The Legal 500 Country Comparative Guides

Thailand: Mergers & Acquisitions

This country-specific Q&A provides an overview to mergers & acquisitions laws and regulations that may occur in Thailand.

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1. **What are the key rules/laws relevant to M&A and who are the key regulatory authorities?**

   The main Thai laws which cover M&A activities and the key regulatory authorities which implement them are as follows:

   1) The Thai Civil and Commercial Code, as amended (the "CCC") – The Ministry of Commerce (the "MoC") is the regulatory authority for this legislation. The CCC is referred to in the case that the acquirer or target company is a private company;
   2) The Thai Public Limited Company Act B.E. 2535 (1992), as amended (the "PLC Act") – The MoC is the regulatory authority for this legislation. The PLC Act is referred to in the case that the acquirer or target company is a public company;
   3) The Securities and Exchange Act B.E. 2535 (1992), as amended, including various notifications (such as disclosure requirements and takeover regulations) issued under it – The Securities and Exchange Commission (the "SEC") is the regulatory authority for this legislation;
   4) The Foreign Business Act B.E. 2542 (1999) (the "FBA") – The MoC is the regulatory authority for this legislation. The FBA contains limitations and restrictions which are relevant for a foreigner wishing to conduct business in Thailand; and
   5) The Trade Competition Act B.E. 2560 (2017) including notifications issued under it – The Office of Trade Competition Commission is the regulatory authority for this legislation.

   In addition, other business sectors are regulated by various different regulators as follows:

   - The National Broadcasting and Telecommunications Commission is the regulatory authority for businesses in the telecommunications and broadcasting and television sector;
   - The Energy Regulatory Commission is the regulator for mergers of businesses in the energy sector;
   - The Bank of Thailand is the regulatory authority for mergers of financial institutions; and
   - The Office of Insurance Commission is the regulator for mergers among insurance companies.

   6) The Investment Promotion Act B.E. 2520 (1977), as amended, including various notifications issued under it. The Board of Investment of Thailand is the regulatory authority for this legislation.

2. **What is the current state of the market?**

   M&A activity continued to flourish in Thailand throughout 2019. The establishment and promotion of the Eastern Economic Corridor (EEC) as Thailand's new flagship investment zone by the government has further boosted the economy (see further details in question 3 below). The EEC will be an important regional hub for trade, investment, regional transportation and a strategic gateway for Asia. Furthermore, there are numerous

megaprojects recently completed or currently underway relating to infrastructure in Thailand which are Public-Private Partnerships (PPP). The promotion of investment in the EEC and PPP projects stimulates macro-economic growth in Thailand, and there are several M&A projects involving both direct and indirect investment.

3. **Which market sectors have been particularly active recently?**

2019 has been another busy year for all of Weerawong C&P's practice groups, but particularly noteworthy have been projects coordinated by our Public Private Partnership (PPP) and M&A practice groups relating to high-speed transport links, port development projects, and high-value real estate, energy and consumer chain acquisitions and joint ventures. These include the following:

PPP

(1) Weerawong C&P represented the Government of Thailand, Office of the Eastern Economic Corridor in the public-private partnership (PPP) agreement to develop the THB 220 billion (USD 7.2 billion) high-speed rail project linking Suvarnabhumi, Don Mueang and U-tapao airports.

(2) The high-speed rail link is the biggest PPP concession project in Thailand and the first concession granted on a high-speed train project. This is the cornerstone project of the Eastern Economic Corridor (EEC) and, when implemented, the EEC will be developed as a major hub for trade and investment in order to develop Thailand's economy under the 'Thailand 4.0' initiative.

(3) Weerawong C&P represented the Government of Thailand, Office of the Eastern Economic Corridor, in the public private partnership (PPP) agreement signed by the Industrial Estate Authority of Thailand and Gulf MTP LNG Terminal for the Third Phase of the Map Ta Phut Port Project valued at THB 55.4 billion (USD 1.8 billion). The Third Phase of the Map Ta Phut Port Project is an infrastructure project for the petroleum industry and is designed to facilitate the annual shipment of 19 million tonnes of natural gas and liquid cargo. The Gulf MTP LNG Terminal is a joint venture between Gulf Energy Development and PTT Tank Terminal. The PPP agreement was signed in October 2019.

M & A

(1) Representation of Global Power Synergy Public Company Limited, the power flagship of the PTT Group, in its USD 757 million investment in and development of a 250 MW Energy Recovery Unit for the production and sale of power and 175 ton-per-hour steam from petroleum pitch under the Clean Fuel Project of Thai Oil Public Company Limited. The deal was signed in May 2019.

