with the director's exercise of independent judgment with regard to all unitholders' and the BT's interests as a whole.

¹⁴ For REITs, the Securities and Futures (Licensing and Conduct of Business) Regulations provide that the number of independent directors must be (i) at least half of all directors, where unitholders do not have the right to vote on the appointment of directors to the board of the REIT Manager; and (ii) at least one-third of the total number of directors, where unitholders have the right to vote on the appointment of directors to the REIT Manager's board. For BTs, the Business Trusts Regulations require at least a majority of directors to be independent from management and business relationships with the trustee-manager, with at least one-third of the directors independent from management and business relationships with the trustee-manager and from every substantial shareholder of the trustee-manager, and at least a majority of the directors being independent from any single substantial shareholder of the trustee-manager.

	Mainboard	Catalist
Restriction on promoters' sale of shares	<ul style="list-style-type: none"> There are no restrictions on the promoters'¹⁵ sale of vendor shares at the time of IPO. 	<ul style="list-style-type: none"> At the time of IPO, promoters must not sell vendor shares if: <ul style="list-style-type: none"> (a) they collectively own less than 50% of the issued capital at IPO; or (b) such sale will cause their collective shareholding to fall below 50% of issued capital at the time of listing.
Moratorium	<ul style="list-style-type: none"> For Mainboard issuers who satisfy Profit Criteria 1 or Profit Criteria 2, the promoters' entire shareholding (at the time of listing) shall be subject to moratorium for the first six months after listing. For Mainboard issuers who satisfy the Market Capitalisation Criteria, the promoters' entire shareholding (at the time of listing) shall be subject to moratorium for the first six months after listing. Thereafter, at least 50% of their 	<ul style="list-style-type: none"> The promoters' entire shareholding (at the time of listing) shall be subject to moratorium for the first six months after listing. Thereafter, at least 50% of their original aggregate shareholding (adjusted for any bonus issue, subdivision or consolidation) shall be subject to moratorium for the next six months. For all pre-IPO investors, 100% of the profit portion of their shareholdings (computed based on a cash formula) will be subject to moratorium for 12 months after listing.

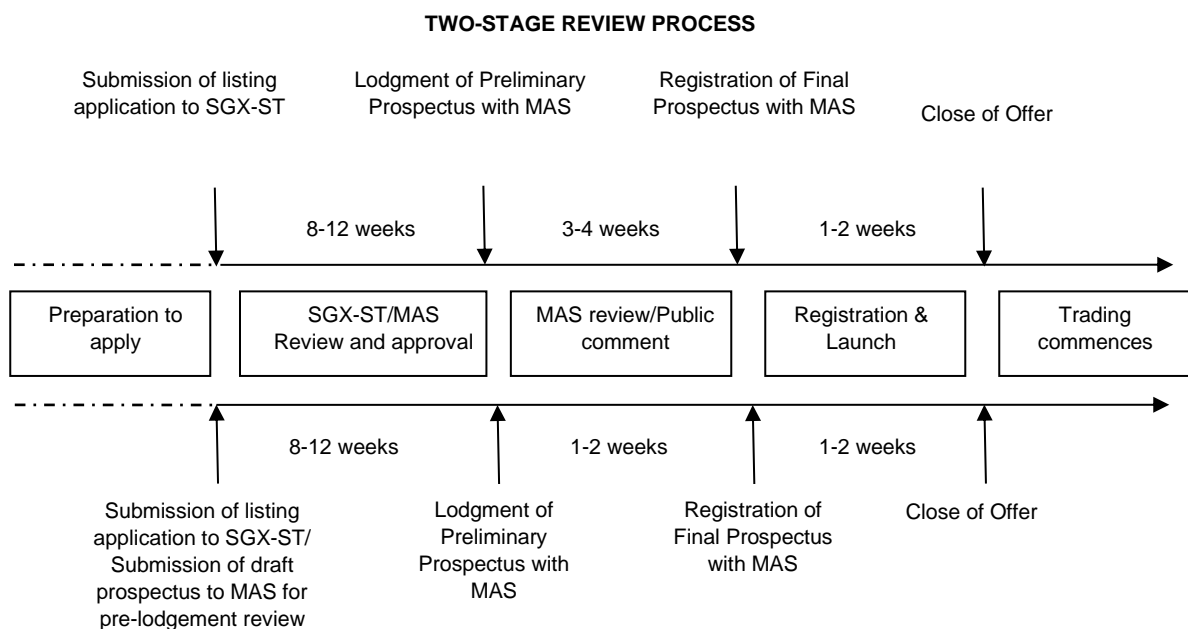
¹⁵ "Promoters" of an issuer are (i) controlling shareholders and their associates; and (ii) executive directors with an interest of 5% or more of the issued share capital excluding subsidiary holdings at the time of listing. A "controlling shareholder" is generally defined as a person who (i) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder; or (ii) in fact exercises control over a company. "Control" in this context means the capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of a company.

	Mainboard	Catalist
	<p>original aggregate shareholding (adjusted for any bonus issue, sub-division or consolidation) shall be subject to moratorium for the next six months.</p> <ul style="list-style-type: none"> For pre-IPO investors who acquired and paid for their shares less than 12 months prior to the date of the listing application with 5% or more of the issuer's post-IPO issued share capital, 100% of the profit portion of their shareholdings (computed based on a cash formula) will be subject to a moratorium for six months after listing. For pre-IPO investors who acquired and paid for their shares less than 12 months prior to the date of the listing application with <u>less than</u> 5% of the issuer's post-IPO issued share capital, there will be no limitation on the number of shares which may be sold as vendor shares at the time of IPO. Where the pre-IPO investors have shares remaining unsold at the time of the IPO, a proportion of such remaining shares (computed based on a cash formula) will be subject to a moratorium for six months after listing. 	
	<ul style="list-style-type: none"> For promoters of a MOG company, the promoters' entire shareholding (at the time of listing) shall be subject to moratorium for the first six months after listing. Thereafter, at least 50% of their original shareholding (adjusted for any bonus issue, sub-division or consolidation) shall be subject to moratorium for the next six months. 	<ul style="list-style-type: none"> For promoters of a MOG company, the promoters' entire shareholding (at the time of listing) shall be subject to moratorium for the first 12 months after listing. Thereafter, at least 50% of their original shareholding (adjusted for any bonus issue, sub-division or consolidation) shall be subject to moratorium for the next six months.
Other salient requirements relating to a MOG company	<ul style="list-style-type: none"> Adequate resources: The MOG company must have at least achieved Indicated Resources (for Minerals) or Contingent Resources (for Oil & Gas), substantiated by a report prepared by an independent qualified person who must meet certain criteria. Working capital: There must be sufficient working capital to meet its present requirements and for at least 18 months after listing. Audit firm: The MOG company must appoint an audit firm with the relevant industry experience. 	

Listing Timeline

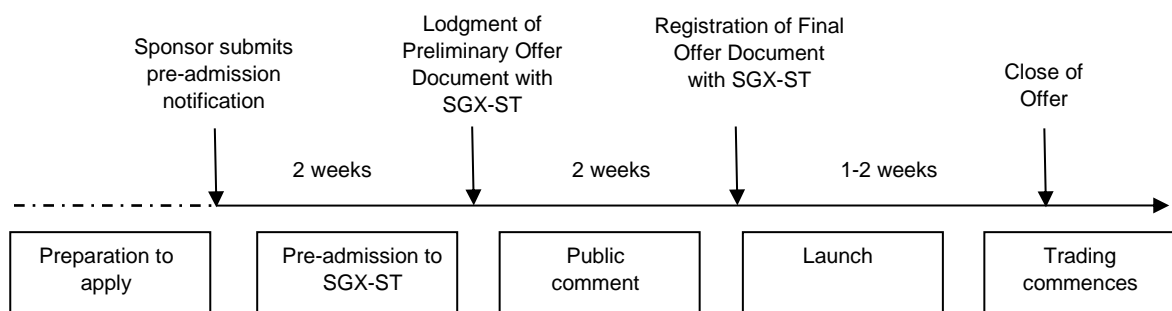
A well-run, reasonably uncomplicated IPO can be completed in approximately 12 to 16 weeks, excluding preparation time. A more complex IPO would typically take longer.

Mainboard – timeline:



CONCURRENT REVIEW PROCESS

Catalist – timeline:



SGX-ST Listing Fees (Mainboard and Catalyst)

Mainboard

Initial listing fee

- Equity securities to be listed on the Mainboard are subject to an initial listing fee, payable when an issuer is admitted into SGX-ST and when a new class of securities issued by an issuer is listed.
- The minimum initial listing fee of the Mainboard is S\$100,000 and the maximum initial listing fee is S\$200,000 (based on S\$100 per million dollars or part thereof of the market value at admission), with a fixed non-refundable processing fee of S\$20,000 for the listing application to the Mainboard.

Annual listing fee

- Mainboard-listed equity securities are subject to a minimum annual listing fee of S\$35,000 and a maximum annual listing fee of S\$150,000 based on S\$30 per million dollars or part thereof of the market value.
- The annual fee will be billed bi-annually in January and July each year, or during any other billing cycle to be determined by SGX-ST. If an issuer withdraws its listing or is delisted from the Mainboard, any upfront payment of the annual listing fee shall be refunded based on a prorated monthly basis for the period remaining after the delisting.
- For transfer from Catalyst to the Mainboard, the issuer shall pay the annual listing fee applicable to Mainboard issuers upon its transfer. Where the transfer to the Mainboard takes place during the year, the fee payable shall be based on the prorated amount for the unexpired period. Any annual listing fee paid for any unexpired period based on rates applicable to Catalyst issuers will be deducted from the annual listing fee payable.

Additional listing fees

- An additional listing fee shall be payable where an issuer issues additional securities of a class already listed on SGX-ST or arising from conversions or scrip dividends.
- Mainboard-listed equity securities are subject to a minimum fee of S\$30,000 and a maximum fee of S\$200,000, based on S\$100 per million dollars or part thereof of the market value, of the additional equity securities.
- In the case of an issue of additional equity securities arising from corporate actions where there is no change in the total market value of that class of securities, such as a share split, share consolidation, bonus share issue or capital reduction, no additional listing fee is payable.
- In the case of an issue of additional equity securities arising from an exercise of employee share options, no listing fee is payable.

Mainboard processing fees

- SGX-ST charges a non-refundable fee for the processing of documents, such as circulars, information memorandums, introductory documents, Articles of Association and Trust Deeds.
- The fee ranges from S\$3,000 to S\$8,000 for documents, depending on the nature and complexity of the case.

Catalyst

Initial listing fees

- Equity securities to be listed on Catalyst are subject to a minimum fee of S\$30,000 and a maximum fee of S\$100,000 (based on S\$100 per million dollars or part thereof of the market value at admission), with a fixed non-refundable administrative fee of S\$2,000 for the listing application on Catalyst.

Annual listing fees

- Catalyst-listed equity securities are subject to a minimum annual listing fee of S\$15,000 and a maximum annual listing fee of S\$50,000 based on S\$25 per million dollars or part thereof of the market value.

Additional listing fees

- An additional listing fee shall be payable where an issuer issues additional securities of a class already listed on SGX-ST. Catalyst-listed equity securities are subject to a fixed fee of S\$8,000 for additional listing of securities.
- Issuers that perform a lodgement in addition to issuing additional securities are subject to a one-time fee of S\$1,000.
- In the case of an issue of additional equity securities arising from corporate actions where there is no change in the total market value of that class of securities, such as a share split, share consolidation, bonus share issue or capital reduction or arising from an exercise of employee share options, no additional listing fee is payable.

Conclusion

It is highlighted that the Singapore government is supportive of the capital markets in Singapore and has, among other things, implemented measures such as providing subsidies to defray a portion of the listing expenses and have also implemented avenues to make listings on SGX-ST a more seamless and expeditious process, including a direct listing framework for companies to list on SGX-ST, amongst others. The foregoing, coupled with SGX-ST being an international listing hub, a leading exchange in Asia for various sectors as well as having a trusted and efficient regulatory regime, make Singapore an attractive listing venue for listing aspirants.

Selected Deals (as of 21 December 2023)

We are pleased to present a snapshot of a few of the key transactions that we have assisted with:

- Advised VinFast Auto Ltd. in respect of its business combination with Black Spade Acquisition Co. (NYSE : BSAQ), a SPAC which valued VinFast Auto Ltd. at approximately US\$23 billion, and the listing of VinFast Auto Ltd. on The Nasdaq Stock Exchange following completion of the business combination. The transaction is the biggest Vietnamese mergers and acquisitions (M&A) transaction since records began in 1980.
- Advised Bridgetown 2 Holdings Limited, a SPAC formed by Pacific Century Group and Thiel Capital LLC, in respect of its proposed merger with PropertyGuru Pte. Ltd. into a combined company with an equity value of approximately US\$1.78 billion and the proposed listing of the combined company on the New York Stock Exchange. The transaction is expected to deliver gross proceeds of up to US\$431 million, including through a private placement of US\$100 million to investors including Baillie Gifford, Naya, REA Group, Akaris Global Partners, and one of Malaysia's largest asset managers.
- Advised CLSA Singapore Pte Ltd, the issue manager, in the S\$4.25 billion spin-off and introductory listing of Yangzijiang Financial Holding Ltd. (based on its book value and net tangible assets), the investment arm of Yangzijiang Shipbuilding (Holdings) Ltd. ("**Yangzijiang Shipbuilding**"), on the SGX-ST Mainboard. Post spin-off and listing, Yangzijiang Shipbuilding, which is also listed on the SGX-ST Mainboard, will continue to engage in building and sale of completed vessels, offshore marine equipment construction and ship design, leasing and chartering of vessels and sale of goods. The spin-off listed company will carry on the investment business involving debt investments at amortised costs and venture capital-related investments.
- Advised 17LIVE Inc. ("**17LIVE**") in respect of the following transaction: (i) its business combination with Vertex Technology Acquisition Corporation Ltd (SGX: VT1) ("**VTAC**"), a SPAC, by way of an acquisition by VTAC of the entire issued and paid-up share capital of 17LIVE ("**Business Combination**"), and of which valued 17LIVE and its subsidiaries at approximately S\$922.9 million; and (ii) the listing of the resulting issuer, 17LIVE Group Limited, on SGX-ST following completion of the Business Combination. The aforesaid transaction is the first in Singapore involving the acquisition of a target company by a SPAC since the SPAC framework was introduced by SGX-ST with effect from 3 September 2021.

