

Guideline of Initial Listing

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I. Introduction

Listing your company's stock on Yangon Stock Exchange (hereinafter referred to as "YSX") makes it available for trading by a large number of investors including individuals in the YSX market. Orders for your company's stock will flow into and be gathered in the YSX market, and the share price will move based on market activity and be published daily.

The stock market provides liquidity and prices that allows companies to use direct financing methods, such as public offerings of shares issued at the market price, which broadens the range of options for raising capital.

Companies also stand to gain from a higher profile and greater trust through share prices published daily and timely disclosure.

Once a company's stock is listed, its shares will be available for investment to the general public. For the sake of protecting investors, listed companies are expected to maintain necessary internal control systems and disclose their information in a timely and appropriately manner.

To protect investors and ensure market quality, YSX conducts listing examination to a company which wishes to list its shares (hereinafter referred to as "applicant company") regarding internal management systems and systems for disclosing information and determine whether it is properly established and operated.

After listing, listed companies are also required to observe the rules stipulated by YSX to protect investors, such as disclosure of corporate information.

The purpose of this guideline is to explain the outline of the listing criteria, and we hope that this would serve as a guide for the applicant company to understand the criteria and prepare for a listing examination.

This guideline describes the concept of the listing criteria. Please contact us via a securities company for questions about listing examination.

II. Benefits of Listing on YSX

Making the choice to list on the stock exchange is pivotal decision for the company.

YSX provides listed companies with flexible fund-raising options and investors with opportunities for efficient trading. There are many benefits for listing as below.

Benefits of Listing

1 Fund raising

Enables the opportunity to fund raising by issuing new shares and enhances financial conditions.

2 Reputation

Enhances prestige, brand image, public profile and credibility by fulfilling YSX's listing regulations.

3 Corporate governance

Improves corporate governance and business process by disclosing corporate information and via huge shareholder's oversight.

4 Ownership

Provides a potential exit strategy and liquidity for investors, owners and (or) shareholders.

5 Motivation

Boosts the morale of board members and employees as a listed company. And increase the opportunity to recruit talented persons.

6 Liquidity

Investors enjoy stock trading efficiently at high liquid market on the faith of fair stock price.

However, it takes costs due to initial and ongoing expenses, including payments to external advisors for regulatory compliance and maintaining a listing. And after listing, shareholders put pressure to make profit and pay dividend.

III. Model Schedule

Listing on YSX takes a 7-step from advance preparation to listing date and the process takes approximately 1 year and 6 months from Full-scale preparation.



1 Preliminary preparation (until more than 12 months prior to the listing date)

Appointment of internal teams

- An applicant company establishes internal teams to manage listing preparation.

Appointment of experts

- Underwriter : To coordinate whole IPO process and underwrite offering shares
- Accounting consultant : To support preparing financial disclosure documents
- Independent auditor : To audit financial disclosure documents
- Legal counsel : To provide guidance for risks and regulatory matters
- Public and Investor relation advisor : To build a strategy and guide communications with stakeholders

Fundamental preparation

- To develop robust financial and business plan
- To adopt leading practice of corporate governance and reporting process
- To establish financial reporting procedure and to begin preparation of historical financial information
- To review and implement compliance control system
- To consider and restructure the ownership structure

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Full-scale preparation (6 months)

Documentation

- To finalize summing up historical financial information
- To commence due diligence by a lead underwriter
- To prepare prospectus for public offering or disclosure document for listing (DDL)

Company restructuring

- To start to commence planned financial and business plan
- To make necessary restructuring of management structure
- To implement financial reporting procedure

3

Final preparation (4 months)

Preparation for Listing examination

- To start financial and legal due diligence
- To complete drafting the prospectus or DDL and listing application documents

Preparation for offering shares

- To prepare road show presentations for targeted potential investors

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Listing examination (at least 7 weeks)