(2) Representation of Global Power Synergy Public Company Limited, the power flagship company of PTT Group, in the acquisition of a majority stake in Glow Energy Public Company Limited from Engie Global Developments B.V. and the subsequent tender offer. The transaction is valued up to THB 139 billion (USD 4.1 billion). Weerawong C&P advised on M&A, corporate governance, merger control and obtaining approval from the Energy Regulatory Commission in this landmark transaction. This was the largest acquisition in Thailand's energy sector till date. The deal closed in March 2019.

(3) Representation of F&N Retail Connection Co. Ltd. (a joint venture between ThaiBev and Fraser and Neave) in connection with its joint venture with Maxim's group of Hong Kong, whereby the joint venture company, Coffee Concepts Thailand acquired all existing Starbucks outlets in Thailand and became the country's sole franchisee for 40 years. The USD 650 million (approximately, THB 20 billion) acquisition closed in May 2019.

(4) Representation of Planet Energy Holdings Pte. Ltd. in the sale of its investment in the 220 MW power plant project in Minbu, Myanmar to Scan Inter Public Company Limited. Planet Energy Holdings entered into an agreement for the sale and purchase of 30% of issued share capital of Green Earth Power (Thailand) Co., Ltd. with Scan Inter in May 2018.

(5) Representation of Grab, a Singapore-based technology company, as Thai legal counsel in the acquisition of Uber's assets and operations in Southeast Asia. This deal was the largest-ever of its kind in Southeast Asia. Grab integrated Uber's ridesharing and food delivery business in the region into Grab's existing multi-modal transportation and fintech platform. The deal closed in March 2018.

(6) Representation of PTT Oil and Retail Business Public Company Limited (PTTOR), an affiliate of PTT Public Company Limited, a state-owned, SET-listed oil and gas company and one of the largest corporations in Thailand, in the acquisition and joint operation of petroleum terminals and service stations with the Kanbawza Group, a major Myanmar-based conglomerate, in Myanmar in May 2019.

Weerawong C&P assisted and advised all of the above-mentioned projects with our strong local legal expertise and international standards of excellence, combined with our ability to structure complex transactions, our practical problem-solving skills and our dedication to serving the interests of our clients with a sense of commitment and enthusiasm.

We offer legal services in a variety of practice areas, including banking and finance, mergers and acquisitions, project finance, corporate-commercial, debt restructuring, energy, infrastructure, and public-private partnerships. Apart from that, our firm also represents governments and state-owned enterprises in drafting and amending the laws in Thailand. Our firm was engaged by the Office of the Eastern Economic Corridor of Thailand to advise on the draft law governing PPPs in the EEC area, and is engaged by the State Enterprise Policy Office (SEPO) of the Ministry of Finance to assist in the drafting of the new Public Private

Partnership Act in Thailand to replace the Private Investment in State Undertaking Act B.E. 2556 (2013), including its subordinate legislation, regulations and guidelines for PPP mechanisms.

4. **What do you believe will be the three most significant factors influencing M&A activity over the next 2 years?**

   Based on the current situation, the three most significant factors that will influence M&A activity in Thailand over the next 2 years will be (1) the privileges available to new and existing businesses, the attractiveness of the investment environment in Thailand and whether the political remains stable; (2) the development and expansion of Thailand's infrastructure; and (3) global economic conditions, including the expansion of Chinese investment in Thailand. Another very recent unknown factor is how long the Coronavirus outbreak will continue to disrupt travel and business in the region.

5. **What are the key means of effecting the acquisition of a publicly traded company?**

   The key means of acquiring a publicly traded company is through the acquisition of shares in the target company. Transfers of assets or business (e.g. through asset acquisitions, entire business transfers and partial business transfers) are also common but are cumbersome. It may be possible is selected cases for the transfer to be carried out on a tax-free basis (e.g. entire business transfer), provided that certain conditions are met. However, it is unusual for an asset acquisition to be carried out directly by a foreigner, and in most cases a foreigner will form a company in Thailand in order to acquire the assets.

   The PLC Act does provide a procedure for public companies to follow, involving a new company being created from at least two existing companies which are automatically dissolved upon the merger (amalgamation) becoming effective (A+B = C). However, this is rarely used as it is time-consuming. Creditors who object to such amalgamation have the right to be paid out or have their debts secured.