- Acted as Singapore legal advisers to AustAsia Group Ltd. (formerly known as AustAsia Investment Holdings Pte. Ltd.) ("**AAG**") in respect of its IPO and listing on the Main Board of The Stock Exchange of Hong Kong Limited ("**SEHK**") ("**Listing**"). AAG is one of the top five dairy farm operators in China in terms of sales volume, sales value and production volume of raw milk in 2021. The transaction constitutes a spin-off listing by Japfa Ltd. ("**Japfa**"), which is listed on the Mainboard of SGX-ST, of its China-focused dairy unit, by way of a distribution in specie of Japfa's shares in AAG to its shareholders. AAG had a market capitalisation of approximately HK\$4,479 million (S\$769.8 million) at the time of the Listing.
- Acted for the issue manager in the secondary listing of Comba Telecom Systems on SGX-ST, making it the first equity listing on the Mainboard of SGX-ST in 2023. Comba Telecom Systems has a primary listing on the Main Board of SEHK and is a global leading solution and service provider of wireless and information communications systems.
- Acted for Japfa, listed on the Mainboard of SGX-ST, in respect of the distribution in specie of Japfa's shares in connection with the IPO of AAG on the Main Board of SEHK. The transaction constitutes a spin-off listing by Japfa of its China-focused dairy unit, by way of a distribution in specie. Japfa's distribution in specie to its shareholders of its shares in AAG was effected by way of capital reduction pursuant to which Japfa's issued capital was reduced by approximately US\$580.98 million, based on Japfa's cost of investment in AAG and the aggregate amount of the capitalisation of outstanding loans.

INDONESIA – GUIDE TO INITIAL PUBLIC OFFERINGS IN INDONESIA



This section gives an overview of the processes and requirements involved in an initial public offering ("IPO") based on the regulations of the Financial Services Authority (Otoritas Jasa Keuangan) ("OJK") and the Indonesia Stock Exchange ("IDX"). It is cast in general terms and not exhaustive. Detailed advice should be sought on specific situations or queries.

Why IDX

- With respect to foreign investors investing into Indonesia, purchasing Securities¹⁶ through IDX allows the foreign investors to **bypass the Indonesian investment negative list, which specifies the business sectors that are either closed or conditionally open to investments from foreign parties**, and therefore gain access to Southeast Asia's largest economy.
- Investors who sell their shares in public companies receive certain **tax incentives**, i.e. such investors only pay 0.1% capital gain tax or 0.5% if the object of the transaction are founder shares.

Main Board, Development Board, Acceleration Board, New Economy Board and Watchlist Board

- IDX currently comprises five boards: Main Board, Development Board, Acceleration Board, New Economy Board, and Watchlist Board.
- The Main Board serves as the flag-carrier of IDX and is intended for the listing of companies with stellar track records.
- The Development Board allows both large and small companies with prospects, but which do not fulfill the requirements of the Main Board.
- The Acceleration Board is a listing board accommodating issuers with small-medium scale assets that are unable to fulfill the listing requirements of the Development Board.

¹⁶ "Securities" are marketable instruments or investment contracts including those in conventional and digital or other forms in accordance with the development of technology which provide rights to the holders to directly or indirectly receive economic benefits from an issuer or other certain parties based on agreements and all derivatives of Securities, which are transferable and/or traded in the Capital Markets.

- IDX has also established the New Economy Board that segregates tech companies from other Main Board listed companies. Companies may list on the New Economy Board if they: (i) fulfill the listing requirements of the Main Board; (ii) have high income growth; (iii) utilise technology to create innovative products or services that increase productivity and economic growth as well as have social benefits; and (iv) operate in certain sectors chosen by IDX.

Aside from the aforementioned points, the requirements to list and remain listed on the New Economy Board are the same as those needed for listing in the Main Board.

Currently, only three public companies are listed on the New Economy Board, namely, PT GoTo Gojek Tokopedia Tbk, PT Bukalapak.com Tbk and PT Global Digital Niaga Tbk.

- On 19 July 2023, IDX implemented the Watchlist Board which lists public companies with unusual market activities and hence require specific supervision. A public company will be moved to the Watchlist Board when it hits one or more of the conditions discussed under the relevant section below. A public company may be reinstated to its original board when IDX issues a formal announcement that such public company is no longer listed on the Watchlist Board.
- Public companies may be promoted to other boards when they fulfill the criteria specified in the relevant boards. The board promotion is effective as of the date of the IDX board promotion announcement. IDX will assess companies for board promotion every May and November using their latest audited financial statements.

Overview of Public Offering

- An offering of Securities by an Issuer¹⁷ that takes place in Indonesia or to Indonesian citizens through the media (which includes newspapers, magazines, film, television, radio and other forms of electronic media as well as letters, brochures and printed materials distributed to more than 100 Persons¹⁸) or otherwise to more than 100 Persons, or which results in sales to more than 50 Persons within a certain period and in certain amounts, will be considered as a "**Public Offering**".
- An offering of Securities will not be considered as a Public Offering under the Capital Markets Law¹⁹ if, during a period of 12 months before an initial or a subsequent offering of Securities, the total amount of such offering is less than Rp5 billion.
- In determining whether there has been a Public Offering, the Capital Markets Law further states that an offering of Securities to more than 100 Persons does not relate to whether or not such offering is followed by the purchase of Securities. On the other hand, the sale of Securities to more than 50 Persons emphasises actual sales of Securities regardless of whether such sale is conducted through an offering²⁰. Further, the Capital Markets Law defines the "sale of Securities" and "sales to more than 50 persons" to also include a securities sale and purchase agreement, where the payment and delivery of the securities are conducted at the future date that has been agreed upon by the parties.

Preparation Stage

(a) General Meeting of Shareholders

Before completing the Registration Statement²¹ with OJK, the Issuer must convene a general meeting of shareholders ("**GMS**") to, amongst others, approve (i) the IPO by issuing new shares from the Issuer's portfolio; (ii) the change in the Issuer's name so as to insert the abbreviation "Tbk"²² after it; (iii) the change in the status of the Issuer from a private to a public company; (iv) the amendment of the Issuer's articles of association so as to bring

¹⁷ "**Issuer**" is a Person who makes a Public Offering.

¹⁸ "**Person**" is a natural person, a company, a partnership, an association or any organised group.

¹⁹ "**Capital Markets Law**" means Law No. 8 of 1995 on the Capital Markets, as amended by Law No. 4 of 2023 on Financial Sector Development and Reinforcement.

²⁰ The figures of 100 offerees and 50 purchasers stated in the Capital Markets Law may change from time to time to conform with developments in the capital market sector in Indonesia.

²¹ "**Registration Statement**" is the set of documents that must be submitted by an Issuer to OJK in relation to a Public Offering of a public company.

²² "**Tbk**" means *Terbuka*, or public.

them in line with OJK regulations; (v) the change in the nominal value of the Issuer's shares; (vi) the appointment of independent commissioner(s); and (vii) the appointment of the Issuer's Controller.²³

(b) **Appointment of Joint Lead Underwriter**

A Joint Lead Underwriter is appointed to assist the Issuer in filing the Registration Statement with OJK and IDX.

(c) **Appointment of Notary**

A Notary is appointed to prepare notarial deeds that set out the agreements related to the IPO, including the underwriting agreement.

Registration Statement

The Capital Markets Law and OJK regulations stipulate that a Public Offering may only be initiated by an Issuer that has submitted a Registration Statement to OJK with respect to the sale or offering of the Securities to the public, and only after such Registration Statement has been declared effective by OJK.

In general, the process to submit the Registration Statement is as follows:

- (a) The Issuer submits the Registration Statement through OJK's integrated online registration system.
- (b) OJK reviews the documents submitted in the Registration Statement and gives comments on such Statement to be addressed by the Issuer. Based on our experience, OJK would usually give three rounds of comments. After the Issuer addresses these comments to OJK's satisfaction and OJK does not have any further comments, OJK will issue a publication permit allowing the Issuer to advertise the abridged prospectus and to start the bookbuilding period.

The Issuer should advertise the abridged prospectus in at least one daily Indonesian newspaper with nationwide circulation within two business days after OJK issues the publication permit.

- (c) Upon completion of the bookbuilding period and after the Issuer and the Lead Underwriter agree on the offering price, the Issuer shall submit the Registration Statement to OJK, and follow other steps including informing OJK on the offering price and number of shares to be issued.
- (d) The Registration Statement becomes effective (commonly referred to as the "**effective statement**") on the 20th business day after OJK receives the complete Registration Statement or, in cases where OJK does not have any further comments on the Registration Statement, on any earlier date as declared by OJK.
- (e) The Issuer announces any corrections and/or supplement to the abridged prospectus in at least one daily Indonesian newspaper with nationwide circulation within one business day after the Registration Statement becomes effective.

Registration Statement Documents

The documents that must be submitted in the Registration Statement are as follows:

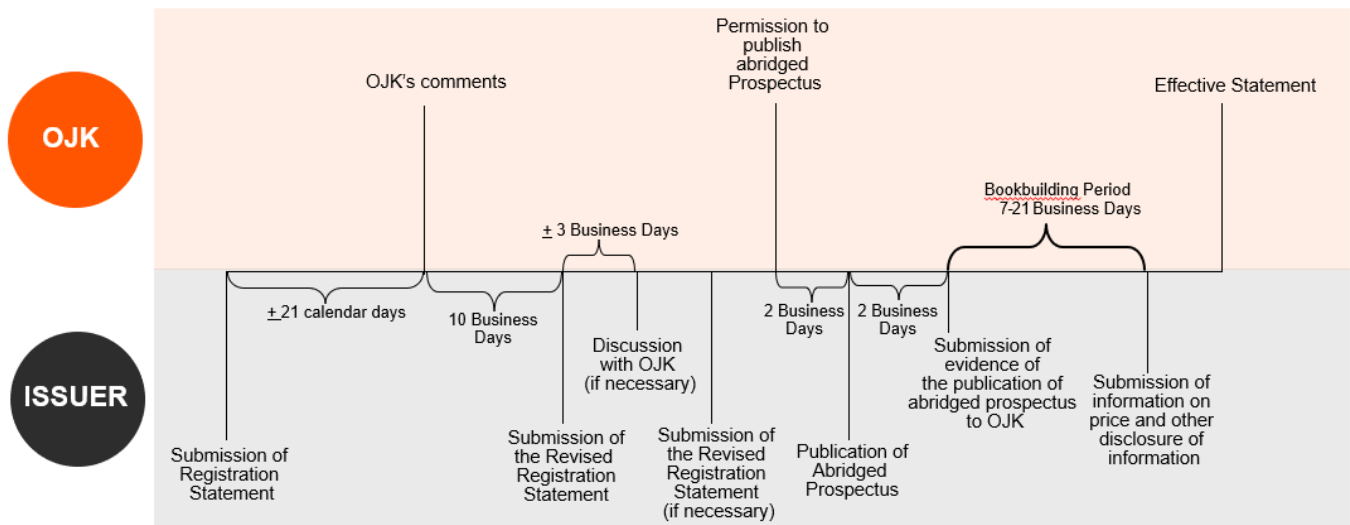
- (a) prospectus prepared by the underwriter containing information and disclosures relating to the Public Offering, including information relating to the business of the Issuer;
- (b) legal opinion and the legal due diligence report on the Issuer and its subsidiaries which are prepared by the legal consultant(s);
- (c) audited financial statements;
- (d) underwriting agreement, which is an agreement between the Issuer and the underwriter that sets out, amongst others, the terms governing the underwriter's commitment to purchase any remaining Securities, the Issuer's and underwriter's representations and warranties, and termination event;

²³ "**Controller**" means a Person who directly or indirectly: (i) has more than 50% of the total issued shares with voting rights; or (ii) has the ability to determine, directly or indirectly, in any way the management and/or policy of the public company.

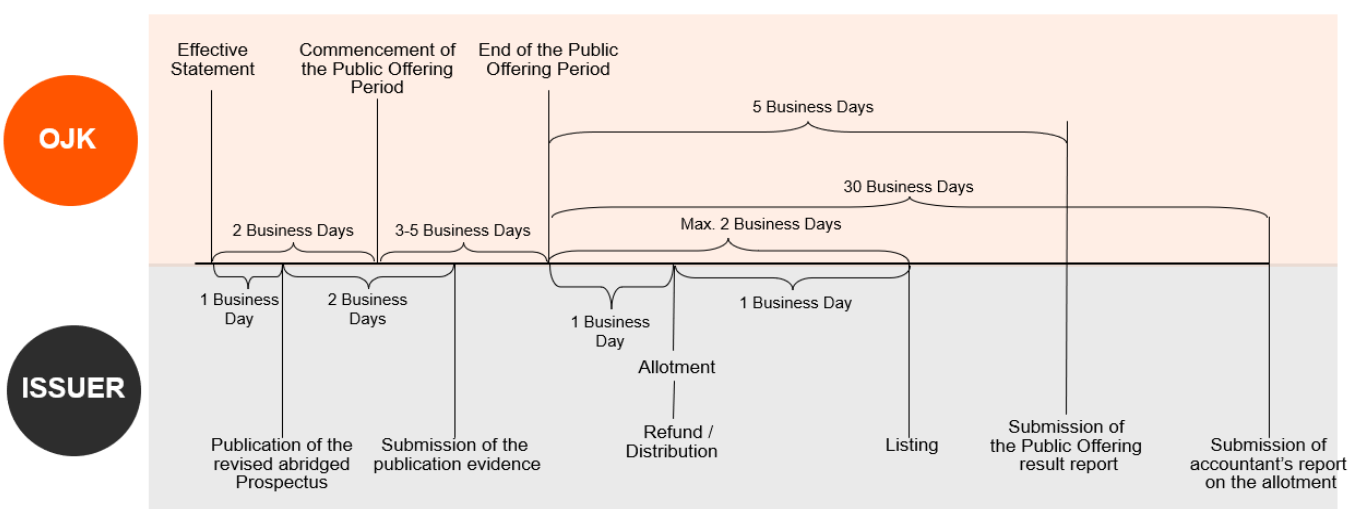
- (e) letter from IDX stating that IDX has granted preliminary listing approval;
- (f) agreement for the administration of shares between the Issuer and the appointed securities administration bureau, which sets out the terms and conditions of the scripless shares administration;
- (g) agreement for the registration of equity securities between the Issuer and the Indonesia Central Securities Depository (*Kustodian Sentral Efek Indonesia*) ("**KSEI**") to register the new shares with KSEI; and
- (h) appraisal report (if necessary).