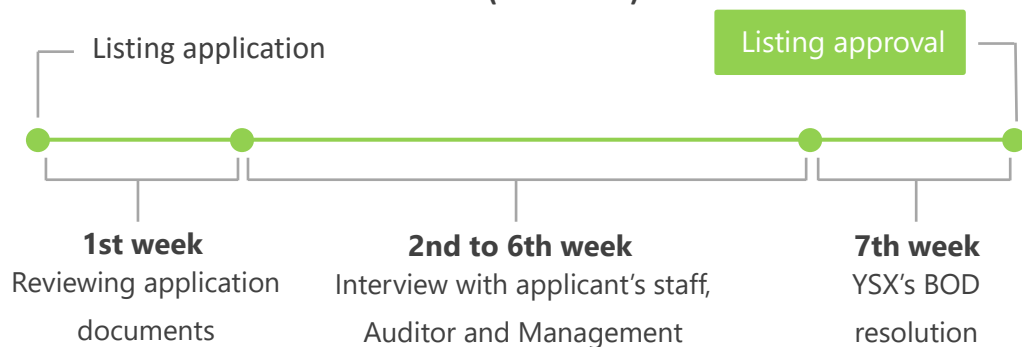
Listing application

- Applicant company prepares all listing application documents and submits to YSX.

Listing examination

- The examination takes at least 7 weeks, in general but the schedule may be extended depending on the company's situation.
- Listing examination is conducted through reviewing applied documents, interviewing with staff, Auditor and company's management and field examination (if necessary).
- YSX judges listing eligibility of a company in terms of meeting the listing criteria such as business and financial soundness, corporate governance and internal management system.

Model schedule of the examination (at earliest)



Listing approval

- YSX makes an announcement of listing approval and a listing date of the applicant on YSX's website.

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Offering shares (8 weeks)

Procedure of offering shares

- To lodge prospectus with SECM and to receive an approval of offering shares.
- To offer shares to existing shareholders (rights offering) and general public (public offering) with providing prospectus through underwriter securities companies*. (*: Usually multiple securities companies make up a syndicate group for offering.)

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Dematerialization of issued shares (8 weeks)

Procedure preparation

- An applicant company and securities company make necessary arrangements of confirming procedure of dematerialization of the company's shares.

Opening securities account

- Existing shareholders of an applicant company make registration of shares into a securities account in a securities company having trading qualification.
- An applicant company, through securities companies, collects share certificates of existing shareholders who make registration of his/her owning shares into a securities account.

Data verification

- An applicant company and securities companies conduct data verification between the company's the latest shareholders list and shareholders data registered in ICT system of securities companies.

Making a special account shareholders list

- An applicant company makes a special account shareholders list for shareholders who haven't opened a securities account made registration of owning shares by closing date set by the company.

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Listing on YSX

- An applicant company gets list on YSX on the listing date.

IV. Formal Criteria

An applicant company must meet all of the following requirements. The applicant company is required to submit a written oath regarding whether it meets these formal criteria and a separate set of substantive examination.

1) *Number of floating shares*

➤ Requirement

The number of floating shares by the day of listing is expected to be at least 5,000.

(Note)

Floating shares mean, in principle, shares owned by persons other than those listed below. This requirement shall be satisfied by the day of listing and does not need to be met at the time of application.

- Shareholders owning 10% or more of the number of shares
- Officers of the issuer or a person equivalent thereto
- Issuer of the stock
- Spouse and blood relations within the second degree of kinship of an officer of the issuer
- Company in which spouses and blood relations within the second degree of kinship of officers of the issuer hold the majority of voting rights
- Related companies of the issuer and their officers

2) *Floating market capitalization*

➤ Requirement

The floating market capitalization on the day of listing is expected to be at least 500 million Kyats.

(Note)

- The market capitalization on the day of listing is calculated by multiplying the number of floating shares by the estimated share price.
- The estimated share price means, when the applicant company conducts a public offering or secondary offering related to the listing, the estimated offer price. When the applicant company does not conduct a public offering or secondary offering at the time of listing, an estimated share price appropriately calculated by the securities company which submits the recommendation letter to the applicant

company.

- This requirement shall be satisfied by the day of listing and does not need to be met at the time of application.

3) Number of shareholders

➤ Requirement

The number of shareholders is expected to be at least 100 by the day of listing.

(Note)

- The increase in the number of shareholders due to public offering or secondary offering at the time of listing may be included.
- This requirement shall be satisfied by the day of listing and does not need to be met at the time of application.

