

**PROSPECTUS DATED 27 FEBRUARY 2014**  
**(FILED WITH THE COMPANIES REGISTRATION OFFICE ON 27 FEBRUARY 2014)**

**THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.**

This Prospectus is issued by Myanmar Thilawa SEZ Holdings Public Limited ("**Company**") in connection with the public offering by our Company of new ordinary shares in our share capital ("**Shares**") to investors in Myanmar ("**Offering**").

Pursuant to the Offering, our Company is offering an aggregate of 2,145,000 new Shares ("**Offering Shares**") for subscription by investors in Myanmar at the Offering Price (as defined below) which, if fully subscribed, will raise gross proceeds of an aggregate amount of Ks 21,450,000,000. The offering price for each Offering Share ("**Offering Price**") will be Ks 10,000. The Offering is conditional upon the issue by the Companies Registration Office ("**CRO**") to our Company of a certificate of commencement of business pursuant to the Companies Act (as defined herein).

The Promoters (as defined herein) have separately committed to, prior to or at the same time as the issue of the Offering Shares, subscribe for an aggregate of 1,755,000 Shares at the price of Ks 10,000 for each Share for an aggregate amount of Ks 17,550,000,000. As at the Latest Practicable Date, the Promoters have already subscribed for an aggregate of 1,179,000 Shares for an aggregate amount of Ks 11,790,000,000. The Promoters will therefore be required to subscribe for the remaining 576,000 Shares for an aggregate amount of Ks 5,760,000,000 prior to or at the same time as the issue of the Offering Shares.

The Offering is not underwritten by any bank or financial institution, but in the event that the Offering is not fully subscribed, the Promoters have collectively undertaken to subscribe pro-rata for all of the Offering Shares not subscribed for. The Promoters will not be receiving any commission or other fee for such undertaking.

Prior to the Offering, there has been no public market for our Shares. After the Offering, our Shares will not be listed or quoted on any stock or securities exchange whether in Myanmar or elsewhere. However, our Company will establish the OTC Facility (as defined herein) to facilitate transactions in our Shares but there is no assurance that there will be an active market for trading in our Shares.

**For the purpose of this Offering, only Myanmar citizens and companies wholly-owned by Myanmar citizens are eligible to apply for the Offering Shares, and the Offering Shares will be allotted and issued only to Myanmar citizens or companies wholly-owned by Myanmar citizens. Any subsequent issue or transfer or other disposal of our Shares may only be made to Myanmar citizens or companies wholly-owned by Myanmar citizens. As and when permitted by applicable laws in Myanmar, our Company may in our discretion issue Shares, and permit Shares to be transferred or otherwise disposed of, to foreign citizens or foreign companies.**

**All dealings in and settlement of the Offering Shares and our Shares will be in Myanmar Kyats only.**

A copy of this Prospectus has been filed for registration with the CRO in accordance with Section 92 of the Companies Act. The CRO assumes no responsibility for the contents of this Prospectus. Filing of this Prospectus with the CRO does not imply that the Companies Act, or any other legal or regulatory requirements, have been complied with. The CRO is not responsible for considering the merits of our Shares or the Offering Shares being offered or in respect of which an invitation is made for investment.

Save as described above, we have not lodged or registered this Prospectus, the Application Forms (as defined herein) or any other document in connection with the Offering in any other jurisdiction. No action has been or will be taken to permit an offer of the Offering Shares, or the possession, circulation or distribution of this Prospectus or the accompanying Application Forms, in any jurisdiction where action would be required for that purpose. Accordingly, the Offering Shares may not be offered, sold or delivered, and this Prospectus and the accompanying Application Forms may not be circulated or distributed, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

No Shares shall be allotted or allocated on the basis of this Prospectus later than six (6) months after the date of filing of this Prospectus with the CRO.

**Investing in our Shares involves risks, including those in the section "Risk Factors" of this Prospectus, which contains a discussion of certain factors to be considered in connection with an investment in our Shares.**

**MTSH Myanmar Thilawa SEZ Holdings Public Limited**

(Company Registration Number: 484 of 2013-2014)

(Incorporated with limited liability in the Republic of the Union of Myanmar on 3 May 2013)

**Offering in respect of 2,145,000 Offering Shares**  
**Offering Price: Ks 10,000 per Offering Share**

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## **NOTICE TO INVESTORS**

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us. Neither the delivery of this Prospectus nor any offer, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in our affairs, condition and prospects or our Shares since the date hereof. Where such changes occur and are material and required to be disclosed by Applicable Laws and/or any Governmental Authorities, we will make an announcement of the same and, if required, issue and file an amendment to this Prospectus or a supplementary prospectus or replacement prospectus. Investors should take notice of such announcements and documents and, upon release of such announcements or documents, shall be deemed to have notice of such changes. Unless otherwise required by Applicable Laws, no representation, warranty or covenant, express or implied, is made by us or any of our affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this document is, or shall be relied upon as, a promise, representation or covenant by us or our affiliates, directors, officers, employees, agents, representatives or advisers.

None of us or any of our affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any investor in our Shares regarding the legality of an investment by such investor under appropriate legal, investment or similar laws. In addition, investors in our Shares should not construe the contents of this Prospectus or its appendices as legal, business, financial, tax or other advice. Investors should be aware that they may be required to bear the financial risks of an investment in our Shares for an indefinite period of time. Investors should consult their own professional advisers as to the legal, business, financial, tax and related aspects of an investment in our Shares.