6. **What information relating to a target company will be publicly available and to what extent is a target company obliged to disclose diligence related information to a potential acquirer?**

   Only certain information is publicly available for limited liability companies, for example, their audited financial statements, constitutional documents, such as their memoranda and articles of association, as well as the key information on shareholders, directors, registered office(s) and share capital of the companies. In addition, basic information on the registered intellectual property is also available to the public. Basic information relating to business security has also been publicly available since 2018. Furthermore, the Thai court system has a database that allows the public to conduct a search to check whether the target company is a first defendant or plaintiff in any litigation proceedings at certain specific courts.

However, a target company is not subject to any statutory obligation to disclose any specific due diligence information to a potential acquirer. This is negotiated on a case-by-case basis.

Listed companies in Thailand are generally required to disclose the following information and make it available to the public:

- corporate information, such as registered office(s), main shareholders' names, directors' names, memorandum and articles of association of the company in Thai and certain documents in English;
- quarterly reviewed and annually audited financial statements in both Thai and English;
- annual registration statements containing updated business information of the company in Thai;
- annual reports in both Thai and English; and
- public filings upon the occurrence of certain material events in both Thai and English.

As with private companies, the target company is under no obligation to disclose due diligence-related information to a potential acquirer. More in-depth information can be acquired, but this will be negotiated on a case-by-case basis. Furthermore, in order to secure the best possible offer for the shares, the target's board of directors may be prepared to provide confidential information to the bidder and any competing bidders. Doing so would be in line with the directors' general obligations under the Public Limited Companies Act to act in the best interests of the company. These disclosures may be made despite the restrictions outlined in both the Securities Act and the SEC's Rules regarding the disclosure of price-sensitive or 'insider' information. However, the following factors would need to be carefully considered when determining what information is to be disclosed:

- whether the information is market-sensitive to the extent that its disclosure may constitute a criminal offence under Thailand's insider trading laws in the case where the bidder subsequently buys shares or makes an offer in reliance on such information;
- whether the information is commercially sensitive; and
- whether such information would normally only be disclosed on a confidential basis to persons with whom the target is negotiating and who have signed confidentiality undertakings.

7. **To what level of detail is due diligence customarily undertaken?**

M&A transactions involve the conducting of extensive due diligence, on both financial / accounting and legal due diligence on the target company. Various factors influence the level of detail required, from the nature of the target company to the size of the transaction. A high-level due diligence analysis is usually required on the target company in order to identify red flags or deal-breakers.

In the case of the acquisition of a publicly listed company, the level of detail required depends on the transaction (with an auction, due diligence will probably not be possible) and

the actual level of control the selling shareholder has over the company. Very large acquisitions have been completed with reliance only on publicly-available information.

8. **What are the key decision-making organs of a target company and what approval rights do shareholders have?**

   The key decision-making organs of a target company are the board of directors and the shareholders meetings.

   Private company

   For the sale of secondary shares, unless the articles of association of the target company specify otherwise, there is generally no requirement for approval from the target company, either from a board of directors or shareholders meeting.

   For the issuance/sale of primary shares, shareholders' approval by a majority of not less than three-fourths of the total number of votes of shareholders who attend the meeting and have the right to vote (or a higher proportion of votes as specified in the company's articles of association) (special resolution) is required for an increase of capital and allotment of new shares. Further, a private company can only issue new shares directly to persons who are already shareholders, so the acquirer must first obtain a small shareholding before the shareholders meeting is held to approve the issuance of new shares to the acquirer.

   Public Company

   Under Section 107 of the PLC Act, the direct acquisition of a business of another company (which includes the acquisition of shares in another company which becomes a subsidiary as a result of the transaction) requires approval by a special resolution. This requirement does not apply if the acquisition is done by a subsidiary.

   In addition, in the case of a listed company, if the acquisition is of a material size relative to the size of a listed company (various tests are applied) a shareholders' approval by a special resolution may be required.

   In the case of an acquisition of primary shares (i.e. newly-issued shares) of a listed company, the issuer will require shareholder approval for the increase of capital (by a special resolution) and allotment of new shares (by a simple majority vote) (ordinary resolution).

9. **What are the duties of the directors and controlling shareholders of a target company?**

   The controlling shareholders of a target company are not generally subject to any statutory

duties in the event of a potential acquisition.

The directors of a listed target company must provide their opinion on a tender offer and appoint a financial adviser to provide their opinion. These must be circulated to shareholders (also see question 24). The directors have a duty of loyalty but this is owed to the company and shareholders as a whole, not to individual shareholders.

