



Listing and Trading Participant Department
Listing Consulting Division

FAQs by Potential Listing Companies
(Version 2)

Part I. Questions relating to Fees

Q.1) What are the fees charged by YSX to a listing applicant company?

Answer: The fees charged by YSX to a listing applicant company can be basically categorized into two parts as one-time/ad-hoc fees and regular fees.

Please kindly see the following fee table:

One-time Fees	
Initial Listing Examination Fee (Initial Listing Applicant)	1,500,000 Kyats
Initial Listing Fee (Initial Listing Applicant)	Market capitalization as of the listing date * 0.05%
Additional Listing Fee (Listed Company)	Number of additional listing shares * issue price * 0.05%
Fee for Offering of New Shares (Initial Listing Applicant and Listed Company)	Number of offering shares * offering price * 0.04%
Fee for Offering of Existing Shares (Initial Listing Applicant and Listed Company)	Number of offering of existing shares * offering price * 0.01%

*Market capitalization means total number of outstanding shares * Market price.

Regular Fees	
Annual Listing Fee	Market Capitalization * 0.005% (Annually)
Shareholders Confirmation Fee	1,000,000 Kyats or Number of shareholders * 300 Kyats (Per notice)
Book-Entry Transfer Fee (Transfer from Special Account)	1,000 Kyats (Per transaction)

Please kindly refer to the following link for more details –

https://ysx-mm.com/wp-content/uploads/2016/04/ysxr04_en_042016_01.pdf

Q.2) What is “Initial listing examination fee”?

Answer: Initial listing examination fee is charged to an initial listing applicant, meaning the fee charged for examining whether the applicant company meets the listing criteria ahead of being listed on YSX.

Q.3) What is “Initial listing fee”?

Answer: Initial listing fee is charged to an initial listing applicant, meaning the fee charged for initiating transactions of its shares on the exchange after getting approval from YSX. It is calculated as of listing date (market capitalization * 0.05%).

Q.4) What is “Additional listing fee”?

Answer: Additional listing fee is charged to a listed company, meaning the service fee charged for issuance of the additional shares via stock exchange again in order for the trading after it has approved by Yangon Stock Exchange as a listed company (Number of additional shares * issue price * 0.05%).

Q.5) What is “fee for offering of new shares”?

Answer: Fee for offering of new shares is charged to an initial listing applicant and a listed company, meaning the service fee charged for offering the new shares to the public at Yangon Stock Exchange later on (Number of offering shares * offering price * 0.04%).

(For Example)

When an initial listing applicant makes initial public offering (IPO) at the time of listing, this company has to pay initial listing examination fee, initial listing fee and fee for offering of new shares.

(Specific Example of Fee Calculation)

Assume an initial applicant with following status:

- Number of shares issued before listing application : 500,000 shares
- Number of shares issued by IPO at the time of listing : 500,000 shares
- Total number of listed shares : 1,000,000 shares
- Public offering price : 1,500 Kyats
- Closing price on listing date : 2,000 Kyats

Assume of fee this company should pay at the time of listing is:

- Initial listing examination fee : 1,500,000 Kyats
- Initial listing fee : $1,000,000 \text{ shares} * 2,000 \text{ Kyats} * 0.05\% = 1,000,000 \text{ Kyats}$
- Fee for offering of new shares : $500,000 \text{ shares} * 1,500 \text{ Kyats} * 0.04\% = 300,000 \text{ Kyats}$
- Total fee : 2,800,000 Kyats

Q.6) What is “fee for offering of existing shares”?

Answer: Fee for offering of existing shares is charged to an initial listing applicant and a listed company, meaning the service fee charged for offering the existing shares held by one of the major shareholders of the company to the investors at once at Yangon Stock Exchange (Number of offering of existing shares * offering price * 0.01%).

Q.7) What is “fee for general shareholders confirmation”?

Answer: Fee for general shareholders confirmation means the service fee charged to a listed company that the company requests Yangon Stock Exchange the information of all shareholders (name, address, amount of shares, etc.,) as of the record date. (1,000,000 Kyats or Number of shareholders * 300 Kyats). The “Record Date” is set once a year at least, for the annual general shareholders meeting.

Q.8) What is “book entry transfer fee (transfer from special account)”?

