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## Myanmar Highlights

February 2016

### Australian PanAust Group granted exploration licences under Myanmar's new Mining Law

Wuntho Resources Limited (**Wuntho**), a subsidiary of the Australian PanAust Group (**PanAust**), has become the first foreign mining company to be granted mining exploration licences since the passing of Myanmar's new Mines Law in December 2015. Wuntho will have the right to explore and produce mineral resources in three mining blocks located in Hel Chain, Pin Hin Hka and Nam Awl in the Sagaing Region. The three blocks have a combined area of approximately 1400 square kilometre. The Sagaing Region is considered to be highly prospective for both copper and gold. PanAust is a subsidiary of Guangdong Rising H.K. (Holding) Limited, which is a wholly owned subsidiary of Guangdong Rising Assets Management Co. Ltd (**GRAM**). GRAM is a Chinese state-owned company regulated by the PRC's State-owned Assets Supervision and Administration Commission. Wuntho will now commence geochemical sampling and mapping to identify potential drill targets before the end of 2016. The company will establish a permanent office in Banmawk Township in upper Myanmar and will continue to consider other potential exploration opportunities. PanAust holds an 80% share in Wuntho with Myanmar Energy Resources Group International Limited holding the remaining 20%. By the end of 2015, the Ministry of Mines had granted 2410 licences for mining projects throughout Myanmar. Although the majority of licences issued were for small-scale projects using traditional mining methods, 15 foreign mining companies have been issued with licences for larger projects. Of these, 5 have reached production whereas 10 are still in the exploration stage. (Source: <http://www.mmtimes.com/index.php/business/18926-australia-based-mining-company-granted-three-blocks.html>, 11 February 2016)

### Seven telecom companies submit expressions of interest in becoming Myanmar's fourth mobile operator

Seven telecom companies have submitted non-binding expressions of interest in becoming Myanmar's fourth mobile operator. The interested companies are Singapore Telecommunications Limited, the Viettel Group from Vietnam, China Telecommunications Corporation, 'Free Mobile'- a subsidiary of French telecom provider Iliad S.A., the South African headquartered MTN Group, Hong Kong's '1COM', and the Beijing based Xinwei Telecom Enterprise Group. The winner of the tender process will be required to join a consortium of eleven Myanmar companies. The consortium will establish a joint venture with the Government and will be issued with a licence to provide telecom services throughout Myanmar. Companies submitting expressions of interest were expected to have had previous telecoms experience and access to sufficient working and investment capital. A number of the local consortium partners do not have significant telecoms experience. (Source: <http://consult-myanmar.com/2016/02/04/revealed-the-names-of-seven-foreign-applicants-for-fourth-telecoms-licence/>, 4 February 2016)

### Central Bank of Myanmar names international banks shortlisted in second foreign-bank licence bidding round

The Central Bank of Myanmar (**CBM**) has named the 13 international banks who have submitted applications as part of the CBM's second foreign-bank licence bidding round (**Bidding Round**). The Bidding Round was open to all foreign banks with representative offices in Myanmar but excluding banks headquartered in those countries that provided the successful applicants in Myanmar's first bank-licencing bidding round held

in 2014, namely Australia, China, Japan, Malaysia, Singapore and Thailand. Applications have been received from the Bank for Investment and Development of Vietnam; Taiwan's Cathay United Bank Limited, Chinatrust Commercial Bank Limited, the E.SUN Commercial Bank Limited, First Commercial Bank Limited and Mega International Commercial Bank Co. Limited; South Korea's KB Kookmin Bank Limited and Shinhan Bank Limited; the State Bank of India; the State Bank of Mauritius; Taiwan Business Bank Co. Limited; Taiwan Cooperative Bank Limited; and the Taiwan Shin Kong Commercial Bank Co. Limited. The CBM will announce details of successful applicants by 31 March 2016. (Source: <http://www.irrawaddy.com/burma/central-bank-says-13-foreign-banks-vying-for-operating-licenses.html>, 9 February 2016)

#### Edotco Group to invest US\$200 million to construct 5,000 new telecom towers in Myanmar

The Edotco Group Sdn Bhd (**Edotco**), the telecom infrastructure services arm of Axiata Group Bhd (**Axiata**), has announced that it will spend approximately US\$200 million building 5,000 new telecom towers in Myanmar over the next five years. In December 2015 Axiata acquired a 75% stake in Digicel Myanmar Tower Company Limited (**MTC**) for US\$221 million from MTC's parent company Digicel Asian Holdings Pte Ltd. Yoma Strategic Holdings Limited continues to hold a minority 25% share in MTC. MTC has already constructed 1,250 telecom towers on behalf of Ooredoo Myanmar and has further signed core location contracts with Myanmar's other two telecom operators Telenor Myanmar Limited and the Government owned Myanma Post and Telecommunications. Edotco proposes to introduce tower sharing to off-set the construction difficulties resulting from historical land ownership issues in Myanmar. Edotco currently operates more than 16,000 towers in Bangladesh, Cambodia, Malaysia, Pakistan and Sri Lanka. According to Edotco CEO Suresh Sidhu, Edotco will provide sustainable and value-added services, such as alternative energy solutions, dual-purpose structures and Edotco's proprietary echo remote monitoring and management system. (Source: <http://www.dealstreetasia.com/stories/axiatas-edotco-to-focus-on-tower-construction-with-200m-investment-by-2020-27050/>, 15 January 2016)

#### Government and JGC Corp. led consortium reach agreement to develop Hanthawaddy International Airport

Myanmar's Department of Civil Aviation has entered into a framework agreement with a consortium led by Japan's JGC Corp (**JGC**), Yongnam Holdings Limited and Singapore's

Changi Airport Group, in relation to the construction of the new Hanthawaddy International Airport in Yangon. JGC is a Tokyo-listed global engineering company headquartered in Yokohama, Japan. Yongnam Holdings Limited is a leading Singapore based multi-discipline construction and engineering company. The project is estimated to cost US\$1.5 billion. It is anticipated the airport will be operational by 2022 and will have an initial capacity of 12 million passengers a year. Hanthawaddy International Airport will replace Yangon International Airport situated in Mingalardon as the city's main air-transport hub. A portion of project costs will be covered by an official development assistance loan from the Japan International Cooperation Agency (JICA). The JICA is also assisting the Government to develop transport links between downtown Yangon and the site of the Hanthawaddy airport development. (Source: <http://www.thuraswiss.com/update/myanmar-news-database>, 4 February 2016)

#### Asian Development Bank and International Finance Corporation to provide US\$300 million loan to Ooredoo Myanmar

The Asian Development Bank (**ADB**) and International Finance Corporation (**IFC**) will provide loans totalling US\$300 million to Ooredoo Myanmar Limited (**Ooredoo**). Ooredoo had been seeking additional financing to enable it to continue to roll out its "greenfield" telecommunication network throughout Myanmar. Ooredoo entered Myanmar in 2014. It currently provides 3G network coverage to 80% of Myanmar's population. The Government is aiming to increase Myanmar's mobile network penetration rate to 100% by 2021. The financing arrangements Ooredoo has reached with the ADB and IFC will cover the cost of its additional network infrastructure up until 2019. Ooredoo also plans to develop mobile applications targeting low-income groups and women. The applications will provide easier access to banking, agriculture, and maternal health services. (Source: [http://www.nationmultimedia.com/business/Ooredoo-Myanmar-wins-\\$300m-financing-from-ADB-and--30278850.html](http://www.nationmultimedia.com/business/Ooredoo-Myanmar-wins-$300m-financing-from-ADB-and--30278850.html), 8 February 2016)

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