4) Amount of profit

➤ Requirement

Comprehensive income for the last 2 years was positive.

(Note)

- The starting point from which to count back "the last 2 years" is the end of the business year before that of the listing application. Therefore, in principle, "the last 2 years" means the business year before that of the listing application and the year before.
- Comprehensive income means comprehensive income in consolidated statement of comprehensive income of a company that prepares consolidated statement of comprehensive income, or non-consolidated statement of comprehensive income in which case an applicant company does not need to make consolidated statement.
- The audit opinions of accounting auditors on financial statements and consolidated profit and loss statements for the last 2 years must be "unqualified opinion" or "qualified opinion".

5) Paid-in capital

➤ Requirement

Paid-in capital as of the initial listing application day shall be at least 500 million Kyats.

6) Number of consecutive years in business

➤ Requirement

The company has conducted business for more than 2 consecutive years prior to the listing application day.

7) Public company

➤ Requirement

The company is a public company (meaning a public company stipulated in Article 2, Paragraph 13-A of the Companies Act, and a company governed by the Special Company Act) on the day of listing application.

8) Financial Reporting Standards

➤ Requirement

The applicant company shall comply with Myanmar Financial Reporting Standards.

9) Restrictions on transfer of shares

➤ Requirement

No restrictions are expected to be imposed on transfers of shares by the day of listing (excluding cases where such restrictions are imposed pursuant to laws and regulations).

(Note)

- This requirement shall be satisfied by the day of listing and does not need to be met at the time of application.

10) Entrustment of shareholder services agency

➤ Requirement

The applicant company shall have entrusted shareholder services to YSX as a shareholder services agency.

(Note)

- Shareholder services mean business related to the preparation of shareholders registers and payment of dividends (excluding such operations related to shares recorded to Special Accounts).
- This requirement shall be satisfied by the day of listing approval and does not need to be met at the time of application.

11) Handling by designated book-entry transfer institution

➤ Requirement

Shares shall be handled by the book-entry transfer services provided by

YSX as a book-entry transfer institution.

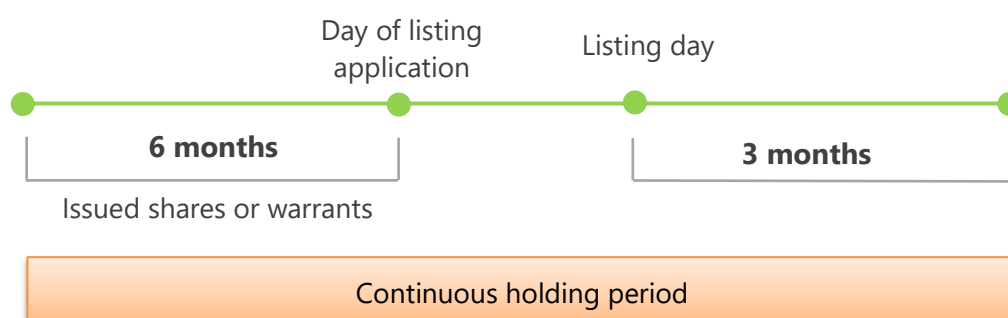
(Note)

- Book-entry transfer services involves a framework for managing shareholders' rights electronically in accounts opened with YSX or a securities company.
- This requirement shall be satisfied by the day of listing approval and does not need to be met at the time of application.

12) **Lock-up period**

➤ Requirement

Where an applicant company has issued shares or subscription warrants to any specific entity within 6 months before the date of the initial listing application, such applicant company shall affirm with the allotted party that, as a general rule, the allotted party shall hold the allotted shares or subscription warrants (including shares obtained by exercise of such subscription warrants) until 3 months elapse from the day of listing. The applicant company shall also submit such affirmation in writing.



V. Substantive Examination

YSX examines an applicant company (the company group including the applicant company, its subsidiaries and affiliated companies; the same shall apply hereinafter) that fulfil the formal requirements, from the point of view as below.

If any breach is proved to have occurred with respect to the descriptions on the initial listing application, the company shall raise no objection to any measures taken by YSX.

1) *Corporate continuity and profitability*

- a) The business plan is drawn up properly based on such as its business model, business environment, risk factors.