The distribution of this Prospectus and the offering, purchase, sale or transfer of our Shares in certain jurisdictions may be restricted by law. We require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to us. This document does not constitute an offer of, or an invitation to subscribe for or purchase, any of our Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

## **FORWARD-LOOKING STATEMENTS**

All statements contained in this Prospectus, statements made in media advertisements and releases and oral statements that may be made by our Company or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these statements by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, and “could” or other similar words. You should note, however, that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to:

- our Company’s revenue and profitability;
- the development plan of the Class A Project;
- financial projections of the JV Company;
- our Company’s dividend policy;

- our Company's expected growth;
- expected industry trends;
- our Company's prospects; and
- other matters discussed in this Prospectus regarding matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Some of these risks, uncertainties and other factors are discussed in more detail in this Prospectus, in particular, under the section "**Risk Factors**". However, they are not exhaustive and other sections of this Prospectus may describe additional risks, uncertainties and other factors which could materially and adversely affect our results, performance or achievements. There may also be other risks, uncertainties and other factors that are not yet known to us, or that we currently believe are not material but may subsequently turn out to be so. All forward-looking statements by or attributable to our Company, or persons acting on our Company's behalf, contained in this Prospectus are expressly qualified in their entirety by all such risks, uncertainties and other factors. These forward-looking statements are applicable only as of the date of this Prospectus.

Given the risks and uncertainties that may cause our Company's actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements. Neither our Company nor any other person represents or warrants to you that our Company's actual future results, performance or achievements will be as discussed in those statements. Our Company's actual future results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Further, our Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

## CERTAIN DEFINED TERMS AND CONVENTIONS

We publish our financial statements in Kyats. In this Prospectus, references to "Kyats" or "Ks" are to the lawful currency of Myanmar, and references to "US\$" are to the lawful currency of the United States of America.

In this Prospectus, unless the context otherwise requires, references to our "Company", "we", "us", "our", "ourselves" refer to Myanmar Thilawa SEZ Holdings Public Limited. References to our management and Directors are to the management and directors of our Company respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Prospectus to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined in the Companies Act or any statutory modification thereof and used in this Prospectus shall, where applicable, have the meaning ascribed to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Prospectus shall be a reference to Myanmar time unless otherwise stated.

Certain names with Myanmar characters have been translated into English names. Such translations are provided solely for your convenience, may not have been registered with the relevant Myanmar authorities and should not be construed as representations that the English names actually represent the Myanmar characters.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and the totals thereof are due to rounding. A number of rounding conventions have been used in this Prospectus. Accordingly, figures shown in totals in certain tables, graphs or charts may not be an arithmetic aggregation of the figures that precede them.

Please refer to the section “**Definitions**” for definitions of other terms used in this Prospectus.

## CORPORATE INFORMATION

<b>Board of Directors</b>	: U Win Aung U Theim Wai @ Mr Serge Pun  U Nyi Khin U Thein Han @ Ko Han Thein U Tun Lwin Dr. Nyan Thit Hlaing U Khin Maung Aye U Aung Soe Tha U Tin Maung Hlaing	Chairman Vice Chairman and Managing Director Director Director Director Director Director Director Director
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**Company Registration Number** : 484 of 2013-2014

**Registered Office and Principal Place of Business** : Room Number 1103, 11<sup>th</sup> Floor  
UMFCCI Office Tower  
No. 29 Min Ye Kyaw Swar Road  
Lanmadaw Township, Yangon  
Republic of the Union of Myanmar

**Share Transfer Office** : Room Number 1103, 11<sup>th</sup> Floor  
UMFCCI Office Tower  
No. 29 Min Ye Kyaw Swar Road  
Lanmadaw Township, Yangon  
Republic of the Union of Myanmar

**Legal Adviser to our Company on Myanmar Laws** : Kelvin Chia Yangon Ltd  
Unit No. 1509  
15th Floor Sakura Tower  
339 Bogyoke Aung San Road  
Kyauktada Township, Yangon  
Republic of the Union of Myanmar

**Principal Bankers to our Company** : Yoma Bank Limited  
Lanmadaw Branch  
No. 80, 82, Phonegyi Street  
Lanmadaw Township, Yangon  
Republic of the Union of Myanmar

Co-operative Bank Limited  
Lanmadaw Branch  
No. 797, Mahabandoola Road  
Lanmadaw Township, Yangon  
Republic of the Union of Myanmar

**Receiving Banks and Distributing Banks** : Ayeyarwaddy Bank Limited  
Yoma Bank Limited  
Co-operative Bank Limited  
Myanmar Apex Bank Limited  
Kanbawza Bank Limited

Please refer to the instructions booklet “**Terms, Conditions and Procedures for Application for the Offering Shares in Myanmar**” for a list of the branches and addresses of the Distributing Banks at which investors may collect the Prospectus and Application Forms.

## SUMMARY

*This Summary highlights significant aspects of our business but is not complete and does not contain all of the information that you should consider before deciding to invest in our Shares. This Summary is qualified in its entirety by, and is subject to and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this Prospectus. You should carefully consider all the information presented in this Prospectus, including the financial information and the matters set out under the section “**Risk Factors**” of this Prospectus, before making an investment decision. This Summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in forward-looking statements as a result of certain factors, including those set out in the sections “**Risk Factors**” and “**Forward-Looking Statements**”.*

### OVERVIEW

#### Introduction

Our Company was established by a Myanmar consortium comprising the nine (9) Promoters for the purpose of participating in the Class A Project. The Class A Project is an industrial park development to be located in the Class A Area within the Thilawa SEZ, which the Myanmar Government and the Japanese Government have agreed to cooperate to develop pursuant to the Cooperation Memorandum.

On 29 October 2013, pursuant to the Cooperation Memorandum, our Company, the Thilawa SMC and MMSTD entered into the Joint Venture Agreement in connection with the establishment of the JV Company to undertake the development, construction, marketing, sales and operation of the Class A Project.

#### Joint Venture Agreement

Under the Joint Venture Agreement, it is contemplated that the JV Company will have an initial issued and paid-up share capital of US\$50.0 million, with the Myanmar parties holding a 51.0% interest, and the Japanese parties holding a 49.0% interest, in the JV Company.