Indicative IPO Timeline

Before Effective Statement



After Effective Statement



Notes:

- (1) Registration Statement will become null and void if the Issuer does not give any response to OJK's queries within 10 business days from the date the Issuer receives a request from OJK.
- (2) If within 21 business days after the announcement of abridged prospectus, the Issuer does not submit additional information, the Registration Statement will become null and void. The information that must be disclosed and submitted to OJK include the Addendum to Underwriting Agreement.
- (3) The Registration Statement will become effective:
 - (a) upon the lapse of: (i) 20 business days from the receipt of the Registration Statement by OJK in complete form; or (ii) 20 days from the date of the submission of the last amendment of the Registration Statement to OJK. Typically, OJK will provide its comments on the Registration Statement within 10-15 business days; therefore, point (ii) is the most common means by which a Registration Statement becomes effective; or
 - (b) when OJK issues an effective statement indicating that there are no more changes to the Registration Statement.
- (4) During the period of the effectiveness of Registration Statement until the end of Public Offering period, the Issuer can postpone the public offering for a maximum of three months or cancel the public offering if the following events occur:
 - (a) the IDX composite index decreasing by more than 10% during a period of three consecutive exchange days;
 - (b) natural disaster, war, riot, fire or strike which has a significant effect to the Issuer; and/or
 - (c) any other event which has a significant effect to the Issuer as determined by OJK.

Listing on IDX

The general requirements for a company to list its shares on IDX are as follows:

(a) **Limited Liability Company**

The entity must be a limited liability company.

(b) **Effectiveness of Registration Statement**

The company must have obtained an effective statement from OJK.

(c) **Independent Appraisal Report, Statement of Fulfilment, and Share Price**

If the Issuer is a subsidiary or a parent company of a listed company, which causes their financial statements to be consolidated, the Issuer seeking to list in IDX must:

- Submit an independent appraisal report confirming that if both companies are no longer affiliated with each other, they can both continue carrying out their respective businesses;
- Submit a statement that the Issuer will continuously fulfil the listing requirements as evidenced by its audited proforma financials; and
- Ensure that its share price at the IPO is at least Rp100.

(d) **Warrant Price**

If the Issuer plans to issue warrants with the IPO, the price of the warrant must be at least 90% of the offering price or the initial price of the shares and at the minimum equal to the nominal value of the shares.

(e) **Underwriting Agreement**

The Issuer must enter into an underwriting agreement with the underwriters and the underwriting must be fully committed.

(f) **Registration with KSEI**

The shares must be registered with KSEI.

Corporate Governance

(a) Independent Commissioners

The Issuer must have independent commissioners.

Number of independent commissioners

The number of independent commissioners must be proportional to the shareholdings of the non-controlling shareholders, provided at all times that the number of the independent commissioners must amount to at least 30% of the total membership of the board of commissioners ("**BOC**").

Criteria for appointment

Pursuant to OJK Regulation No. 33/POJK.04/2014 on Directors and Board of Commissioners of Issuers or Public Companies and the IDX Rule I-A IDX Director Decree No. KEP-00101/BEI/12-2021 on Listing of Shares and Equity Securities Issued by a Listed Company ("**IDX Listing Rule**"), an individual may be appointed as an independent commissioner if he/she meets the following criteria:

- not an employee of the Issuer or a person who has had the authority and responsibility for planning, leading, controlling or supervising the operations of the Issuer within the past six months;
- no direct or indirect ownership of shares in the Issuer;
- no affiliation with the Issuer, its BOC, its board of directors ("**BOD**") or its substantial/controlling shareholder; and
- no direct or indirect business relationship with the core business of the Issuer.

(b) Audit Committee

The Issuer must establish an audit committee, chaired by an independent commissioner. This is required under OJK Regulation No. 55/POJK.04/2015 on Audit Committee Establishment and Guidelines ("**POJK 55/2015**").

Audit committee membership

The audit committee is a committee established by the BOC to assist the BOC in the discharge of its duties and responsibilities. The members of the audit committee are appointed and dismissed by the BOC, and such appointment and removal must be reported through the IDX's and the Issuer's websites. The audit committee must consist of at least three members, one of whom must be an independent commissioner of the Issuer, who will also act as the chairman of the audit committee.

Criteria for appointment

Under POJK 55/2015, members of the audit committee must meet the following requirements:

- have a high level of integrity and competence, and sufficient knowledge and experience in line with their educational background, and good communication skills;
- understand financial statements, the Issuer's business (particularly in relation to the service or business operations of the Issuer), audit processes, risk management, capital markets, and the prevailing rules and regulations;
- comply with the code of ethics of the audit committee adopted by the Issuer;
- committed to enhancing their professional knowledge through education and training;
- at least one member must have an educational background in accounting and finance;
- not insiders of an accounting firm, law firm, public appraiser, or other institution that has provided assurance services, non-assurance services, appraisal services and/or other consultancy services to the Issuer within six months prior to appointment;
- not authorised or responsible to plan, direct, or control the operations of the Issuer within six months prior to their appointment, except for the independent commissioner;

- no direct or indirect shareholdings in the Issuer, and if a member acquires shares as the result of a legal action, such shares must be disposed of within six months subsequent to such acquisition;
- not affiliated with any commissioners, directors, or substantial shareholders²⁴ of the Issuer; and
- no direct or indirect business relationship with the core business of the Issuer.

Duties

The audit committee is mandated to (i) provide professional and independent advice to the BOC on reports or matters submitted by the BOD to the BOC; (ii) identify any matters which require the BOC's attention; and (iii) perform any other duties related to the duties of the BOC, including:

- reviewing financial information to be made public and/or to be provided to the relevant authorities by the Issuer, e.g. financial reports, projections, and other reports related to financial information;
- reviewing compliance of the Issuer with prevailing capital market rules and other regulations related to the operations of the Issuer;
- providing independent opinions in the event there is disagreement between the management and the accountant as regards the services provided by the accountant;
- providing recommendations to the BOC on the appointment of an accountant based on independence, scope of work, and fees;
- reviewing the conduct of audits by the internal auditor and supervising the work of the BOD in following up on the internal auditor's findings;
- reviewing the risk management conducted by the BOD (if the Issuer does not have a risk management function under the supervision of the BOC);
- reviewing any complaints related to the Issuer's accounting procedures and financial reporting;
- reviewing and providing advice to the BOC in relation to any potential conflicts of interest;
- ensuring the confidentiality of Issuer documents, data and information;
- reviewing the independence and objectivity of the public accountant;
- reviewing the adequacy of the audit conducted by the public accountant to ensure that all significant risks have been considered; and
- reviewing the effectiveness of the Issuer's internal controls.

In performing its duties, the audit committee is authorised to:

- access the Issuer's documents, data, and information in relation to employees, finances, assets and other resources;
- communicate directly with employees, including the BOD and those responsible for internal auditing, risk management and accounting in relation to the duties and responsibilities of the audit committee;
- involve independent parties external to the audit committee to assist it in the performance of its duties (if necessary); and
- carry out other duties as may be conferred by the BOC.

Meetings

The audit committee must convene a meeting at least once every three months. An audit committee meeting may only be convened if such meeting is attended by the majority of the members of the audit committee.

²⁴ "Substantial shareholder" refers to a party that directly or indirectly holds at least 20% of the voting rights in connection with a company's issued shares, or such lower percentage as may be stipulated by OJK.

The minutes of meeting must be drawn up and signed by all members of the audit committee present at the meeting. Any dissenting opinions raised during the meeting must also be included in the minutes of meeting.

Reporting

The audit committee must provide a report to the BOC for each duty assigned by the BOC to them. The audit committee must also prepare a report of its duties, to be included in the Issuer's annual report to be disclosed to the public.

Term of office

The term of office of the members of the audit committee must not be longer than the term of office of the members of the BOC as stipulated in the articles of association of the Issuer. The audit committee members may only be re-appointed once.

(c) **Internal Audit Unit**

The Issuer must establish an internal audit unit, which is the unit of the Issuer responsible for the internal audit function. The internal audit unit must consist of at least one internal auditor. If there is only one member (being the auditor), he/she will act as the head of the internal audit unit.

The head of the internal audit unit is appointed and removed by the president director, subject to the approval of the BOC.

Requirements

The requirements for an individual serving as an auditor in the internal audit unit are as follows:

- has a high level of professionalism, integrity, independence, probity, and objectivity in the performance of his/her duties;
- has knowledge and experience in audit and other relevant disciplines;
- familiar with capital market rules and other relevant regulations;
- has good interactive and communication abilities, both verbally and in writing;
- committed to complying with the professional standards issued by the Internal Audit Association;
- committed to complying with the Internal Auditors Association's code of ethics;
- committed to maintaining the confidentiality of the Issuer's information and/or data related to the internal audit unit's functions, save where disclosure is required by law or judicial order; and
- familiar with the principles of good corporate governance and risk management.

Duties and responsibilities

The duties and responsibilities of the Internal Audit Unit include:

- preparing and implementing the annual internal audit plan;
- examining and evaluating the effectiveness of the internal control and risk management system in accordance with the Issuer's policy;
- conducting audits and assessments on the efficiency and effectiveness of the Issuer's finance, accounting, operations, human resources, marketing, and information technology functions;
- providing objective advice and information on audited operations at all management levels;
- reporting audit findings and furnishing reports to the President Director and the BOC;
- monitoring, analysing and reporting on progress achieved based on recommendations made by the internal audit unit;
- working closely with the audit committee;

- developing programs to evaluate the quality of the internal audit actions performed by the internal audit unit; and
- conducting special audits, where necessary.

The Issuer must also prepare an Internal Audit Charter, which sets out the following:

- the members of the internal audit unit's structure and position;
- the duties and responsibilities of the members of the internal audit unit;
- the authority of the members of the internal audit unit;
- the code of ethics of the members of the internal audit unit, which refers to the code of ethics determined by the Indonesian Internal Audit Association;
- the qualifications to become a member of the internal audit unit;
- the accountability of the members of the internal audit unit; and
- the restriction on the members of the internal audit unit to hold any concurrent position in the execution of operational activities of the Issuer and its subsidiaries.

The Internal Audit Charter is adopted by the BOD with the approval of the BOC, in accordance with OJK Regulation No. 56/POJK.04/2015 on Internal Audit Unit Establishment and Guidelines

(d) **Corporate Secretary**

The Issuer must appoint a Corporate Secretary, whose functions must be performed by a person or a specific work unit. In the latter case, it must be headed by a corporate secretary. The corporate secretary is appointed and dismissed by virtue of a decree of the BOD. The appointment and dismissal of the corporate secretary must be reported to OJK.

The corporate secretary will have access to all relevant materials and information related to the Issuer and must be familiar with capital market regulations, particularly regarding disclosure.

Duties

Based on OJK Regulation No. 35/POJK.04/2014 on Corporate Secretary of Public Companies, the duties of the corporate secretary include:

- monitoring updates on capital markets laws and regulations;
- providing input to the BOD, the BOC, and the Issuer on capital market regulatory compliance;
- assisting the BOD and the BOC on capital market corporate governance compliance; and
- acting as a liaison between the Issuer, OJK, the public, and other stakeholders.

Specific Requirements

Other than the general requirements set out in the header "Listing on IDX", there are specific requirements that an Issuer must fulfill in order to be listed on the Main Board, the Development Board, or the Acceleration Board, as the case may be. A public company may be moved to the Watchlist Board if it hits one or more of the conditions.

Main Board, Development Board, Acceleration Board and New Economy Board

The following table sets out a comparison of the listing requirements for the Main Board, the Development Board, and the Acceleration Board. The requirements for listing on the New Economy Board are the same as those needed for listing on the Main Board.

No.	Main Board / New Economy Board	Development Board	Acceleration Board
1.	Core Business		
	The Issuer has been conducting:		
	The same core business for 36 consecutive months .	The same core business for 12 consecutive months .	Commercial operations as evidenced by it generating operating income in the latest financial year .
2.	Financial Requirements		
	The Issuer must have:		
	<p>(a) Profit before tax as at the latest financial year and net tangible assets is at least Rp250 billion;</p> <p>(b) Accumulated profit before tax for the latest two financial years is at least Rp100 billion and the share capitalisation value is at least Rp1 trillion prior to the listing date;</p> <p>(c) Operating income for the latest financial year is at least Rp800 billion and the share capitalisation value is at least Rp8 trillion prior to the listing date;</p> <p>(d) Total assets as at the latest financial year is at least Rp2 trillion and the share capitalisation value is at least Rp4 trillion prior to the listing date; or</p> <p>(e) Cumulative cash flow from operational activities for the latest two financial years is at least Rp200 billion and the share</p>	<p>(a) Net tangible assets of at least Rp50 billion;</p> <p>(b) Accumulated profit before tax for latest two financial years is at least Rp10 billion and the share capitalisation value is at least Rp100 billion prior to the listing date;</p> <p>(c) Operating income as at the latest financial year is at least Rp40 billion and the share capitalisation value is at least Rp400 billion prior to the listing date;</p> <p>(d) Total assets as at the latest financial year is at least Rp250 billion and the share capitalisation value is at least Rp500 billion prior to the listing date; or</p> <p>(e) Cumulative cash flow from operational activities for the latest two financial years is at least Rp20 billion and the share capitalisation value is at least Rp400 billion prior to the listing date.</p>	Generated operating income. While the Issuer may have booked losses, if the Issuer does not book any profit after the third year of listing, it must provide projections on how it will achieve profit by the sixth year after listing.

