



Explanation about Pre Listing Board (PLB) Virtual Press Briefing

28th September 2020

Yangon Stock Exchange Joint-Venture Co., Ltd.

Announcement



- **YSX obtained approval for setting up a second board called “Pre Listing Board (PLB)” for unlisted public companies from the President’s Office of the Republic of the Union of Myanmar, Ministry of Planning, Finance and Industry, the Securities Exchange Commission of Myanmar, with the aim of further activating the Myanmar Capital Market.**
- **Launching Date of the Pre Listing Board (PLB) will be announced by further notices.**

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Background and Concepts

Why the Pre Listing Boards need to establish at YSX?

Public offerings by unlisted public companies and personal transactions of unlisted shares have been conducted since long before the establishment of YSX.

Pre-listing Board for unlisted companies whose shares are traded by investors or would like to conduct IPO/PO as well as in order to improve transparency, investor protection and accuracy of trading.

Registered companies on the Board will be the candidates for listing on YSX [Main Board] in near future.

Bridging to Listing Goal

- To build a bridge for unlisted companies toward listing on YSX, and this gives the place of implementation.

Fund-raising opportunities

- To nurture unlisted companies' motivation to raise capital for their own growth through providing greater fund-raising opportunities and reducing their operation cost.

Investor protection

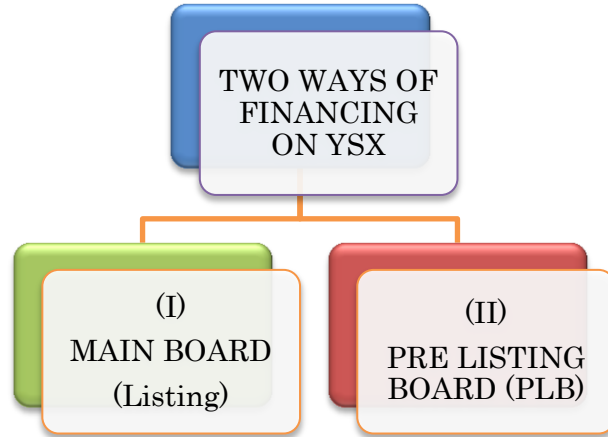
- In order to develop sound market, to move forward toward the market to be supervised, managed and investor-protection from an unorganized market which is represented by public offering of unlisted companies.

Overview of YSX Market Boards





Overview of YSX Market Boards



- MAIN BOARD is an existing market of YSX for listed companies which have passed the listing examination conducted by YSX. It is also called the Listing Board.
- LISTED COMPANY is a company whose shares are traded in the Main Board (Listing Board) of YSX and its shares are called listed shares.



- PRE LISTING BOARD (PLB) is a new market of YSX in order to provide unlisted public companies with fund-raising opportunities and to build a bridge toward listing on YSX. It is also called the Registration Board.
- Pre Listing Board (PLB) is designed to fulfil following needs for Unlisted Public Companies:
 - ✓ Easy access to fund
 - ✓ Bridge toward listing goal
 - ✓ Level up corporate practices
 - ✓ Be transparent and fair share trading
- REGISTERED COMPANY is a company whose shares are traded in the Pre Listing Board (PLB) (Registration Board) of YSX and its shares are called registered shares.



Investor can trade registered shares through any securities company and the process is same as trading listed shares.



Comparison of benefits between Listing and PLB

Listed Company [Main Board]	Registered Company [Pre-listing Board]
✓ Highest reputation	✓ Gaining more reputation
✓ A place for fund raising	✓ Same as the left
✓ More liquidity and more credit worthiness for the shares	✓ Creating liquidity for the shares
✓ Cost effectiveness on Corporate Actions such as holding AGM, EGM, Bonus share issues, Stock split etc..	✓ Same as the left
✓ More transparent: Strong corporate management, corporate governance and internal management system	✓ Transparent: Quality time to improve corporate management, corporate governance and internal management system via transparency due to mandatory system for disclosure
✓ Enjoyable 5 % exemption on income tax and expected for more exemption	✓ Potential to enjoy tax exemptions
✓ Both Myanmar and Foreigner can trade	✓ Same as the left

Registration Criteria for Pre Listing Board (PLB)



A candidate company need to fulfil following criteria before registration at the Pre Listing Board (PLB).