Answer: Book-Entry Transfer fee means the service fee charged to a listed company that the shareholders in the list of Special Account from a listed company to be traded in the market are transferred to the regular securities account once in the transaction (1,000 Kyats).

Q.9) What is “Special Account”?

Answer: In order to trade at Yangon Stock Exchange, existing shareholders of a company to be listed have to open securities A/C (account) and be recorded his/her amount of shares in the A/C by the company’s listing. Shares being missed above operation are recorded in a Special A/C of the company. Shares being recorded in a Special A/C cannot be traded at Yangon Stock Exchange and transferred to others until the shareholders open securities A/C and transfer shares from the Special A/C. To transfer from a Special A/C, shareholders in the A/C have to give request instruction to the listed company and the listed company takes necessary operation among a securities company and Yangon Stock Exchange.

Part II. Questions relating to Price Valuation (Reference Price)

Q.1) What is the “reference price” of a listed company?

Answer: The “Reference Price” means the base price used for trading on the very first day of listing. The base price is set to the center of the order book at the opening of transactions, and the price to determine the “upper and lower limit price” of the day. The “Reference Price” is calculated by a lead managing securities company (an underwriter in the case of initial public offering (IPO)) chosen by the listing applicant company, and the offering price (issue price) becomes the “reference price” in the case of IPO.

Please kindly refer to the following link for more details –

Q.2) How is the reference price calculated?

Answer: Generally, Historical Price Method, Book Value Method, Comparison Method, Discounted Cash Flow etc., can be utilized when the “reference price” of a listed company is calculated.

Q.3) How should the reference price of a listing applicant company with an IPO be calculated?

Answer: The “reference price” of a listing applicant company with an IPO can be calculated by the lead underwriter (Securities company). The estimated share price to offer the public should be calculated by a lead securities company in line with the describing methods in the Question No. 2 reasonably. Also, the securities company may just calculate the range of price firstly, and then execute the “book building”, where the exact price is determined based on actual requests from the investors on the number and price of shares they want to receive.

Q.4) How should the reference price of a listing applicant company without an IPO be calculated?

Answer: The “reference price” of a listing applicant company without an IPO can be calculated by the securities company which conducted the recommendation letter to this company to be listed on Yangon Stock Exchange. The estimated share price should be calculated in line with the describing methods in the Question No. 2 reasonably.

The explanations with the calculation methods must be attached in submitting.

Q.5) How is the reference price of a listed company recognized and disclosed?

Answer: In the case with IPO, the “reference price” which is calculated with the methods mentioned in Question No.3 is finally resolved by BOD of the company, and final prospectus including such price is submitted to SECM. In the case without IPO, after resolved by BOD of the company, the “reference price” which is calculated with the methods mentioned in Question No.4 is evaluated by Yangon Stock Exchange by submitting and getting the approval by Securities Exchange Commission. Afterwards, in both cases, the reference price is disclosed to the public in terms of the interest of general public.

Q.6) When is the reference price of a listed company disclosed?

Answer: In the case of IPO, the “reference price” is disclosed on the Yangon Stock Exchange web page after the final approval of prospectus is obtained from SECM. In this case, the final prospectus is also disclosed there at the same time. In the case of without IPO, the “reference price” that is approved by SECM is disclosed with the explanation, calculation methods, procedures of calculation and the price to the public on the Yangon Stock Exchange web page on the day before listing.

Part III. [Questions relating to Electronic Registration \(Dematerialization\)](#)

Q.1) What is the “Process of Electronic Registration the securities” (Dematerialization Process)?

Answer: “Dematerialization Process” means the process of making stock certificates paperless and registering the right on the stock in the transfer account book.

Q.2) Why does a listed company have to do the dematerialization process?

Answer: The listing company that will be listed on Yangon Stock Exchange conducts the “Dematerialization Process” because the issuing shares before listing can be easily transferred with the electronic system in trading on the Stock Exchange.

Q.3) When and how the dematerialization process of a listed company be done?

Answer: - “Dematerialization Process” is conducted the days between the approval date as a listed company by the BOD of YSX and the date of listing. It takes about 2 weeks or 3 weeks based on the number of shareholders.

Yangon Stock Exchange leads the process and the listed company with the securities companies conducts the contacting its shareholders.