No.	Main Board / New Economy Board	Development Board	Acceleration Board
	capitalisation value is at least Rp4 trillion prior to the listing date.		
3.	Financial Statements		
	The financial statements of the Issuer have been audited:		
	For the past three consecutive years , and the past two audited financial statements and the latest audited interim financial statements have obtained unqualified opinions.	For the past one year and the latest audited interim financial statements (if any) have obtained an unqualified opinion.	For the past one year or during establishment (if the Issuer has not existed for a year), have obtained an unqualified opinion.
4.	Shareholding Proportions		
	The number of shares held by non-controlling and non-principal shareholders after the IPO prior to the listing must:		
	Be at least 300 million shares and account for at least: (a) 20% of the total paid-up capital of the Issuer with a total equity prior to the IPO of less than Rp500 billion; (b) 15% of the total paid-up capital of the Issuer with a total equity prior to the IPO of between Rp500 billion and Rp2 trillion; or (c) 10% of the total paid-up capital of the Issuer with a total equity prior to the IPO of more than Rp2 trillion.	Be at least 150 million shares and account for at least: (a) 20% of the total paid-up capital of the Issuer with total equity prior to the IPO of less than Rp500 billion; (b) 15% of the total paid-up capital of the Issuer with total equity prior to the IPO of between Rp500 billion and Rp2 trillion; or (c) 10% of the total paid-up capital of the Issuer with total equity prior to the IPO of more than Rp2 trillion.	At least constitute 20% of the Issuer's paid-up and issued capital.
5.	Shareholder Spread		
	The Issuer must have at least:		
	1,000 shareholders who hold securities accounts with stock exchange members.	500 shareholders who hold securities accounts with stock exchange members.	300 shareholders who hold securities accounts with stock exchange members.

Watchlist Board

A public company may be included in the Watchlist Board if it hits one or more of the following conditions:

- (a) the average price of stocks in the last six months on the regular and/or regular periodic call auction market is less than Rp51.00;
- (b) the latest audited financial statements received a disclaimer opinion;
- (c) no revenue or there is no change in revenue in the latest audited financial statements and/or interim financial statements compared to the previously submitted financial statements;
- (d) it is a mining company or the parent of a mining company that has not generated any revenue from its core business until the 4th fiscal year since its listing on IDX;
- (e) has negative equity in the latest financial statement;
- (f) does not meet the requirements to remain listed on IDX;
- (g) has low liquidity with an average daily transaction value of stocks less than Rp5 million and an average daily transaction volume of stocks less than 10,000 shares during the last six months in regular and/or regular periodic call auction market;
- (h) it is facing an application of suspension of debt payment obligations, bankruptcy, or homologation cancellation;
- (i) it has a subsidiary company with material revenue contribution that is facing an application of suspension of debt payment obligations, bankruptcy, or homologation cancellation;
- (j) subjected to temporary suspension for more than one exchange day due to trading activities; and/or
- (k) other conditions as may be determined by IDX after obtaining approval or order from OJK.

IDX Listing Fees

Equity securities to be listed on the Main Board are subject to a minimum fee of Rp25 million and a maximum fee of Rp250 million, and on the Development Board to a minimum fee of Rp25 million and a maximum fee of Rp150 million, in both cases based on a fee of Rp1 million for every increase of Rp1 billion in the shares capitalisation value. Equity securities listed on the Acceleration Board are subject to a fixed fee of Rp25 million.

Conclusion

It is highlighted that the OJK and IDX are supportive of and developing the capital markets in Indonesia and have, amongst others, implemented measures such as establishing new listing boards catered for tech startup companies and developing companies with promising growth prospects. While IDX can only list shares of limited liability companies established and existing under the laws of Indonesia and currently only allows offshore companies to list foreign depositary receipts, Indonesia is still an attractive listing venue for listing aspirants and the country will continue to develop the regulatory framework to suit the needs of the market. For instance, OJK recently promulgated Law No. 4 of 2023 on Financial Sector Development and Reinforcement ("**PPSK Law**") which recognises financial instrument managers in the form of special purpose vehicle (SPV) or a trust fund manager (trustee). Previously, Indonesian law did not recognise the concept of trust and separation of beneficial and legal ownership (except for trustees to debt securities). The PPSK Law has also redefined "securities" to include digital investment contracts to keep abreast with technological innovation in the market.

Selected Deals (as of 18 December 2023)

We are pleased to present a snapshot of a few of the key transactions that we have assisted with:

- Acted as Indonesian legal counsel for CLSA Limited, DBS Bank Ltd, Jefferies Singapore Limited, ING Bank N.V and PT BNI Sekuritas, PT Mandiri Sekuritas, PT DBS Vickers Sekuritas Indonesia, and PT CLSA Sekuritas Indonesia in the IPO of PT Amman Mineral Internasional Tbk and listing of 6,328,208,800 new ordinary shares on the IDX Main Board which included a Regulation S and 144A offering for foreign investors, raising proceeds of Rp10,726 trillion. **This deal won the IPO Deal of the Year by the ALB Indonesia Law Awards 2023.**
- Acted as Indonesian legal counsel in the IPO of PT Mastersystem Infotama Tbk and listing of 470,823,600 new ordinary shares on the IDX Main Board which included a Wrap Regulation S offering for foreign investors, raising proceeds of Rp637,96 billion.
- Acted as legal counsel in the IPO of PT Barito Renewables Energy Tbk and listing of 4.015 billion new ordinary shares on the IDX Main Board, raising proceeds of Rp3,131 trillion.

MALAYSIA – GUIDE TO LISTING A COMPANY ON BURSA MALAYSIA SECURITIES BERHAD



This section gives an overview of the process and requirements involved in the listing and initial public offering ("IPO") of a company on the Main Market, ACE Market and LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). It is cast in general terms and not exhaustive. Detailed advice must be sought on specific situations or queries.

Why Bursa Securities

- **A regional listing hub.** Malaysia is ranked as the world's 12th easiest place to do business in the World Bank Doing Business 2020 Report.²⁵ Almost 1,000 companies from a wide range of business sectors have successfully made the transition to access public equity financing.²⁶
- **Efficient access to capital and investments.** Bursa Securities operates a fully-integrated exchange that offers a comprehensive range of products, including equities, derivatives, offshore and Islamic products as well as exchange-related services such as trading, clearing, settlement and depository services.²⁷
- **A dynamic global Islamic capital market.** Bursa Securities is the largest global Shariah-compliant stock market. 76.2% of the securities listed on Bursa Securities in 2022 are Shariah-compliant, representing 78.1% of the total market capitalisation.
- **A solid and sound regulatory regime.** Bursa Securities has put in place a regulatory regime that aims to offer a trusted platform to reach a global investor base that will help fuel regional and global business growth. Bursa Securities ranks high in corporate governance and investor protection.²⁸

²⁵ This Report can be accessed [here](#).

²⁶ [Listing on Bursa Securities: Your Listing Destination](#), available on the [Bursa Securities website](#) (accessed on 3 January 2024).

²⁷ *Ibid.*

²⁸ *Ibid.*

Overview of Bursa Securities: Main Market, ACE Market and LEAP Market

- Bursa Securities currently offers three listing platforms: Main Market, ACE (Access, Certainty, Efficiency) Market and LEAP (Leading Entrepreneur Accelerator Platform) Market.

Main Market

The Main Market is the prime market for established companies that have met the standards in terms of quality, size and operations. Companies seeking listing on the Main Market must demonstrate that they have achieved the minimum profit track record or minimum size as measured by market capitalisation or have the right to build and operate an infrastructure project with the required minimum project costs and remaining concession or licence period.

ACE Market

ACE Market is a sponsor-driven market designed for companies with growth prospects. Sponsors must assess suitability of the potential issuers, taking into consideration attributes such as business prospects, corporate conduct and adequacy of internal control.

LEAP Market

LEAP Market is an adviser-driven market which aims to provide emerging companies (including small- and medium-sized enterprises) with greater fund-raising access and viability via the capital market. LEAP Market is accessible only to sophisticated investors.

- The procedures and requirements for Main Market listings are principally governed by the Equity Guidelines issued by the Securities Commission of Malaysia ("**SC**") and the Main Market Listing Requirements of Bursa Securities ("**Main Market LR**"), while listings on the ACE Market and the LEAP Market are governed by the ACE Market Listing Requirements ("**ACE Market LR**") and the LEAP Market Listing Requirements ("**LEAP Market LR**"), respectively. The Capital Markets and Services Act 2007 ("**CMSA**") regulates matters relating to the activities, markets and intermediaries in the capital markets.
- Special purpose acquisition companies (SPACs), real estate investment trusts ("**REITs**") and business trusts ("**BTs**") may also apply for admission to the Official List of the Main Market (but not the ACE Market or the LEAP Market). Other than the general guidelines and regulations applicable to all listings, REITs are also governed by SC's Guidelines on Real Estate Investment Trusts, while BTs are governed by SC's Business Trusts Guidelines. Local BTs must be registered with SC and foreign BTs must be recognised by SC.

Quantitative Listing Requirements

The following table sets out a comparison of the quantitative listing requirements of the Main Market, ACE Market and LEAP Market.

	Main Market	ACE Market	LEAP Market
Quantitative criteria	<p>The issuer should satisfy any one of the following tests for listing:</p> <p>(a) Profit Test</p> <ul style="list-style-type: none"> Uninterrupted profit of three to five full financial years based on the audited financial statements prior to submission to SC, with an aggregate after-tax profit of at least RM20 million and an after-tax profit for the most recent financial year of at least RM6 million; and Issuer/corporation within the group which is the single largest contributor to the after-tax profits for the most recent three full financial years, on an average basis, based on the audited financial statements, must have been operating in the same core business over at least the period of the last three to five financial years prior to submission to SC. <p>(b) Market Capitalisation Test</p> <ul style="list-style-type: none"> Market capitalisation of at least RM500 million upon listing, calculated based on the issue or offer price as stated in the listing prospectus and post-listing enlarged issued and paid-up share capital; and Issuer/corporation within the group representing 	No minimum operating track record or profit requirement.	No minimum operating track record or profit requirement.

	Main Market	ACE Market	LEAP Market
	<p>the core business must have been incorporated and generated operating revenue for at least one full financial year based on the audited financial statements prior to submission to SC.</p> <p>(c) Infrastructure Project Corporation Test</p> <ul style="list-style-type: none"> • Possesses right to build and operate an infrastructure project within or outside Malaysia, with project costs of not less than RM500 million; and • The concession or licence for the infrastructure project is awarded by a government or a state agency, in or outside Malaysia, with a remaining concession or licence period of at least 15 years from the date of submission to SC. • SC may consider the listing proposal by an applicant with a shorter remaining concession or licence period from the date of the submission to SC, if the applicant fulfils the profit requirements under the Profit Test. 		

	Main Market	ACE Market	LEAP Market
Financial position and liquidity	<ul style="list-style-type: none"> Sufficient level of working capital for at least 12 months from the date of prospectus; Positive cash flow from operating activities for listing via profit test and market capitalisation test; and No accumulated losses based on its latest audited financial statements for listing via profit test as explained under the Quantitative Criteria above. 	Sufficient level of working capital for at least 12 months from the date of prospectus.	Not applicable.
Public²⁹ shareholding spread	<ul style="list-style-type: none"> At least 25% of the total listed shares of the issuer has to be in the hands of a minimum of 1,000 public shareholders holding not less than 100 shares each at admission; and Post listing, at least 25% of the total listed shares of the issuer (excluding treasury shares) has to be in the hands of public shareholders. 	<ul style="list-style-type: none"> At least 25% of the total listed shares of the issuer has to be in the hands of a minimum of 200 public shareholders holding not less than 100 shares each at the point of admission; and Post listing, at least 25% of the total listed shares of the issuer (excluding treasury shares) has to be in the hands of public shareholders. 	At least 10% of the total listed shares of the issuer has to be in the hands of public shareholders at the point of admission.
Approval	The listing has to be approved by both SC and Bursa Securities.	Only the approval of Bursa Securities is necessary.	Only the approval of Bursa Securities is necessary.
Native (Bumiputera) equity requirement	Allocation of 50% of the public shareholding spread (i.e. 12.5% of the enlarged issued and paid-up share capital) to Malaysian Bumiputra investors.	<ul style="list-style-type: none"> No requirement at the point of listing. Allocation of 50% of the public shareholding spread (i.e. 12.5% of the enlarged issued and paid-up share capital) to Malaysian Bumiputra investors recognised by the Ministry of Investment, Trade and Industry, within one year after achieving Main Market profit track record, or five years after being listed on the ACE Market, whichever occurs earlier. 	No requirement at the point of listing.

²⁹ "Public" refers to persons other than directors, substantial shareholders, or controlling shareholders of the issuer and its subsidiaries and their respective associates, as defined in the Main Market LR and the ACE Market LR.