(Note)

- The content of the business plan is based on a policy for future business development and shall, preferably, incorporate at least key management indicators. Also, the business plan shall span three business years starting from the year of listing application, and is, preferably, reviewed at least once every business year.
- b) Management activities shall be carried out continuously in a stable manner.
The applicant company can be expected to carry out such as purchase, production, sales, financial activities, organizational operations continuously in a stable manner.
 - c) The company can be reasonably expected to maintain stable profit.
The applicant company is required to have a revenue base that can be expected to maintain stable profit.

2) *Soundness of corporate management*

- a) The applicant company shall not be deemed to provide or gain unfair benefits to or from specific entities.

(Note)

- The provision of unfair benefits to specific entities through transactions or other means puts shareholders at a disadvantage and is not permitted. If there are such transactions, it is necessary to dissolve them or revise their terms and conditions.
- In the case of gaining unfair profits from specific entities through

transactions or other means, it is necessary to confirm the details and check whether it impacts on the soundness of the applicant company's management operations.

- b) Directors of the applicant company shall be considered to execute their duties fairly and in good faith for the company.

(Note)

- If directors of the applicant company do not appropriately execute their duties, such as by giving priority to the business or profits of other companies, the situation must be improved.

- c) Management activities of the applicant company shall be independent.

(Note)

- Management activities of the applicant company shall be independent from specific related parties such as its parent company.

3) Effectiveness of corporate governance and internal management systems

- a) Systems to ensure the appropriate execution of duties by directors of the applicant company shall be properly established and operated.

- b) Internal management systems shall be properly established and operated.

(Note)

- For appropriate proper decision making and business activities by the applicant company, it is necessary to properly establish and operate corporate governance and internal management systems.
- For this purpose, it is necessary that the board of director regulations, accounting regulations and other internal regulations are properly established and operated, and are subject to internal audits and other periodic checks.

- c) Appropriate accounting standards complying with Myanmar Financial Reporting Standards shall be adopted according to the company's actual situation and, in addition, necessary internal

controls for accounting shall be properly established and operated.

(Note)

- The applicant company must properly prepare and operate internal systems to prepare financial statements based on Myanmar Financial Reporting Standards and be subject to audit by accounting auditor.
 - Any financial statement disclosed by the applicant company shall be attached with an "unqualified opinion" or "qualified opinion" by the accounting auditor. When there is a "qualified opinion", the reason must be appropriately disclosed.
- d) Effective systems for compliance with laws and regulations are properly established and operated, and acts that are likely to constitute a material breach of laws and regulations are not being carried out.

(Note)

- The applicant company's business must be properly executed in accordance with laws, regulations and internal regulations.

4) Appropriate disclosure of corporate information

- a) The applicant company shall manage corporate information such as facts which have a significant impact on company management and disclose information in a timely and appropriate manner. Systems to prevent insider trading shall be appropriately established and operated.

(Note)

- The applicant company is required to manage corporate information, such as facts that significantly influence its operations, and is able to disclose such corporate information in a timely and appropriate manner.
 - Buying or selling of shares on non-public information is a legal violation and severely damages trust in the applicant company. Therefore, it is important to establish frameworks to prevent insider trading.
- b) Documents for disclosing corporate information shall be established in accordance with laws and regulations, and shall properly describe matters that may potentially have a significant

effect on investment decisions, matters considered as risk factors and matters to be regarded as significant premises for business activities, in an understandable manner.

- c) Transactions with specific parties or adjustments for the shareholding ratio shall not distort disclosure on the actual state of the corporate group.

5) Other matters for the public good and investor protection deemed necessary by YSX

- a) The contents of the rights of shareholders and the state of rights exercise are deemed appropriate for the public good and investor protection.
- b) The applicant company does not have any conflicts or disputes that would have a material effect on its management activities or business performance.
- c) No issues are identified as being contrary to the public good or investor protection.

VI. Procedure of Listing Examination

Listing examination by YSX will generally be conducted as follows. The examination will take about 45 business days, although it depends on whether there are problems found in the examination and responses from related parties. After obtaining listing approval, time will be required for the public offering and dematerialization process before the actual listing.