The listed target company is subject to certain statutory duties in the event of a potential acquisition. From the formal announcement of the tender offer until its completion, there are general restrictions in place with regard to the target company, preventing it from undertaking the following activities unless prior approval is obtained from its shareholders meeting with the specified majority (this varies according to the type of transaction) or such undertaking is fall upon specified criteria or necessary consent or waiver from specific parties is obtained.:

- offering new shares or convertible securities;
- acquiring or disposing of assets which are of material size or necessary for the operation of the business of the target company (including IP rights or main machinery for manufacturing) having a value of 10 percent or more calculating by using highest transaction value of each method specified in the Notification of Capital Supervisory Board in relation to the entry into transaction being classified as acquisition and disposal of assets;
- incurring debts or entering into, amending or terminating a material agreement other than in the ordinary course of business of the target company;
- conducting a share buyback (treasury stock) or supporting or influencing its subsidiary or affiliate company in the purchase of its own shares; and
- declaring and paying interim dividends to the shareholders other than in the ordinary course of business.

10. **Do employees/other stakeholders have any specific approval, consultation or other rights?**

The target company's employees only have specific approval or consultation rights on a potential acquisition if they are to be transferred from an existing employer to a new employer (e.g. as part of an asset acquisition or business transfer) whereby their consent is required. There are no statutory requirements for consultation with unions or work councils concerning acquisitions, disposals or mergers. However, for an entity whose business will be discontinued upon its sale, the buyer will have certain obligations with regard to its employees, who have certain statutory rights. Prior consultation concerning acquisitions, disposals or mergers is a common contractual requirement in collective agreements with recognized trade unions.

In the case that the acquisition involves an issue/sale of primary shares, shareholders will generally have approval rights. A shareholders' approval by a special resolution is generally required for a target company to increase its share capital and by ordinary resolutions to allot

its newly issued shares.

If the acquisition involves the primary shares of a listed company, the mandatory tender offer requirement may be triggered (see also question 25 below) unless a 'whitewash' approval (or approval from the SEC, which is only granted under very limited circumstances) is obtained from a shareholders meeting of the target company by a special resolution.

Whether or not the consent of other stakeholders is required depends on the existence of any change of control provision in a contract or permit of the target company which requires consent from a lender, major supplier, concessionaire or a joint venture partner before the acquisition of a certain number of shares in the target company.

11. **To what degree is conditionality an accepted market feature on acquisitions?**

As well as conditions there shall be no breach of warranty or material adverse change, the most frequently encountered condition is for the acquirer to secure shareholders' approval for the transaction.

In a public tender offer, the conditions which may be imposed that would enable the acquirer to withdraw are limited to (1) a material adverse event affecting the target and (2) where the target takes action which significantly reduces the value of its shares or delists the shares. The acquirer may only withdraw the tender offer upon the occurrence of any of the following events and such acquirer must have clearly stated such events in the offer document:

- the occurrence of any event or action after the offer document has been submitted to the SEC but during the offer period, which causes or may cause serious damage to the status or assets of the target company, and the acquirer is not responsible for such events or actions; or
- any action by the target company after the offer document has been submitted to the SEC but during the offer period which results in a significant decrease in the share value.

12. **What steps can an acquirer of a target company take to secure deal exclusivity?**

A memorandum of understanding or letter of intent will often contain an exclusivity period given by either the major selling shareholder (in the case of a secondary share sale) or the target company (in the case of a primary share sale).

13. **What other deal protection and costs coverage mechanisms are most frequently used by acquirers?**

The seller may secure its protection by placing a non-refundable deposit, or a deposit only refundable if the acquirer does not close as a result of the seller's breach. The acquirer may also protect itself using break fees, although the directors of the company are not able to

exercise their discretion and the payment of break fees on a transaction involving the takeover of a listed company is an unchartered area.

14. **Which forms of consideration are most commonly used?**

Cash remains the most common form of consideration. Sometimes, shares in another company (i.e. share swap) are used as consideration, but these cases are rare. A share-for-share acquisition involving the issuance of new shares by an acquirer for a non-cash consideration does not as a matter of law require a valuation but, for practical reasons, directors of a listed company will obtain a valuation from a financial adviser to guard against any liability risks.

15. **At what ownership levels by an acquirer is public disclosure required (whether acquiring a target company as a whole or a minority stake)?**

There is no statutory obligation requiring a private company or public company to publicly disclose information when acquiring a target company.