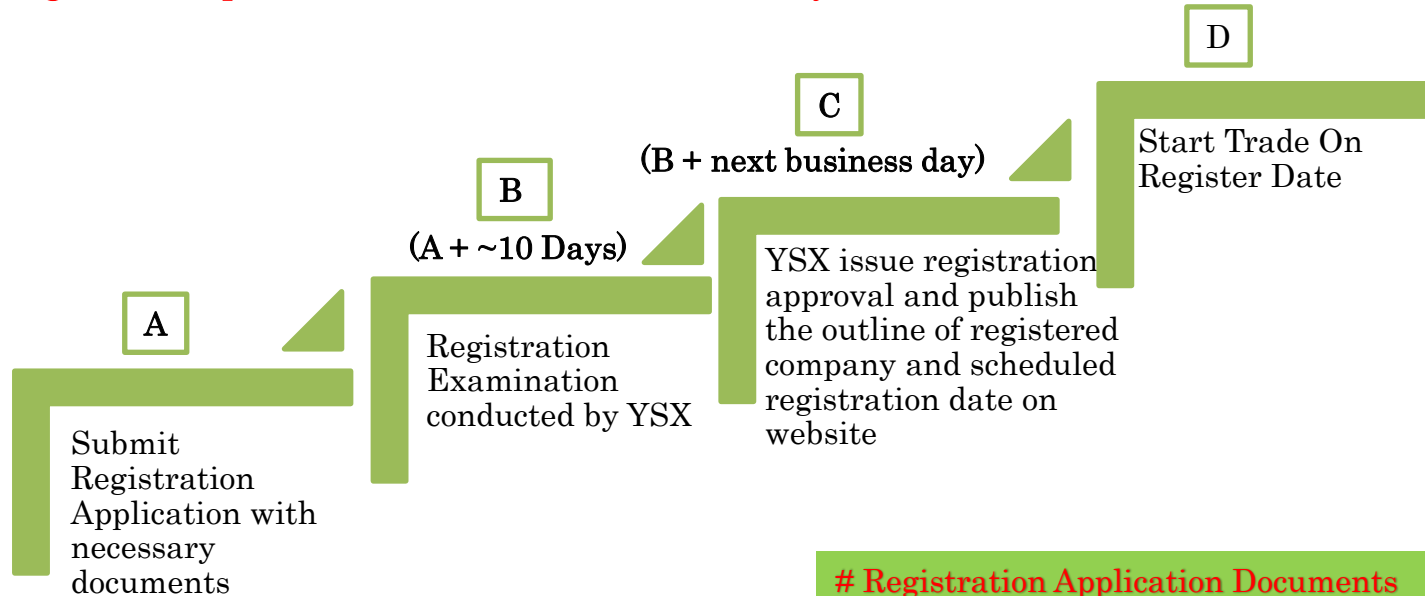


- (1) Public company
- (2) 100+ shareholders
- (3) Audited financial statements(MFRS / IFRS)
- (4) Tax dutiful
- (5) DEMAT (Dematerialization of share certificates into electronic form)
- (6) To comply with the SE Law and its rules
- (7) To comply with AML/CFT



Procedure for Pre Listing Board (PLB)

- # The procedure for Pre Listing Board is designed for unlisted public company to be registered promptly.
- # The registration process can be done within (10) days.



* Appointment of **Registration Adviser** is recommended before submitting application for registration on PLB.

Registration Application Documents

A candidate company need to submit;

- ☐ Stock Initial Registration Application Form
- ☐ Annual Report (or) Business Report
- ☐ Copy of Prospectus (in case of IPO or issuing new shares)
- ☐ Letter of Recommendation and Market Value assessment
- ☐ Registration Agreement
- ☐ Lock-up Agreement
- ☐ Schedule of Offering of New Shares or Existing Shares
- ☐ Certification Concerning Tax Duty
- ☐ Written Oath concerning (AML) and (CFT)
- ☐ Other Document (deemed necessary by YSX)