On the Myanmar side, our Company will eventually hold a 41.0% interest in the JV Company, with the balance 10.0% interest to be held by the Thilawa SMC, through which the Myanmar Government is participating in the Class A Project. Our Company will make our capital contribution to the JV Company in cash, while the Thilawa SMC will make its capital contribution to the JV Company by way of granting a leasehold interest in the Class A Area to the JV Company. Depending on (among other things) the timing of capital contribution to the JV Company, the Thilawa SMC may upon its capital contribution in kind to the JV Company hold more than a 10.0% interest in the JV Company. In such event, the Thilawa SMC will transfer the Thilawa SMC Transfer Shares to our Company as will result in our Company and the Thilawa SMC respectively holding 41.0% and 10.0% of the total issued and paid-up share capital of the JV Company.

On the Japanese side, MMSTD will hold a 49% interest in the JV Company. MMSTD was established by a consortium of Japanese developers comprising Mitsubishi Corporation, Marubeni Corporation and Sumitomo Corporation.

Please refer to the section “**Our Company — Joint Venture Agreement**” for more information on the Joint Venture Agreement.

#### Subscription for JV Company Shares

As at the Latest Practicable Date, our Company and MMSTD have already subscribed for JV Company Shares in cash that resulted in our Company and MMSTD respectively holding 51.0% and 49.0% of the total issued and paid-up share capital of the JV Company. As noted above, it is contemplated that ultimately our Company, the Thilawa SMC and MMSTD will hold

respectively 41.0%, 10.0% and 49.0% of the total issued and paid-up share capital of the JV Company based on the initial total issued and paid-up share capital of US\$50.0 million.

Please refer to the section **“Our Company — Subscription for JV Company Shares”** for more information.

### **Principal Business**

As at the Latest Practicable Date, our principal business activities are to:

- invest in and participate in the management of the JV Company, which will engage in the development, construction, marketing, sales and operation of the Class A Project;
- market and sell the Class A Properties to Myanmar Related Entities as exclusive agent, and market and sell the Class A Properties to parties which are not Myanmar Related Entities or Japanese Related Entities jointly with the Japanese consortium members; and
- engage in the development of the Thilawa SEZ (other than the Class A Area) or any part thereof as may be determined by our Directors in their discretion.

Please refer to the section **“Business”** for more information on our principal business.

### **Class A Project**

The Class A Project involves the development of the Class A Area into an industrial park. The Class A Area covers an area of approximately 400 hectares, out of the total land area of the entire Thilawa SEZ of approximately 2,400 hectares.

In the short term, the Class A Project is expected to attract light-industry manufacturers with the aim of creating job opportunities and promoting exports. In the longer term, the Class A Project aims to attract manufacturers from a wide range of industries from around the world.

The Class A Project will be developed primarily into the Industrial Areas that will be leased to investors for construction of their own manufacturing facilities on a long-term basis for upfront payment, the Rental Factories that will be leased to investors as ready-build factories on a short-term basis for a monthly or other periodic rental, and the Residential Component that will be dealt with in such manner as may be determined by the board of directors of the JV Company.

The Class A Project will be developed in three (3) Phases over a period of time from 2013 to 2018. The construction under Phase 1 was formally launched on 30 November 2013 and is currently scheduled to be completed sometime in 2015. The timing set out above is indicative only and is subject to change.

Please see further the section **“The Class A Project”** for more information.

### **FINANCIAL INFORMATION**

Our Company was incorporated on 3 May 2013 and has not carried on any business and does not have any audited financial statements.

The unaudited balance sheet of our Company as at the Latest Practicable Date and upon the issue in full of the Offering Shares and the Promoters' Tranche is set out in the section **“Financial Information — Unaudited Balance Sheet”**.

As our Company's principal business activities are primarily our investment in the JV Company and marketing and sale of Class A Properties, our Company's results are closely tied to the results of the operations of the JV Company. Specifically, the revenue of our Company will



primarily be derived from dividends distributed by the JV Company and any fees earned for marketing and sale of Class A Properties.

For the information of investors only, the unaudited revenue, expenditure, profit before tax and profit after tax of the JV Company for FY2013 and the projection of revenue, expenditure, profit before tax and profit after tax of the JV Company for the five (5) financial years from FY2014 to FY2018 prepared on the stated bases and assumptions is set out in the section “**Financial Information — Financial Projections**”.

The financial projections constitute forward-looking statements that involve risks and uncertainties, and the actual results of the JV Company may differ significantly from the results reflected in these financial projections as a result of certain factors, including those set out in the sections “**Risk Factors**” and “**Forward-Looking Statements**”. The financial projections and the stated bases and assumptions have not been independently examined or reported on by any independent auditor or accounting firm.

Our Company does not guarantee that the results reflected in the financial projections will be achieved by the JV Company. Investors should also bear in mind that our Company will eventually hold only a 41.0% interest in the JV Company and the results of the JV Company will not be consolidated into the results of our Company, and further our Company’s results may be affected by factors that do not necessarily affect the results of the JV Company. Investors are cautioned not to place undue reliance on the financial projections.

#### **OUR COMPETITIVE STRENGTHS**

##### **Strategic Location of the Class A Project**

We believe the strategic location of the Class A Project, which is adjacent to the existing Thilawa port and just approximately twenty-five (25) kilometres from Yangon, which is Myanmar’s commercial and industrial centre and handles a large proportion of Myanmar’s foreign trade, significantly enhances its attractiveness as an industrial park for manufacturing activities.

##### **Manufacturing Base in Myanmar Ready to Expand**

We believe there is a manufacturing base in Myanmar built up over the years since the 1990s which will be ready to expand its manufacturing operations, capitalise on more favourable operating environment and take advantage of Myanmar’s gradual emergence from economic isolation, and that this will benefit the Class A Project.

##### **Support of the Myanmar and Japanese Governments**

The development of the Thilawa SEZ, of which the Class A Project forms a part, is supported and backed by the respective governments of Myanmar and Japan. We believe that the involvement of the Myanmar Government and Japanese Government will facilitate the development of the Class A Project, enhance the profile of the Class A Project amongst investors and thereby increase the chances of success of the Class A Project.

