

Ministry of Finance
Securities and Exchange Commission
Notification (2/2015)
1st Waxing Day of Tawthalin 1377 ME
September 14, 2015
Public Offering

According to chapter (6), Section (35) (a) of the Securities Exchange Law, a public companies shall submit to the Securities and Exchange Commission the prospectus, before public offering of its securities and obtain the approval of the Commission. The Commission shall decide within 60 days.

1. For the purpose of investor protection according to the Law, the Commission hereby issues this notification

[Definition]

2. Public offering means a communication to person in any form and by any mean, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to buy or subscribe for the securities in question. Public offering includes initial public offering and additional public offering.

3. Public company which makes public offering shall prepare prospectus as prescribed in relevant provisions under the Myanmar Companies Act and the Securities Exchange Law.

[Procedure]

4. The procedure for the public company which makes public offering shall prepare as follow.

- (a) The public company shall submit to the Commission the procedure before public offering of its securities and obtain the approval of the Commission
- (b) The public company shall submit the prospectus including points mentioned in 5 (a) together with documents mentioned in 5 (b).
- (c) The Commission shall give the approval of public offering if all submitting documents scrutinized by the Commission are satisfied.
- (d) The public company shall submit the prospectus to Directorate of Investment and Company Administration after obtaining the approval of the Commission in accordance with the Myanmar Companies Act.
- (e) After completing the public offering, the issuer shall submit to the Commission the result of the public offering immediately.
- (f) The public company shall obtain the approval of the Commission in case of issuing new prospectus or amending the prospectus.

5(a) Prospectus shall consist of the following information based on a format prepared by the Commission;

- (i) Procedures of the public offering
- (ii) Information of the public offering
- (iii) Information of the securities to be offered
- (iv) Information of the issuer
- (v) a summary of the company's affairs including the information about the history and development of the company, its related companies, its employees, etc.;
- (vi) business overview including the performance of the company's business, the principal activities and principal markets, the principal risks and uncertainties facing the company, material contracts, research and development, etc.;
- (vii) a statement of the company's investment plan
- (viii) a statement of the company including the information about major shareholders, dividend policy, organizational structure, management system, etc.

(b) Together with the prospectus, the following documents shall be submitted;

- (i) a copy of its memorandum and articles of the association;
- (ii) a copy of its audited balance-sheet and profit and loss account in each of the two financial years, 5 years business plan instead of documents mentioned in above clause if it is a start-up company before the issue of the prospectus;
- (iii) a copy of the auditors' report attached to the balance-sheet and profit and loss account (if available);
- (iv) a copy of its directors' report under the section 131 (A) of the Myanmar Companies Act and (if available);
- (v) a copy of the resolution of annual general meeting of shareholders (AGM), of extraordinary general meeting of shareholders (EGM), or of the board of directors or the decision of the directors in relation to the issue of securities concerned (if available); and
- (vi) a copy of a document which shows the respective authority's approval of a capital increase and/or a change in capital structure

6. If after a public offering is approved by the Commission but before the close of the public offering, the issuer becomes aware of the following points, the issuer shall lodge supplementary documents with the Commission.

- (a) a false or misleading statement in the prospectus;
- (b) an omission from the prospectus of any information that should have been included in it; or

- (c) a new circumstance that has arisen since the prospectus is submitted to the Commission, and that is materially adverse to an investor.

7. After getting approval of the Commission, a public company together with documents mentioned in 5 shall announce prospectus in either following methods:

- (a) by insertion in newspapers
- (b) in a printed form to be made available, free of charge, to the general public at the registered office of the issuer, at the offices of the companies which offer the securities, and initial public offering declaration ceremony; or
- (c) in electromagnetic form on the issuer's website.

8. Any prospectus shall not be published until the public offering has been approved by the Commission.

9. In the case of capital increase of the company by rights issue where the offer to purchase further shares is addressed to the existing shareholders, the case where such offer is transferred to existing or former director or employees shall not concern the statements of this notification. However, the subsequent offer of the shares which are surrendered by shareholders to the public under the decisions of the board of directors shall concern this notification.

(Dr. Maung Maung Thein)
Chairman

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