

# CHARLTONS

SOLICITORS



## Myanmar Highlights

June 2015

### Hong Kong's Highway Holdings Ltd increases stake in Myanmar manufacturing facility

Hong Kong-based Highway Holdings Ltd (**Highway**) has announced that it has acquired an additional 50% in an unnamed 15,000-square-foot manufacturing plant in Myanmar. The acquisition increases Highway's stake in the plant to 75%. Highway had previously operated at the facility under a subcontracting arrangement. In November 2013, Highway received approval from a European customer to outsource the assembly of that customer's motorized products to Myanmar. Historically Highway's production had been concentrated in China. Chinese staff have overseen the training of local staff in Myanmar. According to Highway's president and CEO, the acquisition will allow Highway to "realise meaningful cost-savings and a competitive advantage, while maintaining the highest quality standards for our [Highway's] customers." (Source: <http://www.mmbiztoday.com/articles/hong-kong-firm-increases-myanmar-manufacturing-entity-ownership-75-percent>, 27 May 2015)

### Singapore Windsor secures Europcar's Myanmar franchise deal

Singapore Windsor Holdings Ltd (**Windsor**) has announced that its wholly-owned subsidiary, SMI Auto Services Pte Ltd, has been appointed as the sole Myanmar franchisee by the French car rental firm Europcar. The franchise agreement will be valid for five years, and is renewable for a further five years upon agreement. Windsor said that this new initiative will expand the range of services Windsor offers in Myanmar. A recent growth in tourism in Myanmar has led to increased demand for car hire and rental services. Windsor said it will adopt a two-pronged business strategy, focusing on the tourism and hospitality sectors as well as business-to-business opportunities among

the growing number of international companies establishing operations in Myanmar. (Source: <http://www.mmbiztoday.com/articles/singapore-windsor-secures-europcar-s-myanmar-franchise-deal>, 2 June 2015)

### Apollo Towers to construct 700 new towers for Telenor Myanmar

Apollo Towers Myanmar Ltd (**Apollo**) has announced that it has reached an agreement with Telenor Myanmar Ltd (**Telenor**) in relation to the construction of 700 new telecom towers throughout Myanmar. Telenor is expanding its mobile communications network coverage throughout the country. Apollo constructs towers in cooperation with a number of Myanmar-based companies and makes them available on a multi-tenancy basis in order to ensure an efficient and cost-effective platform. (Source: <http://mizzima.com/business-domestic/apollo-towers-myanmar-ltd-purchases-700-new-telecom-towers>, 22 May 2015)

### Mitsubishi and Hitachi to invest US\$19.8 million in Myanmar rail infrastructure

The Mitsubishi Corporation and Hitachi Ltd have executed an agreement with Myanma Railways to supply and install railway signalling systems in Myanmar. Work under agreement, which is estimated to be worth approximately JPY2.4 billion (approximately US\$19.8 million) is scheduled to be completed by June 2017. Part of the investment funds will be provided in the form of a grant from the Japan International Cooperation Agency. The investment will help to improve rail safety and contribute to modernising, upgrading and diversifying transportation infrastructure in Myanmar. Myanmar is undertaking a number of rail infrastructure modernisation projects including a redevelopment of the Yangon-Mandalay

route and the Yangon circle line. (Source: <http://www.mmbiztoday.com/articles/mitsubishi-hitachi-clinch-train-signalling-systems-deal>, 27 May 2015)

#### Myanmar Ministry of Energy invites expressions of interest in relation to the development of LPG infrastructure and supply chain operations

Myanmar's Ministry of Energy has invited expressions of interest in relation to joint ventures to be established for the construction of liquefied petroleum gas (LPG) terminals and LPG supply chain businesses focused on the importation, storage, distribution and marketing of LPG. Successful bidders will implement joint venture projects, including but not limited to, a new oil refinery and terminal at Thanlyin, in cooperation with the Myanmar Petrochemical Enterprise and a consortium of a local companies. Bidders are expected to be experienced in LPG importation, storage, wholesale distribution, marketing and services. Bidders are also required to demonstrate good financial standing. The closing date for the submission of expressions of interest is 15 July 2015. (Source <http://consult-myanmar.com/2015/05/28/mpe-opens-more-tenders/>, 28 May 2015)

#### Shweproperty.com secures "significant" six-figure funding

Shweproperty.com, Myanmar's oldest property focused website has announced that it has secured "significant" six-figure funding which it will use to develop its brand and hire additional sales staff. Shweproperty.com is the latest Myanmar-owned website to attract foreign investment to date. IMyanmarhouse.com and Rocket Internet start-up Motors.com.mm have also recently secured funding. According to Google Analytics, Shweproperty.com had more than 120,000 page views and a user count in excess of 10,000 by May 2015. Despite being run on a very tight budget, the property portal remained extremely competitive and ranked third in terms of traffic for Myanmar's property sites. According to the site's owner Mr. Ko Kaung Thu Win, the site intends to focus on product development with continued emphasis on market personalisation. (Source: <http://www.mmtimes.com/index.php/business/14812-oldest-property-website-receives-large-regional-investment.html>, 2 June 2015)

#### Launch of Yangon Stock Exchange may be delayed

The launch of the Yangon Stock Exchange (YSE) scheduled for October 2015 may be delayed according to the deputy finance minister and chair of the Securities and Exchange Commission of Myanmar, Dr. Maung Maung Thein. According to Dr. Thein, the launch may need to be delayed to ensure that the YSE has quality systems in place. The YSE has yet to announce the names of licenced underwriters, brokers, dealers and advisers to be selected via an application process that closed in April 2015. Licencees will be required to meet a number of conditions, including the maintenance of a paid-up capital requirement of Kyats 15 billion (US\$13.7 million) for underwriters, Kyats 10 billion for brokers, Kyats 7 billion for dealers and Kyats 30 million for advisers. Fifty-seven short-listed applicants are currently under consideration. To date First Myanmar Investment Ltd, Myanmar Agribusiness Public Co. Ltd and Asia Green Development Bank Ltd have declared their intention to list on the new YSE, although not necessarily before the end of 2015. (Source: <http://www.mmtimes.com/index.php/business/14785-quality-the-priority-over-timing-for-yangon-exchange.html>, 30 May 2015)

# CHARLTONS

## **Best Boutique Firm 2014**

Asian Legal Business Awards

---

### **This newsletter is for information purposes only.**

Its contents do not constitute legal advice and it should not be regarded as a substitute for detailed advice in individual cases.

Transmission of this information is not intended to create and receipt does not constitute a lawyer-client relationship between Charltons and the user or browser.

Charltons is not responsible for any third party content which can be accessed through the website.

If you do not wish to receive this newsletter please let us know by emailing us at [unsubscribe@charltonslaw.com](mailto:unsubscribe@charltonslaw.com)

### **Hong Kong Office:**

Dominion Centre  
12th Floor  
43-59 Queen's Road East  
Hong Kong  
**Tel:** + (852) 2905 7888  
**Fax:** + (852) 2854 9596

### **Myanmar Office:**

Charltons Legal Consulting Ltd  
161, 50th Street  
Yangon, Myanmar  
**email:** [myanmar@charltonslaw.com](mailto:myanmar@charltonslaw.com)

[www.charltonslaw.com](http://www.charltonslaw.com)