##### **Strong Consortium of Developers**

The Class A Project will be developed by a strong consortium of Myanmar and Japanese developers who will be able to leverage on their respective expertise, experience, knowhow and financial and other resources and work effectively to develop the Class A Project.

## THE OFFERING

<b>The Issuer</b>	Myanmar Thilawa SEZ Holdings Public Limited, a public company incorporated with limited liability under the laws of Myanmar.
<b>The Offering</b>	2,145,000 Offering Shares offered by our Company by way of public offer in Myanmar, conditional upon the issue by the CRO to our Company of a certificate of commencement of business pursuant to the Companies Act. The Offering Shares will, upon issue, rank <i>pari passu</i> in all respects with the existing issued Shares. The Offering Shares are in registered form.
<b>Offering Price</b>	<p>Ks 10,000 for each Offering Share.</p> <p>Investors are required to pay the Offering Price for each Offering Share they are applying for in Kyats by <b>5 P.M. on 9 APRIL 2014</b> (Myanmar time) or such later time or date as our Company may decide.</p>
<b>Eligibility to Apply</b>	Only Myanmar citizens and companies wholly-owned by Myanmar citizens are eligible to apply for the Offering Shares, and the Offering Shares will be allotted and issued only to Myanmar citizens or companies wholly-owned by Myanmar citizens. The eligibility of applicants which are unincorporated entities to apply for and to be allotted and issued the Offering Shares will be determined by our Company in our discretion.
<b>Promoters' Undertaking</b>	The Offering is not underwritten by any bank or financial institution. Pursuant to the Promoters' Undertaking, the Promoters have undertaken to, in the event that the Offering is not fully subscribed, collectively subscribe on a pro-rata basis for all Offering Shares that are not subscribed for at the Offering Price upon and subject to the terms and conditions thereof. The Promoters will not be receiving any commission or other fee for such undertaking. Please see the section " <b>Share Capital and Shareholders — Promoters' Undertaking</b> " for more information.
<b>Promoters' Tranche</b>	<p>Pursuant to the Promoters' Undertaking, the Promoters have separately committed to subscribe for the Promoters' Tranche (comprising a total of 1,755,000 Shares, with each Promoter subscribing for 195,000 Shares).</p> <p>As at the Latest Practicable Date, the Promoters have already subscribed for an aggregate of 1,179,000 Shares (being part of the Promoters' Tranche and which include the total of 9,000 Shares subscribed for by the Promoters upon incorporation of our Company) for an aggregate amount of Ks 11,790,000,000. The Promoters will therefore be required pursuant to the Promoters' Undertaking to subscribe for the remaining 576,000 Shares for an aggregate amount of Ks 5,760,000,000 prior to or at the same time as the issue of the Offering Shares.</p> <p>Please see the section "<b>Share Capital and Shareholders — Promoters' Undertaking</b>" for more information.</p>
<b>Total Gross Proceeds</b>	Based on the Offering Price of Ks 10,000 for each Offering Share, the gross proceeds from the allotment and issue of the

2,145,000 Offering Shares under the Offering will be Ks 21,450,000,000.

Based on the issue price of Ks 10,000 for each Share comprising the Promoters' Tranche, the gross proceeds from the allotment and issue of the Promoters' Tranche will be Ks 17,550,000,000, out of which Ks 11,790,000,000 has already been received by our Company.

As such, our Company will receive the Total Gross Proceeds, being the aggregate amount of Ks 39,000,000,000, pursuant to the allotment and issue in full of the Offering Shares and the Promoters' Tranche.

There is no minimum subscription required to be raised from the Offering. Pursuant to the Promoters' Undertaking, the Promoters will, in the event that the Offering is not fully subscribed, collectively subscribe on a pro-rata basis for all Offering Shares that are not subscribed for at the Offering Price upon and subject to the terms and conditions thereof.

#### **Use of Total Gross Proceeds**

We intend to utilise the Total Gross Proceeds, being the aggregate amount of Ks 39,000,000,000, in the following manner:

- (a) to pay for the expenses of the Offering (as to which please see further the section **"Proceeds from the Offering — Expenses"**);
- (b) to pay for the expenses of the feasibility study of the Thilawa SEZ, and the preliminary expenses incurred in the establishment of our Company and the JV Company;
- (c) to subscribe for or acquire our 41.0% interest in the JV Company pursuant to the Joint Venture Agreement;
- (d) if the Thilawa SMC, following its capital contribution in kind to the JV Company, will hold more than a 10.0% interest in the JV Company based on the initial total issued and paid-up share capital of the JV Company of US\$50.0 million, to acquire from the Thilawa SMC the Thilawa SMC Transfer Shares at cost so as to reduce the interest of the Thilawa SMC in the JV Company to 10.0%;
- (e) to pay for any costs to be incurred for the furtherance of the development of the Thilawa SEZ (other than the Class A Area); and
- (f) for general working capital purposes.

As at the Latest Practicable Date, our Company has already utilised an amount of US\$7,379,700 (equivalent to approximately Ks 7,294,833,450, based on the exchange rate of US\$1 : Ks 988.5) out of gross proceeds of Ks 11,790,000,000 which have already been received by our Company to subscribe for JV Company Shares, as part of the subscription referred to in paragraph (c) above.

Please see further the section “**Proceeds from the Offering**” for more information.

**Purpose of the Offering** The Offering will allow our Company to raise funds from the public for the purposes as set out in the section “**Use of Total Gross Proceeds**” above and, at the same time, provide members of the public with an opportunity to participate in the equity of our Company and thereby the potential economic growth of the Myanmar economy.