However, an acquisition of shares at every 5 percent of the voting rights in a listed company is required to be publicly disclosed. The acquirer needs to submit an acquisition form (the Report of the Acquisition or Disposition of Securities in a Business, or Form 246-2) in order to notify the public via the SEC online system. This excludes certain types of acquisition, such as rights offerings, securities borrowing and lending, or Non-Voting Depository Receipt (NVDR), etc.

An acquisition of shares which reaches or exceeds 25 percent, 50 percent, or 75 percent of the voting rights in a listed company is subject to tender offer obligations and to disclose the relevant information to the public via both the SEC online system and the portal of the Stock Exchange of Thailand (the "**SET**"). Please see further details in item 18.

16. **At what stage of negotiation is public disclosure required or customary?**

Private Company

Public disclosure is not required.

Publicly Listed Company

In the case where a target company has been contacted by an offeror, the Stock Exchange of Thailand ("**SET**") requires the board of directors of such company, notwithstanding whether or not an agreement has been reached on the making of a tender offer, to keep strictly confidential information which has not been disclosed to the public in order to ensure that the persons involved in negotiations keep the information regarding the negotiations

confidential, and to ensure that the persons who act as representatives, intermediaries or financial advisors perform their duties responsibly and keep the information confidential. The SET must be informed immediately if there is any suspicion that there may have been disclosure of the information on the negotiations which has not yet been officially announced to the public. If any information relating to the takeover is leaked, the target company is required immediately to disclose such information to the SET.

In the case where the acquisition involves a minority stake and a secondary share sale, the target company is required to make public disclosure if there is a change, directly or indirectly, of its major shareholders (the term "major shareholder" is defined as a shareholder holding more than 10% of the total number of shares with voting rights in the target company). This normally takes place upon completion of the acquisition.

In addition, when an acquirer has carried out one of the following transactions so that the number of securities held by it reaches or surpasses 5 percent or a multiple of 5 percent of the target company's shares (there are complicated rules applicable to disclosure in the case of the acquisition of convertible securities or warrants), the acquirer is required to report the transaction to the SEC:

- direct acquisition or disposal of shares or convertible securities of the target company;
- becoming or ceasing to be a related person; or
- becoming or ceasing to be a concert party.

17. **Is there any maximum time period for negotiations or due diligence?**

There is no maximum time period for negotiations or due diligence to take place.

18. **Are there any circumstances where a minimum price may be set for the shares in a target company?**

Where the target company is a private company, there is no minimum price requirement.

Where the target company is a public company, there is no minimum price requirement except for in the following cases:

- In the case that the acquirer acquires shares in the target company resulting in its shareholding reaching or exceeding 25, 50 or 75 percent of the voting rights in the target company, the acquirer is required to make a tender offer for all securities of the target company. In such case, the tender offer price must not be lower than the highest price paid by the acquirer or any of its related persons, concert party or related persons of concert party of the acquirer for the shares of the target company during the period of 90 days prior to the date on which the tender offer documents are submitted to the SEC.
- In the case of a delisting tender offer, the offer price must not be less than the highest price calculated on the following bases:

- The highest price paid for the shares which have been acquired by the acquirer or any of its related persons during the period of 90 days prior to the date on which the tender offer documents are submitted to the SEC;
- The weighted average market price of the shares during the period of 5 business days prior to the date on which the board of directors of the target company resolves to propose the delisting the shares from the SET for its shareholders' meeting consideration, whichever comes earlier;
- The net asset value of the target company calculated based on the book value which has been adjusted to reflect the latest market value of the assets and liabilities of the target company; and
- The fair value of ordinary or preference shares of the target company as appraised by a financial advisor.

19. **Is it possible for target companies to provide financial assistance?**

There are generally no restrictions on financial assistance except in the case of a listed target company where the financial assistance constitutes a connected party transaction due to the fact that it is a transaction between the target company and its related persons. Shareholder's approval by special resolution is required if the amount of the financial assistance equals or exceeds 3 percent of the net tangible asset value of the target company.

20. **Which governing law is customarily used on acquisitions?**

All domestic and some cross-border transactions are governed by Thai law. However, for cross-border transactions, arbitration in Singapore (or another offshore arbitration venue) is commonly specified as a dispute resolution mechanism. Thailand does not enforce foreign judgments, but is a party to the New York Convention and other arbitration conventions.