Other Admission Requirements

	Main Market	ACE Market	LEAP Market
IPO document	<ul style="list-style-type: none"> • Issuer must produce a prospectus which complies with the CMSA, SC's Prospectus Guidelines ("Prospectus Guidelines") and SC's Equity Guidelines. • The prospectus needs to be registered with SC. • SC reviews the prospectus for disclosure compliance concurrently with the issuer's corporate proposal seeking SC's approval for listing. • Principal Adviser will assess the suitability of an applicant seeking listing on the Main Market of Bursa Securities. 	<ul style="list-style-type: none"> • Issuer must produce a prospectus which complies with the CMSA and the Prospectus Guidelines. It will also include statements that the issuer is listing on an alternative market designed primarily for emerging corporations that may carry higher investment risk when compared with larger or more established corporations listed on the Main Market, and its listing is an exempt transaction under the CMSA and is therefore not subject to SC's approval. • The prospectus is to be submitted to Bursa Securities at a practicable date that allows sufficient time for Bursa Securities to vet the registrable prospectus. • Sponsor will provide confirmation that the listing applicant is suitable for listing and complies with the ACE Market LR, subject to the oversight of Bursa Securities. 	<ul style="list-style-type: none"> • Issuer must produce an information memorandum which complies with the CMSA and Appendix 3A of the LEAP Market LR. • The information memorandum is to be submitted to Bursa Securities at a practicable date that allows sufficient time for Bursa Securities to vet the information memorandum. • An approved adviser ("Approved Adviser") will provide confirmation that the listing applicant is suitable for listing and complies with the LEAP Market LR, subject to the oversight of Bursa Securities.
Sponsor requirement	<ul style="list-style-type: none"> • No sponsor requirement. • Issuer will be admitted through a listing process managed by principal adviser recognised by SC under the SC's Licensing Handbook ("Recognised Principal Adviser"). 	<ul style="list-style-type: none"> • Issuer to be admitted by a sponsor ("Sponsor"). The Sponsor must be named in its offer document and all public documents during the three-year sponsorship period. • Post-IPO, the issuer must retain a sponsor at all times for at least three full financial years after its admission to the Official List or at least one full financial year after the applicant has generated operating revenue, whichever is later. • Further, the issuer's Sponsor who submitted its application for admission to 	<ul style="list-style-type: none"> • Issuer to be admitted by an Approved Adviser. The Approved Adviser must be named in its offer document and all public documents during the three-year advisory period. • Post-IPO, the issuer must retain an adviser authorised by Bursa Securities to carry out only post-listing activities ("Continuing Adviser") at all times for at least three full financial years after its admission to the

	Main Market	ACE Market	LEAP Market
		<p>the Official List shall act as the Sponsor of the said issuer for at least one full financial year following the application's admission to the ACE Market, after which the Sponsor may resign or its appointment may be terminated by the issuer, subject to the prior notification to/approval of Bursa Securities. If approved, the issuer has three months to find a replacement sponsor, or face suspension by Bursa Securities. It will be automatically de-listed after two months following the expiry of the said three months.</p> <ul style="list-style-type: none"> ACE Market corporations that have met the Main Market admission criteria is required to have a sponsorship for one full financial year. 	<p>LEAP Market, or at least one full financial year after the applicant has generated operating revenue, whichever is later.</p> <ul style="list-style-type: none"> The issuer's Approved Adviser who submitted its application for admission to the LEAP Market must act as its Continuing Adviser for at least one full financial year following the issuer's admission, after which the Sponsor may resign or its appointment may be terminated by the issuer. The issuer has three months to find a replacement Continuing Adviser, or face suspension by Bursa Securities. It will be automatically de-listed after three months following the expiry of the said three months.
Directors	<ul style="list-style-type: none"> There must be at least two directors or 1/3 of the board of directors, whichever is the higher, who are independent directors of the issuer. There is no requirement imposed on these independent directors to be residents in Malaysia. The board of directors should comprise at least one woman director. 	<ul style="list-style-type: none"> There must be at least two directors or 1/3 of the board of directors, whichever is the higher, who are independent directors of the issuer. There is no requirement imposed on these independent directors to be residents in Malaysia. The board of directors should comprise at least one woman director. 	<ul style="list-style-type: none"> Not a requirement to have independent directors.
Accounting standards	<ul style="list-style-type: none"> For primary listings: Financial statements to be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"). For secondary listings: Financial statements to be 	<ul style="list-style-type: none"> Financial statements to be prepared in accordance with the MFRS. 	<ul style="list-style-type: none"> Financial statements to be prepared in accordance with the MFRS.

	Main Market	ACE Market	LEAP Market
	compliant with the International Financial Reporting Standards. These have to be reconciled with the MFRS.		
Restriction on specified shareholders³⁰/ promoters³¹ making an offer for sale of shares	<ul style="list-style-type: none"> There are no restrictions on the specified shareholders making offer for sale of their own shares at the time of the IPO. 	<ul style="list-style-type: none"> At the time of the IPO, specified shareholders are only allowed to offer their shares for sale if: <ol style="list-style-type: none"> the issuer has generated one full financial year of operating profit based on the latest audited financial statements; and such sale will not cause their aggregate shareholding to fall below 45% of the total number of issued ordinary shares at the time of listing. 	<ul style="list-style-type: none"> At the time of the IPO, promoters are only allowed to offer their shares for sale if: <ol style="list-style-type: none"> the issuer has generated one full financial year of operating profit based on the latest audited financial statements; the promoters are corporations undertaking venture capital or private equity activity and registered with SC pursuant to the SC's Guidelines on the Registration of Venture Capital and Private Equity Corporations and Management Corporations; and such sale will not cause their aggregate shareholding to fall below 45% of the enlarged number of issued shares at the time of listing.
Moratorium	<ul style="list-style-type: none"> For Main Market issuers who are qualified under 	<ul style="list-style-type: none"> The specified shareholders' entire shareholding (at the 	<ul style="list-style-type: none"> The promoters' entire shareholding (at the

³⁰"Specified shareholders" of an issuer, defined pursuant to the Main Market LR and ACE Market LR, means a controlling shareholder, a person connected to a controlling shareholder, and an executive director who is a substantial shareholder, of the applicant or listed corporation, or any other person as specified by Bursa Securities.

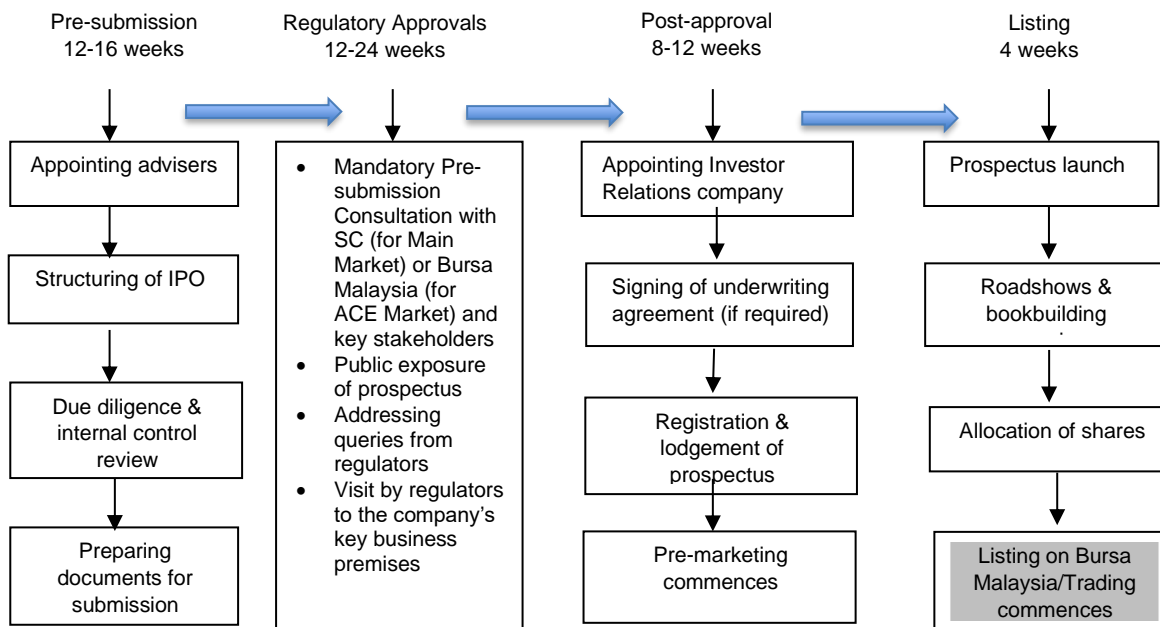
³¹"Promoters" has the same definition as "specified shareholders" as defined pursuant to the Main Market LR and ACE Market LR.

	Main Market	ACE Market	LEAP Market
	<p>the Profit Test or Market Capitalisation Test, the specified shareholders' entire shareholding (at the time of listing) shall be subject to lock-up for the first six months after listing.</p> <ul style="list-style-type: none"> For Main Market issuers who are qualified under the Infrastructure Project Corporation Test, the shareholders' entire shareholding (at the time of listing) shall be subject to lock-up for the first six months after listing. Thereafter, the moratorium will be lifted if the infrastructure project has generated one full financial year of audited operating revenue. For an infrastructure project corporation which has yet to generate such revenue, the promoters must retain their shareholdings amounting to 45% of the total number of issued shares of the issuer until after the issuer has achieved one full financial year of audited operating revenue. 	<p>time of listing) shall be subject to lock-up for the first six months after listing. Upon the expiry of the first six-month moratorium period, the specified shareholders' aggregate shareholding amounting to at least 45% of the total number of issued ordinary shares of the issuer shall be subject to lock-up for the next six months.</p> <ul style="list-style-type: none"> Thereafter, the specified shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of the shares held under moratorium after the issuer has generated one full financial year of operating revenue based on its latest audited financial statements. 	<p>time of listing) shall be subject to lock-up for the first 12 months after listing. Upon the expiry of the first 12-month moratorium period, the promoters' aggregate shareholding amounting to at least 45% of the total number of issued ordinary shares of the issuer shall be subject to lock-up for the next 36 months.</p> <ul style="list-style-type: none"> Thereafter, the promoters may sell, transfer or assign the shares held under moratorium after the issuer has generated one full financial year of operating revenue based on its latest audited financial statements.
Minimum issue price	RM0.50 per share	None	None

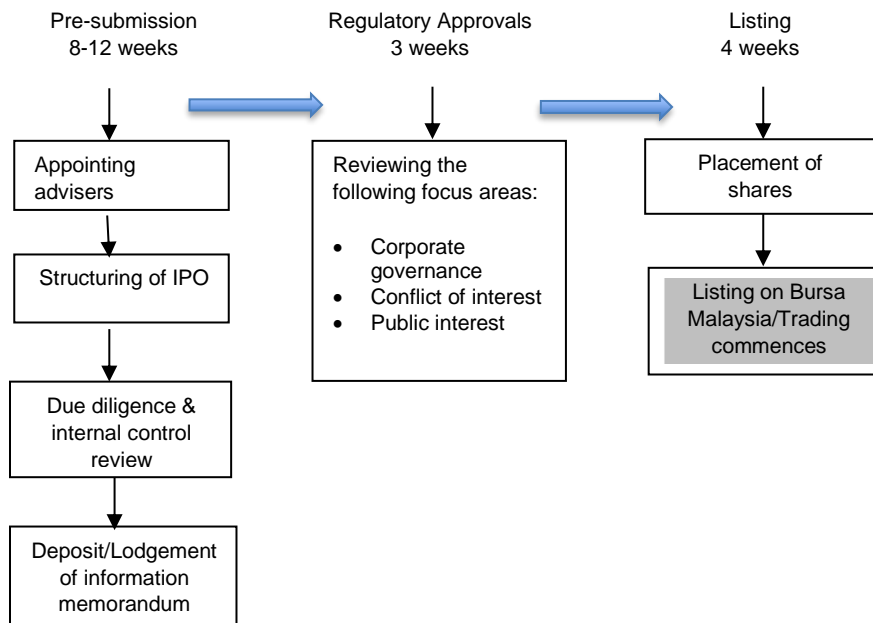
Listing Timeline

The listing process (from the time the issuer engages an adviser to the day of listing) will normally take four to 12 months, depending on the structure and complexity of the listing scheme. Upon approval, the issuer will be given six months to complete the IPO exercise. The conceptual timeline for the listing process is as follows:

Listing Process for the Main Market and ACE Market³²



Listing Process for LEAP Market³³



Bursa Securities Listing Fees

The costs of raising equity through an IPO vary for the Main Market and ACE Market. In general, the total listing costs for ACE Market may range from RM2 million to RM5 million. The listing costs for the Main Market are usually above RM3 million, depending on the size and complexity of the case as well as the amount to be raised.

³² [Listing on Bursa Securities: Listing Process](#), available on the [Bursa Securities website](#) (accessed on 3 January 2024).

³³ *Ibid.*

Some of the key components in the total IPO expenses are:

- (a) Professional fees, depending on the size and complexity of the case and subject to negotiation;
- (b) Underwriting, placement and brokerage fees, which generally range from 1% to 3% of the value of the shares, subject to negotiation; and
- (c) Regulatory fees payable to the relevant authorities, with computation based on the table below³⁴:

	Main Market		ACE Market	LEAP Market	
	Securities Commission Malaysia	Bursa Malaysia	Bursa Malaysia	Securities Commission Malaysia	Bursa Malaysia
Processing fee	RM80,000 + 0.05% of the total market value of securities to be listed and nominal value of any additional securities issued or to be issued <ul style="list-style-type: none"> • Maximum of RM800,000 (inclusive of fees for review of asset valuation, if any) 	-	RM30,000	-	RM9,000
Fee for registration of prospectus	RM15,000	-	RM15,000	-	-
Fee for lodgement of information memorandum	-	-	-	RM500	-
Initial listing fee	-	0.01% of the total market value of share capital <ul style="list-style-type: none"> • Minimum of RM20,000 • Maximum of RM200,000 	0.01% of the total market value of share capital <ul style="list-style-type: none"> • Minimum of RM10,000 • Maximum of RM20,000 	-	RM3,000
Annual listing fee	-	0.0025% of the total market value of share capital <ul style="list-style-type: none"> • Minimum of RM20,000 	0.012% of the total market value of share capital <ul style="list-style-type: none"> • Minimum of RM10,000 	-	RM5,000

³⁴ [Listing on Bursa Securities: Cost of Listing](#), available on the [Bursa Securities website](#) (accessed on 3 January 2024).

	Main Market	ACE Market	LEAP Market
	<ul style="list-style-type: none"> Maximum of RM100,000 	<ul style="list-style-type: none"> Maximum of RM20,000 	

Conclusion

The Malaysia government is supportive of the capital markets in Malaysia and has, among other things, implemented measures such as the reduction of stamp duty for share trading and secondary trading in the private market, while the stamp duty cap is maintained at RM1,000 for each contract. SC is also seeking to introduce a streamlined transfer mechanism that will enable qualifying ACE Market companies to transfer to the Main Market from 2024. The foregoing initiatives will stimulate the market and enhance its attractiveness for listing in Malaysia, and the increased market liquidity will attract more domestic and foreign funds to the Malaysian stock market.