**Allocation and Settlement** Following the close of the Offering, our Board will determine the allocation of the Offering Shares to applicants on or about 25 April 2014. Such allocation will be determined by our Board in its absolute discretion. In deciding the basis of allocation, our Board intends to give priority to small investors who apply for a small number of Offering Shares.

We expect to receive payment for all the Offering Shares, and we will allot and issue the Offering Shares and despatch the share certificates representing the Offering Shares to successful applicants on or about 28 May 2014.

**OTC Facility** Prior to the Offering, there has been no public market for our Shares. After the close of the Offering, our Shares will not be listed or quoted on any stock or securities exchange whether in Myanmar or elsewhere, but our Company will establish the OTC Facility to facilitate transactions in our Shares. It is currently expected that investors will be able to utilise the OTC Facility to trade in our Shares within three (3) months after the allocation of the Offering Shares pursuant to the Offering, but there is no assurance that there will be an active market for trading in our Shares.

Please see further the section “**OTC Facility**” for more information.

**Dividends** Our Company will pay dividends, if any, only out of our profits as permitted under Myanmar law. Dividends will be paid in Kyats.

Our Board has the discretion to recommend payment of dividends. As our Company’s principal business is (apart from the marketing and sale of Class A Properties) primarily our investment in the JV Company, the receipt of dividends from the JV Company will be an important factor in determining our ability to pay dividends. The dividend policy of the JV Company is governed by the Joint Venture Agreement and is described in greater detail in the section “**Dividends**”. There is no assurance that we will receive dividends from the JV Company. We cannot assure you that our Company will declare or pay any dividends. Investors should not assume that our Company will declare or pay any dividends.

Please see further the section “**Dividends**” for more information.

**Application Procedures in Myanmar** Investors in Myanmar must follow the application procedures set out in the instructions booklet “**Terms, Conditions and Procedures for Application for the Offering Shares in Myanmar**”, which constitutes part of this Prospectus filed with the CRO. Applications must be paid for in Kyats by way of

cashier's cheque purchased from designated branches of the following Distribution Banks:

Ayeyarwaddy Bank Limited  
Yoma Bank Limited  
Co-operative Bank Limited  
Myanmar Apex Bank Limited  
Kanbawza Bank Limited

The branches of these banks so designated are set out in the instructions booklet **"Terms, Conditions and Procedures for Application for the Offering Shares in Myanmar"**.

The minimum initial application is for one (1) Offering Share. An applicant may apply for a larger number of Offering Shares in integral multiples of one (1) Offering Share.

## **Risk Factors**

Prospective investors should carefully consider the risks connected with an investment in our Shares, including those described in the section **"Risk Factors"**, which contains a discussion of certain factors to be considered in connection with an investment in our Shares.

## INDICATIVE TIMETABLE

An indicative timetable of the Offering is set out below for the reference of applicants for our Shares:

Indicative Date and Time (Myanmar)	Event
3 March 2014, 9.00 a.m. ....	Opening date and time for the Offering (which is conditional upon the issue by the CRO to our Company of a certificate of commencement of business pursuant to the Companies Act)
9 April 2014, 5.00 p.m. ....	Closing date and time for the Offering
25 April 2014 .....	Allocation of Offering Shares to applicants in the Offering
28 April 2014 .....	Returning or refunding application monies to unsuccessful or partially successful applicants
28 May 2014 .....	Despatch of share certificates representing the Offering Shares to successful applicants

The above timetable is indicative only and is subject to change at our discretion. It assumes that the opening date and time for the Offering is 9.00 a.m. on 3 March 2014 (which is conditional upon the issue by the CRO to our Company of a certificate of commencement of business pursuant to the Companies Act), and that the closing date and time of the Offering is 5.00 p.m. on 9 April 2014. All dates and times referred to above are Myanmar dates and times.

We may at our discretion, subject to all Applicable Laws, extend or shorten the period during which the Offering is open.

In the event of the extension or shortening of the time period during which the Offering is open, we will publicly announce the same in three (3) major Myanmar newspapers.

We will provide details of and the results of the Offering in three (3) major Myanmar newspapers.

We reserve the right to reject or accept, in whole or in part, or to scale down or allocate any application for the Offering Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. Without prejudice to the foregoing, the allocation of the Offering Shares pursuant to the Offering will be determined by our Board in its absolute discretion. In deciding the basis of allocation, our Board intends to give priority to small investors who apply for a small number of Offering Shares.

Where an application is rejected or unsuccessful, the full amount of the application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom, to the applicant at his own risk within twenty-one (21) days after the close of the Offering, in accordance with the procedures set out in the instructions booklet **"Terms, Conditions and Procedures for Application for the Offering Shares in Myanmar"**.

Where an application is accepted in full or in part only, any balance of the application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom, to the applicant at his own risk within twenty-one (21) days after the close of the Offering, in accordance with the procedures set out in the instructions booklet **"Terms, Conditions and Procedures for Application for the Offering Shares in Myanmar"**.

Where the Offering does not proceed for any reason, the full amount of application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom, to the applicant at his own risk within twenty-one (21) days after the Offering is discontinued.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours from:

**Our Registered Office**

Room Number 1103, 11<sup>th</sup> Floor  
UMFCCI Office Tower  
No. 29 Min Ye Kyaw Swar Road  
Lanmadaw Township, Yangon  
Republic of the Union of Myanmar

**Distributing Banks**

Ayeyarwaddy Bank Limited  
Yoma Bank Limited  
Co-Operative Bank Limited  
Myanmar Apex Bank Limited  
Kanbawza Bank Limited

Please refer to the instructions booklet **“Terms, Conditions and Procedures for Application for the Offering Shares in Myanmar”** for a list of the branches and addresses of the Distributing Banks at which you may collect this Prospectus and the Application Forms.

## FINANCIAL INFORMATION

### INTRODUCTION

#### *Our Company*

Our Company was incorporated on 3 May 2013 and has not carried on any business since incorporation and does not have any audited financial statements.