21. **What public-facing documentation must a buyer produce in connection with the acquisition of a listed company?**

The key public-facing documentation that a buyer must produce in connection with the acquisition of a listed company shall comprise the following:

- The Report of the Acquisition or Disposition of Securities in a Business (Form 246-2);
- The takeover statement (Form 247-3);
- The tender offer for securities (Form 247-4);
- Form for revising / adding information in a tender offer statement (for amendment to the duration of the tender offer period and proposal of tender offer) (Form 247-6 Kor); and

The Report on the Result of the Tender Offer for Securities (Form 256-2)

22. **What formalities are required in order to document a transfer of shares, including any local transfer taxes or duties?**

Private Company

The transferor and the transferee shall enter into a share transfer instrument, which shall be witnessed by at least one witness.

Stamp duty is chargeable thereon, calculated at the rate of 0.1% of the greater of the sale price of, or the amount paid up on, the shares, if it is executed in Thailand or executed overseas and subsequently brought into Thailand.

Unless agreed otherwise by the parties, the stamp duty is payable by the seller of the shares.

Publicly Listed Company

There is currently no stamp duty payable in the case of a transfer of listed shares.

23. **Are hostile acquisitions a common feature?**

These rarely occur. There have been only a few cases in the past 10 years. Thai law does not provide for any difference in procedure for recommended and hostile offers.

24. **What protections do directors of a target company have against a hostile approach?**

No specific protection is generally afforded to the directors in the case of a hostile takeover.

On the contrary, directors are restricted from undertaking certain activities during a takeover, as outlined above in question 9.

Nonetheless, the directors shall offer their opinions to the shareholders on each of the tender offer documents of each acquirer, and shall also procure the opinion of an independent financial adviser thereon.

25. **Are there circumstances where a buyer may have to make a mandatory or compulsory offer for a target company?**

In a private M&A transaction, there is no requirement to make a compulsory offer for a target company unless it is specified in a shareholders' agreement.

If the target company is a listed company, in the case where the acquirer acquires shares resulting in its shareholding reaching or exceeding 25, 50 or 75 percent of the voting rights in the target company, the acquirer is required to make a tender offer for all securities of the target company.

26. **If an acquirer does not obtain full control of a target company, what rights do minority shareholders enjoy?**

Private Company

Under Thai law, minority shareholders merely have the right to inspect the books and records of the target company, unless special rights are included in the target company's articles of association. They also have the right to take action against directors if the directors cause damage to the company and the company fails to take action against the directors.

Public Company (shareholders holding less than 25%)

- The minority shareholders may request that the board of directors of the target company calls a shareholders meeting (10%).
- They may initiate proceedings against the directors before the court (if the target company refuses to do so) for breach of fiduciary duties, the articles of association, shareholders resolutions or applicable law (5%).
- File a motion before the court for cancellation of resolutions adopted at a shareholders meeting convened or passed in violation of the articles of association or applicable law (20%).
- The minority shareholders may submit a written application to the MoC requesting that an inspector is appointed to inspect the target company's business operations and financial condition, as well as the way in which the business is conducted by the board of directors of the target company (20%).

Publicly Listed Company (shareholders holding less than 25%)

- The minority shareholders may block the issuance of shares at a price lower than the current market price (10%).
- They may block a delisting resolution(10%).
- They may block the issuance and offer for sale of securities to directors and employees of the target company (ESOP) (10%).
- They may propose any disputed matters for consideration at the annual general meeting (AGM) or an extraordinary general meeting (EGM) (5%).

Public Company (shareholders holding more than 25% but below 50%)

The following transactions require the votes of shareholders holding at least three-fourths of the shares with voting rights attending a shareholders meeting. Thus, a shareholder holding more than 25% can veto such a transaction.

- An increase or decrease of registered capital.
- The sale or transfer of the whole or substantial parts of the business of the target company to other persons.

- A purchase or an acceptance of transfer of the business of others by the target company.
- The entering into, amendment to or termination of a contract concerning the lease of the whole or substantial parts of the business of the target company, transfer of the management of the business of the target company to other parties, or the consolidation of the business with other parties for the purpose of profit and loss sharing.
- An amendment to the memorandum of association or articles of association.
- The issuance of debentures.
- An amalgamation between two companies or entities.
- The dissolution of a company.

Publicly Listed Company (shareholders holding more than 25% but below 50%)

- The issuance and offer for sale of securities to directors and employees of the target company (ESOP).
- A "whitewash" approval.
- A class transaction.
- A connected party transaction.

27. **Is a mechanism available to compulsorily acquire minority stakes?**

No, currently, there is no squeeze-out mechanism available in Thailand.