Selected Deals (as of 31 December 2023)

We are pleased to present a snapshot of a few of the key transactions that our lawyers were involved in:

- Being part of the team which acted as the underwriter's counsel for the relisting of DXN Holdings Bhd on the Main Market, which involved an offering of 932.68 million shares at an issue/offer price of RM0.69 per issue/offer share, raising approximately RM0.66 billion, with market capitalisation of about RM 3.4 billion. The IPO of the health-oriented and wellness consumer products company is the biggest IPO in Malaysia for year 2023.
- Advised Kumpulan Kitacon Berhad, the first IPO on the Main Market for year 2023, with the listing of 138,588,500 ordinary shares on the Main Market at an issue/offer price of RM0.68 per issue/offer share, raising nearly RM52 million.
- Advised Edelteq Holdings Berhad in its IPO and listing of 143,200,000 ordinary shares on the ACE Market at an issue/offer price of RM0.24 per issue/offer share, raising approximately RM24 million.
- Being part of the team which acted as the issuer's counsel for Farm Fresh Berhad in its IPO and listing of 1.86 billion shares on the Main Market at an issue/offer price of RM1.35 per issue/offer share, raising approximately RM 1 billion, and with market capitalisation of RM2.5 billion upon listing. This is the biggest IPO in Malaysia for 2022.
- Being part of the team which acted as the underwriter's counsel for the IPO of Aurelius Technologies Berhad on the Main Market in 2021, which involved an offering of 103.87 million ordinary shares at an issue/offer price of RM1.36 per issue/offer share, raising approximately RM141 million. Aurelius is one of the leading electronic manufacturing service providers in Malaysia.
- Being part of the team which acted as the issuer's counsel for CTOS Digital Berhad in its IPO which involved the public issue of 200 million new shares on the Main Market and an offer-for sale allocation of 900 million existing shares at an issue/offer price of RM1.10 per issue/offer share, raising approximately RM 1.2 billion, with market capitalisation of RM2.4 billion upon listing. This is the biggest IPO in Malaysia for 2021, and the largest ever technology IPO in Malaysia at the time.
- Being part of the team which acted as the underwriter's counsel for the IPO of Mr D.I.Y Group (M) Berhad on the Main Market, which involved an offering of 941.49 million shares at an offer price of RM1.60 per issue/offer share. The IPO of Malaysia's largest home improvement retailer raised RM1.5 billion from the market, which translated to a market capitalisation of approximately RM10 billion. This is the biggest IPO in Malaysia for 2020, marking the largest listing in Malaysia in three years.

THAILAND – GUIDE TO LISTING A COMPANY ON THE STOCK EXCHANGE OF THAILAND



This section gives an overview of the process and requirements involved in the initial public offering ("IPO") and the listing of a company on the Stock Exchange of Thailand ("SET"), the Market for Alternative Investment ("MAI") as well as the new exchange for small and medium enterprises ("SMEs") and startups which was newly introduced by SET, namely "LiVE Exchange". It is cast in general terms and not exhaustive. Detailed advice must be sought on specific situations or queries.

Why SET, MAI and LiVE Exchange

- **Gain access to fundraising** through SET, MAI and LiVE Exchange from strong investor demand and enhance the company's credibility and public recognition.
- **Attractive regulatory scheme** for both Thai and foreign companies to list their securities on SET, MAI or LiVE Exchange.
- **Easy communication with regulators and exchange** through the international standard of laws and regulations, with friendly and supportive services.

Overview of SET, MAI and LiVE Exchange

- A securities trading hub in Thailand with developed and reliable trading systems with the required trading facilities.
- It provides a variety of products and opportunities for each business sector.
- The international standard of operation systems and services ensures trading proficiency and competence while providing businesses relating to the securities exchange such as a clearing house, securities depository centre, securities registrar, or similar activities.
- SET is member of international organisations, i.e. Asian and Oceanian Stock Exchanges Federation (AOSEF), International Organization of Securities Commissions (IOSCO) and World Federation of Exchanges (WFE).

- SET, MAI and LiVE Exchange were established under the Thai securities law. The purpose of MAI is to be a trading centre of smaller sized public companies that cannot yet be listed on SET due to its size of capital. LiVE Exchange is a new exchange which has just been introduced in 2022. LiVE Exchange serves as an alternative fund-raising platform for SMEs, including startup operators. At present, there are three listed companies on LiVE Exchange.

Listing Requirements of SET and MAI

The following table sets out a comparison of the quantitative listing requirements of SET and MAI.

		SET	MAI
Primary qualification		<ul style="list-style-type: none"> • Must be a public limited company or corporation established under special law • IPO Approval granted by the Securities and Exchange Commission ("SEC") 	
Paid-up capital (after IPO)		Minimum paid up capital of THB 300 million	Minimum paid up capital of THB 50 million
Financial condition and liquidity		<ul style="list-style-type: none"> • Must have a minimum total shareholder equity of THB 300 million and total shareholder equity more than 0 before the public offering; and • Must be in a stable and healthy financial condition and have sufficient working capital. 	<ul style="list-style-type: none"> • Must have a minimum total shareholder equity of THB 50 million and total shareholder equity more than 0 before the public offering; and • Must be in a stable and healthy financial condition and have sufficient working capital.
Track Record	Profit Test	<ul style="list-style-type: none"> • Must have the following net profit characteristics: <ol style="list-style-type: none"> (a) Combined minimum net profits from operations of THB 50 million over the past two or three years; and (b) Minimum net profits from operations of THB 30 million for the latest full year, and there must be an accumulated net profit in the period prior to the filing of an application • At least three years of operating track record under at least one year of the same management prior to the application date 	Net profits from operations of THB 10 million for the latest full year, and there must be an accumulated net profit in the period prior to the filing of an application
	Market Capitalisation Test³⁵	<ul style="list-style-type: none"> • Operating business in prescribed industries³⁶ • Being promoted by the Board of Investment ("BOI") under the laws 	None, the market capitalisation test is no longer applicable for listing in MAI.

³⁵ Market Capitalisation Test is based on (i) IPO price: the candidate applies for listing within one year from the last date of its IPO and (ii) Fair price determined by financial advisor: the candidate applies for listing more than one year from the last date of its IPO.

³⁶ "**prescribed industries**" means targeted industries or technology and innovation development industries pursuant to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Targeted Industries or Technology and Innovation Development Industries which may apply for the Listing of Ordinary Shares as Listed Securities by virtue of Operating Results based on Market Capitalisation Test.

	SET	MAI
	<p>on investment promotion for the operation of business in prescribed industries³⁷</p> <ul style="list-style-type: none"> • Market capitalisation of not less than THB 7.5 billion • At least three years of operating track record under at least one year of the same management prior to the application date at all times up to the date of approval as listed securities • Having the majority of operating income from operating business in prescribed industries prior to the application date at all times up to the date of approval as listed securities • Showing in the filing that there is sufficient working capital for the operation within the subsequent 12 months from the date such filing becomes effective 	
Operation and Management	<ul style="list-style-type: none"> • In operation for at least three years prior to the application date • Same group of company management for at least one year prior to the application date 	<ul style="list-style-type: none"> • In operation for at least two years prior to the application date • Same group of company management for at least one year prior to the application date
Number of minority Shareholding	Not fewer than 1,000 shareholders	Not fewer than 300 shareholders
Proportion of minority shareholding	<ul style="list-style-type: none"> • Each of shareholders must hold shares not less than one trading unit³⁸ as prescribed by SET for the trading of ordinary shares • Hold not less than 25% of paid-up capital (or not less than 20% of paid-up capital for companies with paid-up capital not less than THB 3,000 million) 	

There are specific qualifications for certain businesses (e.g. companies engaging in infrastructure projects, holding companies, companies engaging in renewable power generation, real estate investment trusts, infrastructure funds, etc).

Listing Requirements of LiVE Exchange

The key listing requirements of LiVE Exchange are as follows:

(a) must be a public limited company which has one of the following characteristics:

³⁷ If the candidate operates promoted business which is not an A1 or A2 business activities pursuant to the announcement of BOI under the laws on investment promotion in prescribed industries, operating income for the latest year shall not be less than THB 5,000 million, and such income shall continuously increase within the latest two years at the average rate of not less than 20 percent at all times up to date of IPO Approval.

³⁸ For shares with closing price of less than THB 500, the trading unit is 100 shares. For shares with closing price not less than THB 500 for a period of six months consecutively, the trading unit is 50 shares (<https://www.set.or.th/en/market/information/trading-procedure/trading-units-tick-sizes-price-limits>).

- qualified as a Medium-Sized Enterprise³⁹ or larger than Medium-Sized Enterprise; or
 - has been invested by a venture capital or private equity before the IPO;
- (b) must have obtained an approval from SEC for the offering of shares to the public, and a draft prospectus has become effective; and
- (c) all management of the issuer have completed the training course in preparation to participate in the capital market as approved by SEC.

Other Admission Requirements of SET and MAI

	Public Offering	
IPO document	<ul style="list-style-type: none"> • Issuer must file (i) an application for the offering of shares to the public; and (ii) a draft registration statement and a draft prospectus which comply with the SEC Act and SEC Rules and Regulations. • SEC Office reviews the registration statement and prospectus for disclosure compliance. • Offering of securities is allowed when (i) the application for offering of shares to the public; and (ii) a draft registration statement and a draft prospectus have become effective. 	
	<ul style="list-style-type: none"> • The IPO process and listing process can start at the same time. 	
Sponsor requirement	<ul style="list-style-type: none"> • No sponsor requirement 	
Number of shares cumulatively offered for sale in SET	Paid-up capital is less than THB 500 million	Not less than 15% of paid-up capital
	Paid-up capital is not less than THB 500 million	Not less than 10% of paid-up capital or THB 75 million in shares, whichever is higher
Number of shares cumulatively offered for sale in MAI	Not less than 15% of paid-up capital	
Public offering procedure	Offering through an underwriter	
Director	<ul style="list-style-type: none"> • A director shall have the prescribed qualifications, and shall not have prohibited characteristics as set out in the SEC Act and SEC Rules, and Regulations. • More than 1/3 of directors must be Independent Directors⁴⁰ and there must be at least three Independent Directors. • At least three of the directors are Audit Committee members. The Audit Committee members must be Independent Directors.⁴¹ 	

³⁹ "Medium-Sized Enterprise" means a medium-sized enterprise according to laws on the Small and Medium Enterprises Promotion. Under Clause 3 of the Ministerial Regulation on the Designation of the Characteristics of Small and Medium Enterprises Promotion Act B.E. 2562 (2019), medium enterprises mean:

(1) enterprises which operate product manufacturing business which: (i) hire more than 50 employees but not exceeding 100 employees; or (ii) has an annual revenue of more than THB 100 million but not exceeding THB 500 million; or

(2) enterprises which are service providers, wholesalers, or retailers which: (i) hire more than 30 employees but not exceeding 100 employees; or (ii) has an annual revenue of more than THB 50 million but not exceeding THB 300 million.

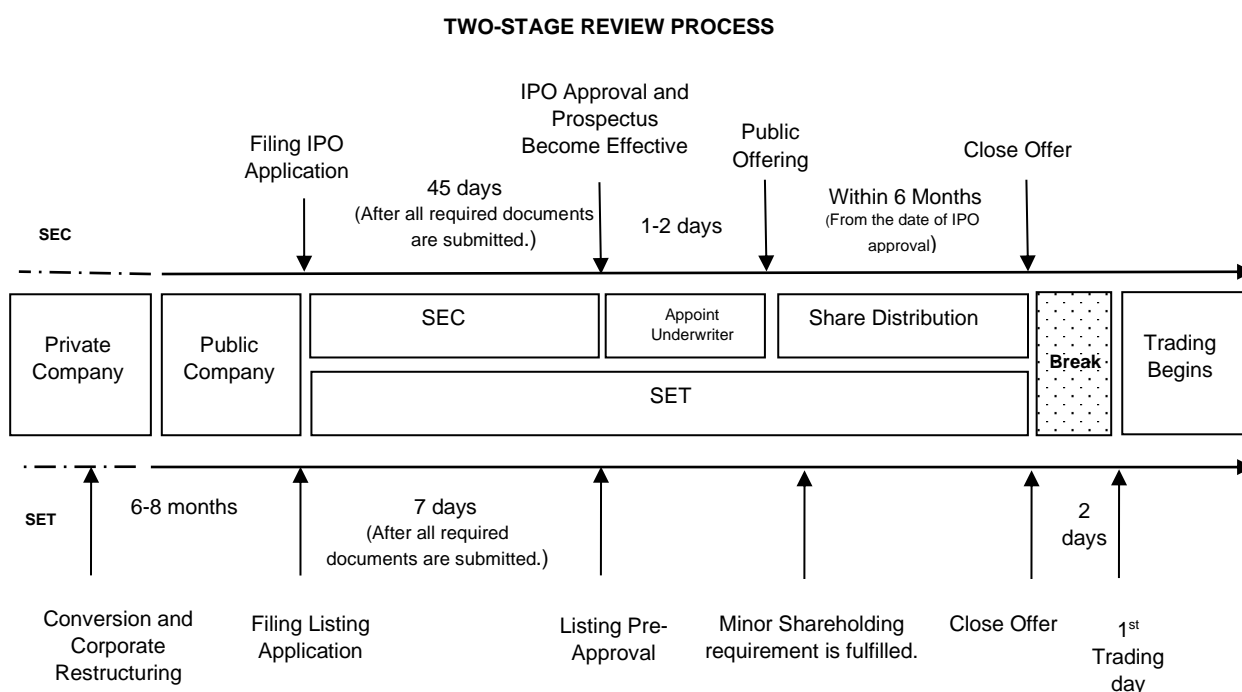
⁴⁰ Independent Directors shall have qualifications as specified by the SEC Rules and Regulations.

⁴¹ Audit Committee shall have qualifications as specified by the SEC Rules and Regulations.

Public Offering	
Financial Statements and Auditors	<ul style="list-style-type: none"> Must ensure that the financial statements have been prepared in accordance with the SEC Rules and Regulations Must have an auditor approved by SEC (list of qualified auditors can be obtained from www.sec.or.th)
Restriction on promoter	<ul style="list-style-type: none"> There are no restrictions on the promoters' sale of vendor shares at the time of IPO.
Corporate governance and internal control	<ul style="list-style-type: none"> Must demonstrate good corporate governance practice and have a qualified audit committee as specified by SET
Moratorium	<ul style="list-style-type: none"> Shares held by the following persons shall be subject to lock-up for one year from the first trading date: <ol style="list-style-type: none"> a person who takes part in the management of the application; and other shareholders (in the case where a person under (a) holds shares in aggregate lower than 55% of issuer's paid-up capital after IPO completion). 25% of locked up shares are allowed to sell on every six months after the first trading date.

