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Myanmar Highlights

January 2015

Myanmar Investment International Limited and Norfund execute option relating to the microfinance joint venture agreement

Myanmar Finance International Limited (**MFIL**), a joint venture company established to develop microfinance operations in Myanmar by Myanmar Investments Limited (**Myanmar Investments**), a subsidiary of AIM-listed Myanmar Investment International Limited, and Myanmar Finance Company Limited (**MFC**), has entered into an option agreement (**Option**) with the Norwegian Investment Fund for Developing Countries (**Norfund**). Pursuant to the agreement Norfund has the right to subscribe for up to a 25% stake in MFIL. Myanmar Investments (55%) and MFC (45%) have agreed to contribute an additional US\$750,000 in February 2015. A further US\$2,050,000 is expected to be called in 2015. If the deal completes, the joint venture partners' stakes will dilute to 37.5% each. The Option is valid until the longstop expiry date of 3 September 2016. (Source: <http://myanmarinvestments.com/ckfinder/userfiles/files/MIL%20PR%20-%202015%2001%2027%20NF%20Option.pdf>, 27 January 2015)

World Bank and International Hydropower Association to promote sustainable hydropower development

The World Bank Group (**World Bank**) and the International Hydropower Association (**IHA**) will assist Myanmar to develop a more sustainable hydropower sector by promoting best practices in technical, environmental and social standards. According to the World Bank, Myanmar has enormous hydropower potential of up to 100,000MW, which, if realized, would be almost 30 times existing installed capacity of 3,500MW. Currently less than 30 % of households in Myanmar have access to electricity, and electricity consumption

per capita is among the lowest in the world. (Source: <http://mmbiztoday.com/articles/world-bank-iha-promote-sustainable-hydropower-development>, 27 January 2015)

Thonburi Hospital Group and Myanmar's Ga Mone Pwint Company Ltd to develop hospitals in Yangon

Thailand's Thonburi Hospital Group (**THG**) has announced that it expects to sign a memorandum of understanding (**MoU**) with Myanmar's Ga Mone Pwint Company Ltd (**GMP**) in relation to the establishment of a joint venture company and the construction of two "superior-standard" hospitals in Myanmar. The joint-venture partners propose to invest approximately US\$100 million on the development of two hospitals in Yangon, before later proceeding with plans to develop a third in Mandalay. THG is expected to take a 40 % share of the two new hospitals, with GMP taking a majority 60% stake. (Source: <http://www.mizzima.com/business/investment/item/17249-thai-company-building-high-standard-hospitals-in-myanmar>, 27 January 2015)

China Shipping Container Lines to ship directly to Yangon from Shanghai and Ningbo

China Shipping Container Lines (**CSCL**) has launched a direct shipping service from China to Yangon. The new service will depart from Shanghai and stop at Ningbo, Ho Chi Minh, and Singapore en route to Yangon. The first shipment departed from China on 26 January 2015. (Source: <http://mmbiztoday.com/articles/cscl-launches-china-yangon-direct-container-shipping-service>, 28 January 2015)

Bank Negara Indonesia to proceed with establishment of Myanmar representative office

The state-owned Bank Negara Indonesia (**BNI**) has announced that it still plans to establish a representative office in Myanmar later this year despite delays in the establishment process. According to BNI president-director Gatot M. Suwondo, the bank hopes to take advantage of increasing cooperation between Myanmar and Indonesia and help facilitate the expansion into Myanmar of fellow Indonesian state-owned enterprises. BNI submitted proposals to the Banking Regulation Department of the Central Bank of Myanmar in September 2014. (Source: *The Global New Light of Myanmar*, 28 January 2015)

Asia Pacific Mining Ltd granted exploration license near historic Bawdwin mine

Hong Kong-based Asia Pacific Mining Ltd (**APM**) has been granted an exploration license in relation to a 649 sq. kilometre area adjacent to the historic Bawdwin silver-lead-zinc mine in Shan State which is home to high-grade silver-lead-zinc mineralisation. APM initially delineated a zone of mineralization after the discovery of significant piles of slag material located on the banks of a local stream. APM has entered into discussion with drilling contractors in relation to procuring rigs drill testing equipment. APM hopes to have commenced test drilling by the end of April 2015. (Source: <http://www.mmbiztoday.com/articles/foreign-mining-firm-strikes-minerals-shan-state>, 15 January 2015)

Myanmar's Foreign Economic Relations Department and JBIC to strengthen cooperation

Myanmar's Foreign Economic Relations Department and Japan's Bank of International Cooperation (**JBIC**) have signed a joint venture agreement to establish a new special purpose project promotion company (**PPC**). The PPC is to be established with the objective of supporting commercially viable projects from an early stage, including urban development projects in the Greater Yangon area by focusing on resolving problems attributable to inefficient domestic land use and traffic congestion. The establishment of the PPC is in line with the 'Project List' published by a joint Japan-Myanmar public-private partnership task force in May 2013. The PPC will work to promote closer economic cooperation between Myanmar companies and the JBIC and assist Japanese companies seeking to invest in Myanmar. (Source: <http://www.jbic.go.jp/en/information/press/press-2013/1213-16169>, 17 January 2015)

Ministry of Construction invites expressions of interest in relation to the upgrade of Yangon-Mandalay highway

The Ministry of Construction has invited expressions of interest in relation to the upgrade of the Yangon-Mandalay highway to international standards. The project will be on a build-operate-transfer basis and will involve the expansion of the highway to eight lanes and the construction of service roads together with the installation of guard rails, fences and closed circuit television cameras. The deadline for expression of interest was 1:00 pm on 30 January 2015. (Source: <http://www.mmbiztoday.com/articles/tenders-invited-rebuild-highway-system-face-deaths>, 18 January 2015)

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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

www.charltonslaw.com