For the information of investors, we have included the unaudited proforma balance sheet of our Company as at the Latest Practicable Date and immediately after the issue in full of the Offering Shares and the Promoters' Tranche ("**Unaudited Balance Sheet**"). **The Unaudited Balance Sheet has not been prepared based on any financial reporting standards and has been included in this Prospectus for illustrative purpose only.**

#### *The JV Company*

As our Company's principal business activities are primarily our investment in the JV Company and marketing and sale of Class A Properties, our Company's results are closely tied to the results of the operations of the JV Company. For the information of investors only, we have included in this section the unaudited revenue, expenditure, profit before tax and profit after tax of the JV Company for FY2013 and a projection of revenue, expenditure, profit before tax and net profit after tax of the JV Company for FY2014, FY2015, FY2016, FY2017 and FY2018 (collectively "**Financial Projections**").

The Financial Projections constitute forward-looking statements that involve risks and uncertainties, and the actual results of the JV Company may differ significantly from the results reflected in these Financial Projections as a result of certain factors, including those set out in the sections "**Risk Factors**" and "**Forward-Looking Statements**".

**The Financial Projections have been prepared on the bases and assumptions set out below. The Financial Projections and the stated bases and assumptions have not been independently examined or reported on by any independent auditor or accounting firm. Under no circumstances should the inclusion of the Financial Projections herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying bases and assumptions by our Company or any other person, or that these results will be achieved or are likely to be achieved. Our Company does not guarantee that the results reflected in the Financial Projections will be achieved by the JV Company.**

Investors should also bear in mind that our Company will eventually hold only a 41.0% interest in the JV Company and the results of the JV Company will not be consolidated into the results of our Company, and further our Company's results may be affected by factors that do not necessarily affect the results of the JV Company. Investors are cautioned not to place undue reliance on the Financial Projections.



## Unaudited Balance Sheet

	Unaudited Balance Sheet as at the Latest Practicable Date	Proforma Balance Sheet immediately after issue in full of Offering Shares and Promoters' Tranche
	(Kyats)	(Kyats)
Assets		
Non Current Assets		
Property, plant & equipment	74,764,462	77,764,462
Preliminary Expenses	47,206,492	53,406,492
Investment in JV Company	7,294,833,450	7,294,833,450
	<u>7,416,804,404</u>	<u>7,426,004,404</u>
Current Assets		
WIP: Project expenditure to date	1,379,085,375	1,779,085,375
Other Current Assets	38,435,305	338,435,305
Cash & Cash Equivalents	2,955,674,917	29,456,474,917
Total Current Assets	<u>4,373,195,597</u>	<u>31,573,995,597</u>
<b>Total Assets</b>	<b><u>11,790,000,000</u></b>	<b><u>39,000,000,000</u></b>
Equity & Liabilities		
Issued & Paid Up Capital	11,790,000,000	39,000,000,000
Total Equity	<u>11,790,000,000</u>	<u>39,000,000,000</u>
Current Liabilities	—	—
Total Current Liabilities	<u>—</u>	<u>—</u>
<b>Total Equity &amp; Liabilities</b>	<b><u>11,790,000,000</u></b>	<b><u>39,000,000,000</u></b>

**Unaudited Revenue, Expenditure, Profit before Tax and Profit after Tax of the JV Company for FY2013 and Projection of Revenue, Expenditure, Profit before Tax and Profit after Tax of the JV Company for FY2014, FY2015, FY2016, FY2017 and FY2018**

	<b>FY2013 US\$</b>	<b>FY2014 US\$</b>	<b>FY2015 US\$</b>	<b>FY2016 US\$</b>	<b>FY2017 US\$</b>	<b>FY2018 US\$</b>	<b>Total US\$</b>
<b>Revenue</b>							
Land sales	0	57,928,000	35,750,000	39,325,000	43,257,000	56,310,000	232,570,000
Income from Rental Factories	0	0	0	322,000	644,000	966,000	1,932,000
Management fees	0	325,000	900,000	1,400,000	1,900,000	2,445,000	6,970,000
<b>Total Revenue</b>	<b>0</b>	<b>58,253,000</b>	<b>36,650,000</b>	<b>41,047,000</b>	<b>45,801,000</b>	<b>59,721,000</b>	<b>241,472,000</b>
<b>Expenditure</b>							
Direct costs	(464,000)	(47,271,000)	(29,993,000)	(31,409,000)	(30,908,000)	(44,366,000)	(184,411,000)
Overheads	(1,260,000)	(350,000)	(50,000)	(50,000)	(50,000)	(50,000)	(1,810,000)
Depreciation and amortisation	0	0	(187,000)	(374,000)	(561,000)	(810,000)	(1,934,000)
<b>Total Expenditure</b>	<b>(1,724,000)</b>	<b>(47,621,000)</b>	<b>(30,230,000)</b>	<b>(31,833,000)</b>	<b>(31,519,000)</b>	<b>(45,226,000)</b>	<b>(188,155,000)</b>
Profit before tax	(1,724,000)	10,632,000	6,420,000	9,214,000	14,282,000	14,495,000	53,317,000
Tax	0	0	0	0	0	0	0
<b>Profit after tax</b>	<b>(1,724,000)</b>	<b>10,632,000</b>	<b>6,420,000</b>	<b>9,214,000</b>	<b>14,282,000</b>	<b>14,495,000</b>	<b>53,317,000</b>

The Financial Projections have been prepared on the following bases and assumptions:

1. A total of approximately 319 hectares of land within the Class A Area, comprising the land for Industrial Areas and the Residential Component, will be disposed over FY2014, FY2015, FY2016, FY2017 and FY2018.
2. Phase 1 will comprise primarily Industrial Areas with a small component of Rental Factories. Most of the Industrial Areas will be disposed of in FY2014 and FY2015, with a small proportion to be disposed of in FY2016. The Rental Factories will progressively be constructed and completed over a period of ten (10) years commencing from FY2015, with the first two (2) units of Rental Factories being leased out to investors in FY2016. Please see further Note 7 below.
3. Phase 2 will comprise entirely of Industrial Areas and will be disposed of progressively from FY2016 to FY2018. This is subject to change depending on (amongst other things) market conditions and investor demand.