Listing Timeline

A well-run, reasonably simple IPO can be completed in approximately eight to 12 months from the transformation of the entity from a private company to a public company. Larger, more complex IPOs typically take anything up to a year, or even two years in certain cases.



SET Listing Fees

Equity securities to be listed on SET are subject to:

- (a) an application fee of THB 50,000;
- (b) an initial listing fee of 0.05% of the paid-up capital, with a minimum fee of not less than THB 100,000 and a maximum fee of not exceeding THB 3 million; and
- (c) an annual fee (with minimum of THB 50,000 and maximum of THB 3 million) based on a regressive rate with the level of paid-up capital as follows:

Paid-up Capital	Fee
Not exceeding THB 200 million	0.035% of the paid-up capital
More than THB 200 million but not exceeding THB 1 billion	0.030% of the paid-up capital
More than THB 1 billion but not exceeding THB 5 billion	0.025% of the paid-up capital
More than THB 5 billion but not exceeding THB 10 billion	0.020% of the paid-up capital
More than THB 10 billion	0.010% of the paid-up capital

MAI Listing Fees

Equity securities to be listed on MAI are subject to the following fees:

Fee Type	Fee
Application Fee	THB 25,000
Initial Listing Fee	0.25% of the paid-up capital
Annual Fee	0.02% of the paid-up capital, not less than THB 25,000 but not exceeding THB 1.5 million

LiVE Exchange Listing Fees

Equity securities to be listed on LiVE Exchange are subject to the following fees:

Fee Type	Fee
Application Fee	Not exceeding THB 12,500
Initial Listing Fee	0.0125% of the paid-up capital, with a minimum fee of not less than THB 5,000 and a maximum fee of not exceeding THB 300,000
Annual Fee	For the first three years from the first trading day: Not exceeding 0.01% of the paid-up capital, with a minimum fee of not less than THB 5,000 and a maximum fee of not exceeding THB 300,000 After three years from the first day of trading: Annual fee rate of MAI applies

Conclusion

The Thai government has actively promoted Thai capital market with the aim of building up greater opportunity for everyone with the "Capital Market for All" policy. The plan includes making fund raising and investment simple for entrepreneurs and investors. For example, SEC has amended the regulations for newly issued share offering through private placement (PP) to be less procedural but still maintaining appropriate investors' protection. Thailand has also implemented a new secondary platform for fund raising of SMEs and Startups, which is called LiVE Exchange, in order to support potential SMEs and startups which play an important role in Thailand economy. The relevant rules under LiVE Exchange are more flexible to issuers.

Selected Deals (as of 18 December 2023)

We are pleased to present a snapshot of a few of the key transactions that we have assisted with:

- Acted as legal advisor to Don Muang Tollway Public Company Limited in relation to the IPO and listing of its shares on SET at an offer price of THB 16 per share for the newly issued 140 million shares, raising net proceeds of approximately THB 2,240 million.
- Acted as legal advisor to Mudman Public Company Limited (now known as Mud & Hound Public Company Limited) in relation to the IPO and listing of its shares on MAI at an offer price of THB 5.25 per share for the newly issued 210 million shares, raising net proceeds of approximately THB 1,100 million.

CAMBODIA – GUIDE TO LISTING A COMPANY ON THE CAMBODIA SECURITIES EXCHANGE



This section gives an overview of the process and requirements involved in the listing and initial public offering ("IPO") of a company on the Cambodia Securities Exchange ("CSX"). It is cast in general terms and not exhaustive. Detailed advice must be sought on specific situations or queries.

Why CSX

- **Granted with various tax incentives** including reduction of tax on profit and reduction on withholding tax, as well as tax amnesty.

Overview of CSX

- Incorporated in 2010 and having commenced operations in 2012, CSX currently lists two companies: one state-owned enterprise and one private garment factory.
- CSX is a joint venture between the Royal Government of Cambodia and the Korea Exchange. CSX has the status of public enterprise with majority of its shareholding being held by the Cambodian Government.

- CSX has been licensed by the Securities and Exchange Regulator of Cambodia ("**SERC**") and mandated to operate the securities market. It serves as a clearing and settlement facility and a securities depository in the Kingdom of Cambodia.
- In 2015, in addition to the Main Board, CSX introduced the Growth Board to encourage small and medium enterprises (SMEs) to list on the exchange.

Quantitative Requirements

The following table sets out the quantitative listing requirements of CSX.

	Main Board	Growth Board
Quantitative criteria	<p>The issuer must satisfy the following requirements (unless otherwise determined by the Director General of SERC):</p> <ul style="list-style-type: none"> (a) The number of shareholders holding less than 1% voting shares and holding 10 shares or more shall be at least 200 as of the date of fulfilling the official listing procedure; and (b) The number of shares held by shareholders holding less than 1% voting shares shall be more than 200,000 shares or 15% of the total voting shares, whichever is larger. 	<p>The issuer must satisfy the following requirements (unless otherwise determined by the Director General of SERC):</p> <ul style="list-style-type: none"> (a) The number of shareholders holding less than 1% voting shares and holding 10 shares or more shall be at least 100 as of the date of fulfilling the official listing procedure; and (b) The number of shares held by shareholders holding less than 1% voting shares shall be at least 10% of the total voting shares.
Other quantitative criteria	<ul style="list-style-type: none"> • Minimum shareholders' equity of at least KHR30 billion at the date of the filing of the application; • Minimum net profit of at least KHR2 billion for the latest full financial year prior to the date of filing of application; and • Minimum aggregate net profit of at least KHR3 billion for the latest two full financial years prior to the date of filing of application. 	<ul style="list-style-type: none"> • Minimum shareholders' equity of at least KHR2 billion at the date of the filing of the application; and • Either one of the following is met: (i) achieve net profit for the latest financial year prior to the date of filing of application; or (ii) achieve a positive operating cash flow and gross profit margin of at least 10%.
Shareholding spread	<ul style="list-style-type: none"> • 20% of the total public offering amounts is reserved for Cambodian citizens; and • 80% of the remaining public offering amount is open to Cambodian citizens and non-Cambodian citizens. <p><i>(This proportion can be otherwise reallocated by the determination of the Director General of SERC.)</i></p>	

Other Admission Requirements

	Main Board	Growth Board
Non-quantitative requirements	<ul style="list-style-type: none"> • Share ownership of the largest shareholders shall not have changed for the last one year until the official listing. • All the issued securities shall be deposited with the operator of securities depository of CSX. 	

	Main Board	Growth Board
IPO documents	<ul style="list-style-type: none"> • Issuer must submit the application in the prescribed form to SERC; • Issuer must produce a Disclosure Document⁴² which complies with the SERC's Prakas on Public Issuance of Equity Securities, and submit this to SERC for registration; and • Issuer shall provide and submit other supporting documents as required by Prakas on Public Issuance of Equity Securities. 	
	<ul style="list-style-type: none"> • Issuer shall also submit the application to CSX for listing eligibility review. 	
Board of Directors ("BOD") and Directors	<ul style="list-style-type: none"> • The BOD of a public listed company comprises at least five and not more than 15 directors. 	<ul style="list-style-type: none"> • The BOD of a public listed company comprises at least three and not more than 15 directors.
	<p><i>Qualifications of a director:</i></p> <p>An individual can be a director if he/she:</p> <ul style="list-style-type: none"> (a) holds at least bachelor's degree or equivalent; (b) has working experience of at least three years in relevant field, or working experience of at least five years in the relevant field if item (a) above is not satisfied; (c) possesses understanding of the business of the listed company; and (d) possesses good reputation in business. <p><i>Disqualifications of a director:</i></p> <p>An individual cannot be a director is her/she:</p> <ul style="list-style-type: none"> (a) has been subject to any declaration of bankruptcy for the last five years; (b) has been convicted of any offence involving fraud, embezzlement, forgery, bribery or transgression, money laundering, or violation of any law in relation to securities; (c) his licence or permit in the relevant field has been revoked, or has been banned from holding the position of a director or an executive in a company for the last five years; and (d) has been found guilty by a foreign court or authority in relation to the offences/penalties described in (b) and (c) above. 	
	<ul style="list-style-type: none"> • The BOD comprises independent directors in the proportion of 1/5 of the total number of the directors. 	<ul style="list-style-type: none"> • If the BOD comprises three directors, one of them must be an independent director. If BOD comprises at least five directors, the independent directors must be in the proportion of 1/5 of the total number of the directors.

⁴² Disclosure Document commonly referred to as the prospectus or offering circular.

	Main Board	Growth Board
	<p><i>A person shall not be an independent director if he or she does not comply with the conditions set forth above for Directors, or possesses any of the following qualities:</i></p> <ul style="list-style-type: none"> (a) a significant customer or supplier of, or has any significant interest in, the listed companies, or the director, the senior officer or the competitors of the listed company; (b) a direct family member of a director or a senior officer of the listed company, or a direct family member of a person who was a director or a senior officer of the listed company for the last one year; (c) holds shares exceeding more than one percent of total shares in the listed company; (d) affiliated with a non-profit organisation or association funded by the listed company; (e) a civil servant (only applicable to the independent director nominees of listed public enterprises); (f) the person or a direct member of his or her family: <ul style="list-style-type: none"> • is working or was employed by the listed company, or a director or a senior officer of the listed company for the last two years; • has a significant interest in a non-profit organisation or association funded by the listed company; • is or was employed as an internal auditor of the listed company, or as an external auditor to provide audit service for the listed company in the last two years; or • is serving as a senior employee or director in an insurance company that is providing insurance services to the listed company, or in a company that is a client, supplier or competitor of the listed company. 	
BOD Committees	<ul style="list-style-type: none"> • Audit Committee: Compulsory, unless the board of directors is composed of less than five members, in which case the independent director shall perform the duties and responsibilities of the audit committee • Nomination and Remuneration Committee: Compulsory • Risk Management Committee: If necessary and required by the SERC • Other committees: If necessary and required by SERC 	<ul style="list-style-type: none"> • Audit Committee: Compulsory, unless the board of directors is composed of less than five members, in which case the independent director shall perform the duties and responsibilities of the audit committee • Other committees: If necessary and required by SERC
Accounting standards	<p>Financial statements to be prepared in accordance with the Law on Corporate Accounts and the Cambodian International Financial Reporting Standards (CIFRS), and in line with the International Accounting Standards promulgated by the International Accounting Standards Board.</p>	
Moratorium (Lock-up)	<ul style="list-style-type: none"> • Within a period of one year from the initial listing date, controlling shareholders⁴³ shall not sell or transfer their shares in the first six months, and must not transfer or sell their shares for more than 50% of their shares in the next six months; and • Shareholders owning at least 15% of total shares and strategic shareholders shall not sell or transfer their shares for a period of at least six months after the initial listing. 	

⁴³A "controlling shareholder" is a shareholder with controlling interest in voting shares of 30% or more of the total shares in the company.