Part IV Questions relating to Listing

Q.1) Please explain about “Initial Public Offering without Listing” and “Listing on YSX”.

Answer: “Initial public offering without Listing” hereby means, in order to invest from the public, the company offers the shares with its prospectus are compiled and getting the approval by SECM but it is not listed on Yangon Stock Exchange.

“Listing on Yangon Stock Exchange” is that making freely trade in the market the shares of the company.

Q.2) Please explain about the differences between “Initial Public Offering without Listing” and “Listing on YSX”.

Answer: After having the “Initial Public Offering without Listing”, it would not having the market, not being the reliable share price for the existing

shareholders, additionally, not getting the chance easily buying huge amount of shares from the investors.

There are some differences that “listing on Yangon Stock Exchange” makes the company’s shares can be freely and easily traded in the market and can trade with the disclosing daily market price, the analyzing of the timely disclosures that are corporate information from the listed company for the investors.

In other words, “Initial Public Offering without Listing” can be said to an action to offer shares to the public even though the secondary market does not exist, and investors obtained such shares are considered to fall to an extremely inconvenient situation where their shares can’t be sold freely, In general, the primary is inseparable from the secondary market, and that is why **YSX strongly recommends companies to be listed if they are considering IPO.**

Q.3) Can a company be listed on YSX without an IPO? How does the company do?

Answer: Yes, the company can be listed on Yangon Stock Exchange with its existing shares. “The disclosure documents for listing (DDL)” that is similarly “the prospectus” and the application documents designated by Yangon Stock Exchange is submitted and listing. For instance, First Myanmar Investment Co., Ltd., Myanmar Thilawa SEZ Holding Public Co., Ltd., Myanmar Citizens Bank Ltd. and First Private Bank Ltd. are the companies listed in line with the aforementioned process.

Q.4) Can a company be listed on YSX with an IPO? How does the company do?

Answer: Yes, they can. In order to do so, the prospectus must be submitted to SECM and the application documents designated by Yangon Stock Exchange must be applied. For instance, TMH Telecom Public Co., Ltd. is the company listed in line with the aforementioned process.

Q.5) How is “Floating Share” defined?

Answer: “Floating share” means that the rest shares except the shares holding the following shareholders.

- (a) A shareholder who owns 10% or more of the total number of shares;
- (b) A director of the issuer or a person equivalent thereto, the issuer, the spouse or blood relatives within the second degree of kinship of a director of the issuer, a director of the issuer, or a company whose majority of voting rights of total shareholders is owned by any entity and a related company of the issuer, or a director of such company.

Q.6) Can a company make a listing application without appointing Securities Companies or Accounting Firms?

Answer: A listing applicant is required to appoint a lead managing securities company (in case of IPO, such securities company executes underwriting operations) and get audited by an accounting firm. Securities companies and accounting firms help the company in preparation for the listing with developing internal control systems, preparing financial statements and creating necessary documents for the listing application.

Q.7) Please explain about the roles of Securities Companies and Accounting Firms?

Answer: The securities company chosen by the listing company has to do the “Due Diligence” to recommend for listing, and accounting firms needs to undertake conducting the financial documents in line with the instructions by Myanmar Accountancy Council in order to be listed on Yangon Stock Exchange.

Q.8) How should a company reestablish its internal organizations while in preparation for listing?

Answer: The financial data should be generally conducted to be met in accordance with the guidelines of Myanmar Accountancy Council, and the good corporate governance system should be developed in accordance with related laws, forming the relevant committees and making the required policies. The company should establish a sound and efficient structure where significant information is appropriately reported to directors. Specialists like legal advisors should be appointed if the company wants to get necessary advices.

Q.9) Can a start-up company apply for the listing?

Answer: The company which wants to be applied the listing application must be at least two years executive business and met the minimum (17) listing criteria is allowed to submit the listing applications.

Q.10) Please explain about the things that YSX normally does in listing examination.

Answer: Normally, the listing examination is started by Yangon Stock Exchange after receiving the listing applications and additional documents immediately. The questionnaires are made based on the contents of applications documents and conduct the interviewing the managements or BOD members, and audit firm.

“If you have further queries or have questions about listing on YSX, please feel free to contact us to get free consultation anytime.”

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