4. Phase 3 will comprise entirely of Industrial Areas and will be disposed of completely in FY2018. This is subject to change depending on (amongst other things) market conditions and investor demand.
5. The land on which the Residential Component is located will be completely disposed of to third party or parties for the development of the Residential Component in such manner as the JV Company may deem appropriate in FY2014.
6. The land sales reflected above refer to the long-term lease of the Industrial Areas by the JV Company to investors for construction of their own manufacturing facilities, and also the disposal of the land on which the Residential Component is located as mentioned in Note 5. The land sales for the Industrial Areas have been computed based on a projected land price per sq m for FY2014, and thereafter an increase in the projected land price per sq m on a year-on-year basis, which our Directors consider reasonable as at the Latest Practicable Date based on the prevailing economic, market and other conditions in and economic prospects of Myanmar. The land sales for the land on which the Residential Component is located have been computed based on a projected land price per sq m which our Directors consider reasonable on the same basis as aforesaid.
7. The income from Rental Factories reflected above covers both rent from the lease of the Rental Factories to investors as well as management fees payable by investors in respect thereof. A total of two (2) units of these Rental Factories will be completed and fully leased out in each of FY2016, FY2017 and FY2018, so that a total of six (6) units will be leased out by FY2018. Each lease will be for a five (5) year term commencing from 1 April of the relevant financial year, and will not be terminated during the period covered by the Financial Projections. The income from Rental Factories has been computed based on the rates of the rent and management fees which our Directors consider reasonable as at the Latest Practicable Date based on the prevailing economic, market and other conditions in and economic prospects of Myanmar.
8. The management fees reflected above refer to the management fees payable by investors in respect of the Industrial Areas, and have been computed based on the rates of management fees which our Directors consider reasonable as at the Latest Practicable Date based on prevailing economic, market and other conditions in and economic prospects of Myanmar.
9. The projected revenue comprising land sales, income from Rental Factories and management fees assumes that the development of the Class A Project will proceed based on the current schedule, and also that there will be reasonable investments on infrastructure outside of the Class A Area (apart from the infrastructure that will be undertaken by the JV Company).
10. The direct costs cover (among other things) the rent payable by the JV Company to the Thilawa SMC for the grant of the leasehold interest over the Class A Area, and costs of earth works, design and construction works (including both internal and external infrastructure) and sales commissions (as to which please see Note 11 below).
11. The sales commissions have been computed based on the sales commission of 6% of the stated contract amount payable to our Company and/or other marketing agents for marketing of the Class A Properties, as contemplated under the Joint Venture Agreement. Please see further the section “**Our Company — Joint Venture Agreement — Marketing of Class A Properties**”.

12. Finance costs have not been taken into account, as it has been assumed that the development of the Class A Project will be funded primarily by the proceeds from the allotment and issue of the Offering Shares and the Promoters' Tranche and the projected revenue from land sales, income from Rental Factories and management fees.
13. All expenditure reflected above represents reasonable estimates of our Directors as at the Latest Practicable Date based on the prevailing economic, market and other conditions in and economic prospects of Myanmar.
14. The JV Company will be entitled to tax incentives, and will not be subject to tax on its income during the period covered by the Financial Projections.
15. The projected profit before tax and profit after tax reflected above assume that the projected revenue and the projected expenditure will in fact be achieved in each of the financial years during the period covered by the Financial Projections. There is no assurance that such projected revenue and/or projected expenditure will in fact be achieved, and there is therefore no assurance that the projected profit before tax and profit after tax will be achieved.
16. The Financial Projections have been prepared by our Company based on estimates and information made available to us by the JV Company and reflect solely the opinion and views of our Directors and not the JV Company or its directors, and neither the JV Company nor its directors are or will be responsible or liable for the Financial Projections.
17. All numbers reflected above have been rounded down to the nearest thousand.

## RISK FACTORS

*An investment in our Shares involves significant risks and is suitable only for those persons who understand the risks highlighted in this Prospectus. You should consider carefully each of the following risks described in this section and all of the other information set out in this Prospectus before deciding to invest in our Shares. These are not the only risks we face. Some risks are not yet known to us and there may be others which we currently believe are not material but may subsequently turn out to be so. If any of these risks develops into actual events, our financial position, results, cash flow, business operations and prospects and any investment in our Shares could be, directly or indirectly, materially and adversely affected. In the event that this occurs, the trading price of our Shares could fluctuate or decline and you may lose all or part of your investment in our Shares.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described in this section and elsewhere in this Prospectus. You should also consider the warning regarding forward-looking statements in the section “**Forward-Looking Statements**” of this Prospectus.*

*Before deciding to invest in our Shares, you should seek professional advice from your advisers about your particular circumstances.*

### **RISKS RELATED TO OUR BUSINESS AND OPERATIONS**

**We do not have any operating history and, accordingly, you may not have a conventional basis on which to evaluate our ability to achieve our business objective.**

As we are newly established and do not have any operating history, you may not have a conventional basis upon which to evaluate our ability to achieve our principal business activities, which are primarily to invest in and participate in the management of the JV Company and to market and sell Class A Properties as contemplated under the Joint Venture Agreement. We will not generate any significant revenues until, at the earliest, after the commencement of the commercial operations of the JV Company. You should consider an investment in our Shares in light of the risks, uncertainties and difficulties frequently encountered by other newly formed companies with similar objectives.

**Investors may not be able to realise returns on their investment in the Offering Shares within a period that they would consider reasonable.**

You should not expect that you will necessarily be able to realise your investment in the Offering Shares within a period that you would regard as reasonable. In the circumstances, the Offering Shares may not be suitable for short-term investment. There is also a risk that you may not be able to recover or receive returns on your investment in the event that we are not profitable or require longer period than expected to be profitable.

