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Myanmar Highlights

September 2016

Yoma Strategic Holdings to restructure and consolidate its tourism assets

Yoma Strategic Holdings Ltd (**Yoma**) has announced its plans to restructure and consolidate its tourism assets in a new Myanmar tourism-focused company with a view to a potential listing on the Singapore Stock Exchange. Yoma announced that as part of the restructuring it had acquired the remaining 25%, it did not already own, of the tourism-focused Chindwin Holdings Ltd which operates, among other ventures, a popular hot-air balloon business in Bagan. Yoma has already put in place a new management team for the new entity. Yoma focuses on four main business sectors – real estate, automotive and equipment, the consumer sector, and investments. It is anticipated that a number of under-construction hotel projects will be transferred to the new tourism firm. (Source: <http://www.mmtimes.com/index.php/business/22335-yoma-strategic-mulls-mergers-for-new-tourism-firm-with-an-eye-on-the-sgx.html>, 6 September 2016)

Thailand's Group Lease acquires majority share in Myanmar's BG Microfinance

Bangkok-listed Group Lease Public Company Ltd (**Group Lease**) has acquired a 72% stake in BG Microfinance Myanmar Co. Ltd (**BG Microfinance**) from Sri Lankan financial group Commercial Credit & Finance PLC for US\$6.8 million. Group Lease is a hire purchase company focusing on the automobile and machinery sector as well as financial leasing, asset financing and personal loans. Commercial Credit & Finance PLC will retain the other 28% stake. The capital injection will be used to increase the number of BG Microfinance branches from four to twelve. (Source: <http://www.mmtimes.com/index.php/business/22383-asian-firms-increase-footprint-with-myanmar-mfi-expansion.html>, 8 September 2016)

Myanmar Investments International raises over US\$4.2 million to fund Myanmar Investments

Myanmar Investments International Ltd (**MIL**), the AIM-listed Myanmar-focused investment company, has announced that it has raised US\$4,219,081 (before costs) through a conditional new issue of 3,245,447 ordinary shares at a price of US\$1.30 per new ordinary share. Investors will also receive warrants in the ratio of 1 warrant for every 4 shares subscribed. The warrants are identical in all respects with MIL's existing warrants currently in issue. The proceeds will be used to fund some of MIL's investment pipelines in order to take advantage of a number of live investment opportunities in Myanmar. It is expected that, subject to market conditions, the proceeds will be deployed within six months during which time further fund raisings may be undertaken. (Source: www.myanmarinvestments.com/ckfinder/userfiles/files/2016_09_13%20MIL%20Completion%20of%20Subscription%20PR.pdf, 13 September 2016)

Shwe Taung Group and Keppel Land to cooperate on Junction City development

The Shwe Taung Group (**Shwe Taung**) has entered into a conditional joint-venture agreement with Keppel Land Limited (**Keppel**), a subsidiary of the Singapore-listed Keppel Corporation. Pursuant to the agreement Shwe Taung and Keppel will establish a new Myanmar joint-venture company to develop premium serviced residences and offices as part of the second phase of the Junction City development on Bogyoke Aung San Road in central Yangon. Keppel will take a 40% share in the new joint-venture company with Shwe Taung holding the remainder. The new development will include 260 serviced residences and approximately 50,000 square meters of office space, for a total investment of \$48.6 million. Construction of the second phase of the project, which will

include a hotel, a retail and entertainment center and a large car park, is expected to begin in 2018. Shwe Taung and Keppel have previously collaborated to develop Junction City Tower, a 23-story office building in the first phase of the multi-purpose project in the heart of Burma's commercial capital. (Source: <http://www.irrawaddy.com/business/the-irrawaddy-business-roundup-sept-10.html>, 10 September 2016)

Myanmar Agricultural Development Bank to come under Finance Ministry control

The Myanmar Government has announced that it will place the cash-strapped lender Myanmar Agricultural Development Bank (**MADB**) under the control of the Finance Ministry. The Government plans to restructure MADB as part of an economy wide investigation into a state-owned enterprise. The Government's Economic Committee had already agreed to the proposal on the condition that MADB undergoes reform which is likely to involve the re-constitution of the board of directors, management and shareholders. The Government will conduct a feasibility study into possible reform measures which is likely to take several months and will include an analysis of the bank's financial position. (Source: <http://www.mmmtimes.com/index.php/business/22359-corporatisation-for-madb-next-step-in-state-enterprise-reform-efforts.html>, 7 September 2016)

Ooredoo Myanmar and Nokia launch first 4G service in Myanmar

Ooredoo Myanmar Limited (**Ooredoo**) and the Nokia Corporation (**Nokia**) have completed the rollout and launch of the first 4G service in Myanmar. The high-capacity service is now available in Yangon, Naypyidaw, Mandalay and Bagan. The new service utilises Nokia's Single RAN and Packet Core platforms and took less than three months to implement. Nokia and Ooredoo have announced that they plan to extend the network further in the future. (Source: <http://www.irrawaddy.com/business/the-irrawaddy-business-roundup-aug-27.html>, 27 August 2016)

Myanmar Investment Commission issues permits to five new apparel manufacturers

The Myanmar Investment Commission (**MIC**) has issued approval to five separate apparel manufacturers who will operate in Myanmar on a 'Cut-Make-Pack' basis. The vast majority of Myanmar's garment factories operate on a Cut-Make-Pack (sometimes referred to as 'Cut-Make-Trim') system. 'Cut-Make-Pack' is a form of contract whereby a foreign buyer with the necessary financial and technical abilities will pay

contracting fees to a garment factory in Myanmar to carry out the labour-intensive task of cutting the textile fabric and then sewing garments together according to design specifications before packing the garment for export to international markets. The companies being approved are Myanmar Sumec Win Win Garment Co Ltd, Gainway International (Myanmar) Garment Co Ltd, Saung Oo Shwe Nay (Golden Sunshine) Co Ltd, Sanyuan (Myanmar) Apparel Manufacturing Co. Ltd and CM Garment Industrial Ltd. CM Garment Industrial Ltd is a locally owned company, while the rest have received foreign investment. The garment factories are located in industrial zones in Hlaingtharya, Shwepyitha and Hmawbi townships in Yangon. The newly approved businesses are expected to create 5,956 new jobs in Myanmar. (Source: <http://www.elevenmyanmar.com/business/5796>, 29 August 2016)

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