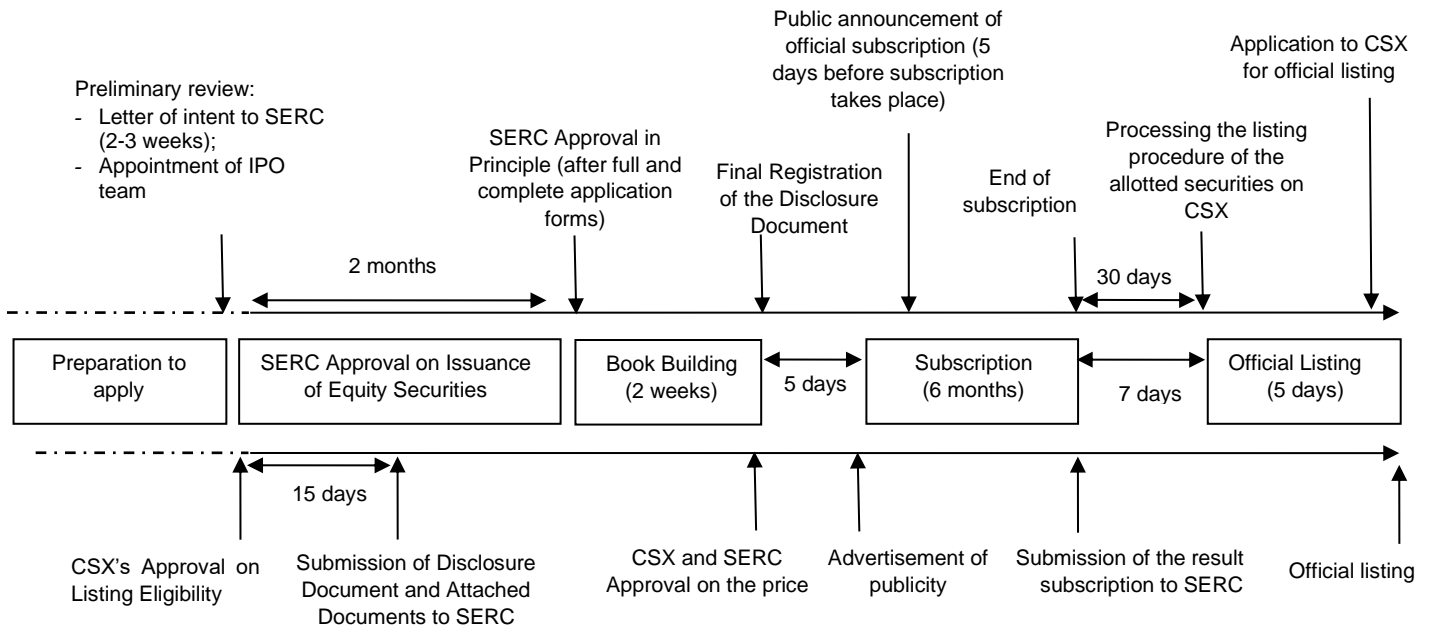
Listing Procedures

	Requirements
Letter of intent	The applicant should submit a letter of intent to SERC detailing (i) the purpose of the IPO; (ii) the expected timetable; and (iii) the expected IPO team. This letter of intent is not legally required but is strongly recommended. SERC will generally respond within two to three weeks.
Appointment of underwriter	The applicant shall appoint an underwriter licensed by SERC.
Establishment of IPO team	The IPO team shall comprise: <ul style="list-style-type: none"> (a) an underwriter as the team leader; (b) a professional accounting firm; (c) a lawyer; and (d) valuation companies.
Due diligence	A legal and financial due diligence will be conducted by lawyers and an auditor/reporting accountant recognised by SERC, which will subsequently issue their respective due diligence reports. These reports will be attached to the disclosure document of the company.
Application for listing eligibility review by CSX	<ul style="list-style-type: none"> • The applicant, with the assistance of the underwriter, submits the application for listing eligibility review by CSX. • The applicant will be notified by CSX within one month from the date of the application. In case of rejection by CSX of the applicant's listing eligibility, CSX shall provide reasons for rejection in writing. The applicant may request for clarification from CSX and/or appeal to SERC for review and decision.
Application for IPO	<p>After obtaining approval-in-principle from CSX on listing eligibility review, the applicant shall submit the following documents to SERC for registration:</p> <ul style="list-style-type: none"> (a) duly completed prescribed SERC application form; (b) Disclosure Documents; and (c) other supporting documents as required under the Prakas on Public Issuance of Equity Securities. <p>SERC shall examine the proposal for listing within three months of lodgement of the application. Upon SERC's approval-in-principle, the applicant shall proceed with the book building and subscription of the equity securities.</p>
Book building	The applicant shall work with the underwriter to determine the listing price based on the demand from potential investors during this book building process.
Approval of CSX on the price	CSX will verify whether the price is compatible for listing and trading in the system and remains within the pricing boundaries provided in CSX's Operating Rules.
Approval of SERC on the price	Upon CSX's approval of the price, SERC will approve on the price and the final registration of the Disclosure Document.
Subscription	<ul style="list-style-type: none"> • The company has six months from the registration of the Disclosure Document to issue securities for public subscription. • At the end of the subscription, in the event that there are remaining unsubscribed securities, the underwriter is required to subscribe all these remaining securities and pay the company in full within a period of 30 days of the closing date of the subscription.

Requirements	
Official listing on CSX	Upon completion of the subscription, the company shall further process the procedure for official listing on CSX. CSX has a period of five days to review the submission documents and officially list the eligible applicant on CSX.

Listing Timeline

A well-run, reasonably simple IPO can be completed in approximately 40 weeks. Larger, more complex IPOs typically take longer.



Listing Fees – Main Board

A person applying for listing eligibility review shall pay the examination fee of approximately KHR4 million. Equity securities to be listed on the CSX shall pay listing fees to CSX based on the market capitalisation of the company, based on the following accumulative regresssive rate:

Market Capitalisation	Fee
Less than or equal to KHR12 billion	KHR10 million
More than KHR12 billion but less than or equal to KHR40 billion	0.030% of the market capitalisation
More than KHR40 billion but less than or equal to KHR200 billion	0.025% of the market capitalisation
More than KHR200 billion but less than or equal to KHR400 billion	0.015% of the market capitalisation
More than KHR400 billion	0.010% of the market capitalisation

Annual Fees – Main Board

A listed entity shall pay annual fees to CSX based on the market capitalisation of the company at the end of each fiscal year:

Market Capitalisation	Fee
Less than or equal to KHR12 billion	KHR3 million
More than KHR12 billion but less than or equal to KHR40 billion	0.02% of the market capitalisation
More than KHR40 billion but less than or equal to KHR200 billion	0.015% of the market capitalisation
More than KHR200 billion	0.005% of the market capitalisation

Listing Fees – Growth Board

A listed entity shall pay the following fees to CSX:

Fee Type	Fee
Listing Eligibility Review Fee	KHR2 million
Listing Fee	Minimum fee of KHR4 million or 0.025% of the total market capitalisation calculated by the price of the IPO, whichever is larger
Annual Listing Fee	Minimum fee of KHR4 million or 0.015% of the total market capitalisation at year end, whichever is larger

Conclusion

It is evident that the capital market sector in Cambodia has been growing throughout the years owing to the increasing interest and widespread understanding by both investors and the private sector of the securities market as the new frontier for investment and fund raising. In addition, SERC has also been actively working on developing the market by introducing new regulations to introduce new products as well as to better provide confidence to market participants.

Selected Deals (as of 21 December 2023)

We are pleased to present a snapshot of a few of the key transactions that we have assisted with:

- Acted as counsel to Mengly J. Quach Education Plc, a premier and the first publicly-listed education company, in relation to its IPO and listing of 327,059,527 shares on the Main Board of CSX at an offer price of KHR2,080 per share, raising net proceeds of approximately US\$5 million.
- Acted as counsel to JS Land Plc, a renowned and the first publicly-listed property developer, in relation to its IPO and listing of 25,710,000 equities on the Growth Board of CSX at an offer price of KHR1,900 per share, raising net proceeds of approximately US\$2.12 million.
- Acted as counsel to Advanced Bank of Asia Ltd., Cambodia's leading commercial bank, to become the first commercial bank to issue corporate bonds, raising net proceeds of approximately US\$21 million.

VIETNAM – GUIDE TO LISTING A COMPANY ON THE VIETNAM STOCK EXCHANGE



This section gives an overview of the process and requirements involved in initial public offering ("IPO") and listing of a company on the Vietnam Stock Exchange ("VNX"). It is cast in general terms and not exhaustive. Detailed advice must be sought on specific situations or queries. Note that it does not cover listing in association with an equitisation exercise or after trading on the Unlisted Public Company Market (UPCOM).

Why VNX

- **Ongoing initiatives by regulators to bolster** the attractiveness of Vietnam's capital markets and enhance investor confidence.
- **Gain access to fundraising** from strong investor demand – bolstered by recent historic record growth and significant increases in new investor participation.

Overview of Vietnam's Capital Markets

- Until recently, Vietnam's securities market was operated by two independently managed exchanges: Hanoi Stock Exchange ("HNX") and Ho Chi Minh City Stock Exchange ("HSX"). However, in 2021, the Government inaugurated

VNX to reorganise Vietnam's securities markets, upon which both HNX and HSX would become subsidiaries, and be subject to the supervision and management of VNX.

- Under this reorganisation, HNX will primarily operate the trading market for derivatives and bonds, while HSX will primarily operate the trading market for shares. The reorganisation is in the process of being implemented and, according to the Ministry of Finance's Circular 57/2021/TT-BTC, by 30 June 2025, all listed shares would be organised under HSX.
- The State Securities Commission ("**SSC**"), which is affiliated with the Ministry of Finance, undertakes the state management of securities and the securities market.

Quantitative Requirements

The table below sets out quantitative requirements for listing by a Vietnamese issuer that is making an IPO. Note that these are the requirements for listing, not for the public offering.

	Requirements
Charter capital	Contributed charter capital of at least VND30 billion based on most recent audited financial statements
Market capitalisation	At least VND30 billion at the time of registration for listing, based on the weighted average of payment price of shares in the latest public offering
Business results	<ul style="list-style-type: none"> • Return on equity of at least 5% for the year preceding the year of listing registration; • Being profitable for the two consecutive years immediately preceding listing registration; • No debts that are overdue for more than one year at the time of listing registration; and • No accumulated loss based on the most recent audited financial statements or reviewed biannual financial statements (for listing registrations after the end of the biannual financial statement period)
Non-major shareholders	<p>There are at least 100 non-major shareholders, who hold at least 15% of the voting shares (or 10% applied to companies that have a charter capital of at least VND1,000 billion).</p> <p>A "major shareholder" is a shareholder that holds at least 5% of the voting shares.</p>

Other Admission Requirements

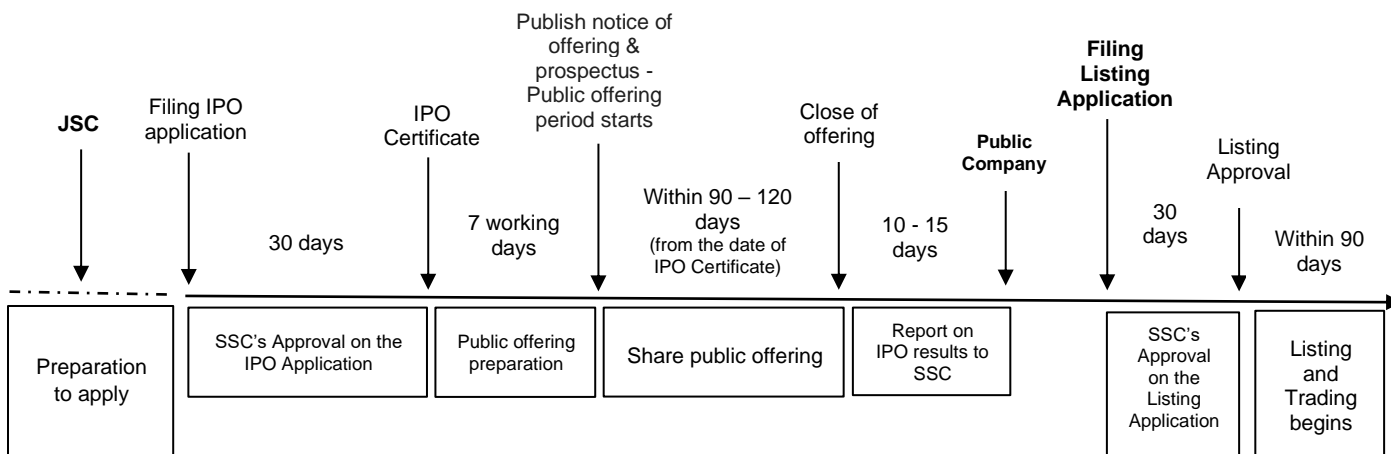
The table below sets out other admission requirements that need to be met for listing by a Vietnamese issuer that is making an IPO. Note that these are the requirements for listing, not for the public offering.

	Requirements
Public securities offerings	<p>Company must have completed the IPO process, as certified by SSC.</p> <p><i>N.B.: There are other cases in which companies can be listed (e.g. by equitisation or after having shares traded on the UPCOM for at least two years). This guide does not address these cases.</i></p>

	Requirements
Shareholder approval	Listing has been approved by the General Meeting of Shareholders (" GSM ").
Securities company	Unless the issuer is a securities company itself, the application for listing registration must be consulted by a securities company.
No violation by Issuer and Legal Representative	Neither the issuer nor its legal representative has been handled for violations for conducting securities-related offences (as prescribed in the Law on Securities) within the two years leading up to the time of listing registration.
Moratorium	The following shareholders must commit to hold 100% of their shares for six months from the first date of trading, and 50% of such shares for the subsequent six months: <ul style="list-style-type: none"> (a) Individuals or organisations whose ownership representatives are the Chairperson of the Board of Directors, members of the Board of Directors, Head of the Board of Controllers, members of the Board of Controllers, the General Director/Director, Deputy General Director/Deputy Director, Chief Financial Officer, Chief Accountant and equivalent positions elected by the GSM or appointed by the Board of Directors; and (b) Any major shareholder who is a related person of any aforementioned individuals.
IPO documents	The application for listing includes the following documents and commitment: <ul style="list-style-type: none"> (a) Application form for listing (based on statutory form); (b) Prospectus (based on statutory form); (c) Offering registration certificate issued by SSC and report on the results of the public securities offering; (d) Decision of the company's GSM to approve the listing; (e) Shareholders' register of the company, made within one month before the time of submitting the listing application, together with a list of major shareholders, strategic shareholders, insiders and related persons of the insiders (quantity, holding ratio, restricted period of transfer); (f) Certification by the Vietnam Securities Depository and Clearing Corporation that the shares have registered for centralised securities; (g) Commitment from the relevant shareholders in compliance with the lock-up requirements (see "Moratorium" above); (h) Consultancy contract for the listing (except where listing company is a securities company); (i) Enterprise registration certificate, establish and operation licence, or equivalent legal document; and (j) Financial statements for the two consecutive years preceding the year of listing registration, prepared in accordance with the law.

Listing Timeline

A well-run, reasonably simple IPO can be completed in approximately six to nine months. Larger, more complex IPOs typically take anything up to a year, or even two years in certain cases. "JSC" below stands for joint stock company.



VNX Listing Fees

- Initial listing registration fee: VND10 million
- Listing management service fee based on the below schedule:

Listed Value (according to par value)	Annual Fee
Less than VND100 billion	VND15 million
From VND100 billion to less than VND500 billion	VND20 million
VND500 billion or more	VND20 million + 0.001% of listed value but not exceeding VND50 million

Conclusion

The Vietnamese government has included the upgrade of the Vietnamese stock market as one of its policy priorities, particularly, to develop a safe, transparent, efficient, and sustainable stock market. Significant developments in this regard include recent reforms to the country's securities legislation and the creation of VNX (following the merger of the exchanges in Hanoi and Ho Chi Minh City). SSC is further revamping its rules to facilitate foreign investors to invest in the Vietnam stock market, and at the same time stepping up its supervision of market players to foster investor confidence. These recent developments reassure investors and are expected to drive further growth.

Selected Deals (as of 19 December 2023)

We are pleased to present a snapshot of a few of the key transactions that we have assisted with:

- Acted as Vietnam counsel to Sea Limited in relation to the IPO and listing of 58,960,000 shares in the capital of Sea Limited on the New York Stock Exchange at an offer price of US\$15 per share, raising net proceeds of approximately US\$884 million.
- Acted as Vietnam counsel to the Sponsors in relation to the IPO and listing of 326,550,400 shares in the capital of J&T Global Express Limited on Main Board of The Stock Exchange of Hong Kong ("**SEHK**") at an offer price of HK\$12 per share, raising net proceeds of approximately HK\$3.2 billion.
- Acted as Vietnam counsel to WMCH Global Investment Limited in relation to the IPO and listing of 45,000,000 shares in the capital of WMCH Global Investment Limited on GEM of SEHK at an offer price of HK\$0.40 per share, raising net proceeds of approximately HK\$18 million.

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