1) Listing Application

In principle, it is necessary for an applicant company to submit the following documents after the financial statements for the previous business year have been approved by the shareholders meeting to YSX.

- a) Initial listing application
- b) Written oath regarding initial listing application
- c) Minutes of board of directors meeting regarding initial listing application
- d) Certificate of registered matters
- e) Articles of Incorporation
- f) Prospectus or Disclosure Document for Listing.
- g) Recommendation letter
- h) Plans for public offering or secondary distribution (in the case of conducting public offering or secondary distribution)
- i) State of share distribution (in the case of not conducting public offering or secondary distribution)
- j) Document on computation of market capitalization
- k) Letter of Commitment

In the case where the applicant company cannot submit the documents in items (f) through (K) at the time of listing application, please submit the draft for each document and submit the official versions later.

In addition, please submit the following documents at the time of listing application as far as possible for the sake of conducting listing examination smoothly by YSX.

In the case where the applicant company cannot submit the documents at the time of listing application, please prepare them promptly for submission. Please feel free to contact us if there are any difficulties in

preparing or submitting the documents.

Furthermore, YSX may request the applicant company to submit documents other than those stated below.

- a) Annual Report (business year of listing application and previous business year)
- b) Company Business Rules (such as Regulations of the Board of Directors, accounting rules.)
- c) Minutes of General Shareholders' Meetings and Minutes of Board of Directors (business year of listing application and previous business year)
- d) Notice of Convocation of General Shareholders' Meetings (business year of listing application)
- e) Top 10 major shareholders (including information on attributes of shareholders) (business year of listing application and previous business year)
- f) Organizational chart of company and employee structure chart
- g) Organizational chart of corporate group including parent company (which describes business contents, sales and profit, capital relationships and outline of business relationships of each company)
- h) List of major business partners (top 10 companies by sales and purchases) (business year before listing application)
- i) List of related party transactions (business year before listing application)
- j) Business plan (from the business year of listing application)
- k) Annual budget and budget management document for business year of listing application

2) Receipt and submission of written inquiries and written responses

When YSX delivers a written inquiry to the applicant company, based on the documents submitted at and from the time of listing application, the applicant company shall prepare and submit a written response to YSX. YSX confirms whether applicant company satisfies listing criteria or not, in the course of an examination by repeating this process of exchanging written inquiries and responses several times. The number of times may vary depending on the state of confirmation.

3) Interviews and on-site inspections

YSX may hold interviews with the applicant company or the accountant or conduct on-site inspections at the office of the applicant company if YSX deems it necessary in the course of exchanging written inquiries and responses. We kindly ask for your cooperation.

4) Interview with the president

YSX hold an interview with the president (Chairman or Managing Director) to confirm regarding the purpose of listing, policy of business management, policy for returning its profits to its shareholders after listing, and company's structure of timely disclosure.

5) Listing approval

YSX will determine whether to grant listing approval based on such as the contents of written responses, the results of interviews and inspections.

VII. Listing Fees

An applicant company shall pay the following fees regarding listing to YSX.

The fees regarding initial listing shall be initial listing examination fee, initial listing fee, fee for public offering (if conducting public offering) and fee for secondary distribution (if conducting secondary distribution). The fees after initial listing are additional listing fee (if listing more shares), fee for public offering (if conducting public offering), fee for secondary distribution (if conducting secondary distribution) and annual listing fee.

In addition, listed company shall pay the fees for Book-Entry Transfer to YSX. For details on table of fees, please refer to the YSX's Business Regulations (<https://ysx-mm.com/en/ysxregulations/>).

Items	Amount
Initial listing examination fee (Applicant company)	1,500,000 Kyat
Initial listing fee (Applicant company)	0.05 % of the market capitalization as of the listing date
Additional listing fee (Listed company)	Number of additional listing shares * offering price * 0.05%
Fee for offering of new shares (Applicant company and listed company)	Number of offering of new shares * offering price * 0.04%
offering of existing shares (Applicant company and listed company)	Number of offering of existing shares * offering price * 0.01%
Annual listing fee (Listed company)	Market capitalization as of the last day of March of each year * 0.005%