**Our ability to successfully carry out our principal business activities will depend primarily on the efforts of our Board and management team.**

Our ability to successfully carry out our principal business activities is dependent primarily upon the expertise and experience of our Board and our management team, as well as the ability of the JV Company's directors and management team to successfully implement the operations of the JV Company. The loss of any key member of our Board or management team, and/or the JV Company's board or management team, without timely and suitable replacement, may have a material adverse effect on the JV Company's and our business, operations, financial performance, financial condition and prospects.

**We are subject to risks associated with joint ventures.**

Our investment in the JV Company exposes us to risks associated with joint ventures. Joint ventures involve a certain amount of business risks such as the inability or unwillingness of joint venture partners to fulfil their obligations under the joint venture agreements, including the parties' obligations to fund the joint venture. There is no assurance that we will not, in the future, encounter such business risks with regard to the JV Company which may materially and adversely affect our business, operations, financial performance, financial condition and prospects.

**We are subject to risks associated with the development and operation of industrial parks.**

The success of the operations of the JV Company is dependent upon, among other things, the successful relocation of farmers currently holding lands covered by the Class A Project. While these farmers have agreed to be relocated for compensation, there is a risk that some of them may return and ask for more compensation or otherwise adversely affect the JV Company's operations.

Given the nature of the Class A Project as an industrial park, the results of operations of the JV Company will depend upon economic and real estate market conditions in Myanmar and also continued foreign investment in Myanmar. If there is a reversal in the liberalization of Myanmar's economy, a decline in Myanmar's economy, a deterioration in the real estate market in Myanmar and/or a slow down in the interest of foreign investors in Myanmar, the JV Company's results of operations and future growth may be materially and adversely affected.

If any of the foregoing were to occur, our Company's investment in the JV Company may in turn be materially and adversely affected.

**The Class A Project may be subject to intense competition.**

The rapid liberalisation of the Myanmar economy will likely lead to more local and foreign investors establishing industrial parks in strategic and/or choice locations in various parts of Myanmar. These industrial parks will be in competition with the Class A Project and the business of the JV Company, and may attract potential customers and tenants away from the Class A Project. Our Company's investment in the JV Company may in turn be materially and adversely affected.

**Completion of the infrastructure and supporting facilities that are planned for the Class A Project may be delayed or may not materialise.**

There is no assurance that the planned infrastructure and supporting facilities for the Class A Project will not face delays or non-completion. If any of the foregoing occurs, the JV Company could encounter difficulties in attracting potential customers and tenants. Our Company's investment in the JV Company may in turn be materially and adversely affected.

**The JV Company will require significant capital expenditure for the development of the Class A Project that may exceed existing estimates and the JV Company may not be able to secure funding.**

Given the scale and nature of the development of the Class A Project, significant capital expenditure may be required to be made by the JV Company. The actual amount of capital expenditure may be beyond the current amounts budgeted by our Company for the JV Company. The JV Company may not be able to fund such expenditure solely through shareholders' contributions and cash from operating activities. In such event, additional capital, debt or other forms of financing may be required. If the JV Company is unable to raise such additional capital, debt or other financing, the JV Company's business, results of operations, liquidity and financial position may be materially and adversely affected. Our Company's investment in the JV Company may in turn be materially and adversely affected.

**The JV Company is subject to the risk of late payment or non-payment by the customers or tenants of the Class A Project.**

The income of the JV Company will be derived mainly from the operations of the Class A Project, including sale proceeds, rentals and service fees. In the event of any late payment or non-payment by the customers or tenants, the JV Company's business, results of operations, liquidity and financial position may be materially and adversely affected. Our Company's investment in the JV Company may in turn be materially and adversely affected.

**Insurance coverage for the Class A Project may not be adequate.**

The JV Company faces the risk of loss or damage to the JV Company's assets in the Class A Project due to fire, theft and natural disasters, such as floods. These events may lead to disruption or cessation in the JV Company's operations, thereby adversely affecting the JV Company's business operations, financial performance and financial condition. Whilst the JV Company's insurance policies will cover some losses in respect of damage to the JV Company's assets, they may not be sufficient to cover all of the JV Company's potential losses. In the event such loss exceeds the insurance coverage or is not covered by the insurance policies taken up by the JV Company, the JV Company's financial performance and financial condition may be adversely affected. Our Company's investment in the JV Company may in turn be materially and adversely affected.

**The JV Company may be unable to meet stringent health, safety and environmental regulations and standards.**

The development of the Class A Project is subject to health, safety and environmental regulations and standards in Myanmar. These regulations and standards generally govern wastewater discharges, air emissions, the setting up and operation of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, and the remediation of contamination associated with such disposal.

The development of the Class A Project entails the conversion of 400 hectares of undeveloped or agricultural land into an industrial park. Construction (as well as the operation thereafter) of the industrial park may result in, amongst other things, soil erosion and pollution to the air, water and land.

Construction activities may also be hazardous in nature, which may result in workplace injuries or fatalities.

Non-compliance with or changes in the applicable health, safety and environmental regulations and standards could materially and adversely affect the JV Company (including the initiation of investigations and the imposition of fines on the JV Company by the regulators). Our Company's investment in the JV Company may in turn be materially and adversely affected.

**Operating expenses of the JV Company may increase in the future and the JV Company may not be able to pass on such increases to the JV Company's customers and tenants**

Operating expenses, including expenses for fuel, utilities, labour, building materials and insurance are not fixed and may increase in the future. Unless specifically provided for in the relevant agreements, there is no assurance that the JV Company will be able to pass these increases on to the JV Company's customers and tenants. Any increases that cannot be passed on to the JV Company's customers and tenants may materially and adversely affect the JV Company's cashflow and operating results. Our Company's investment in the JV Company may in turn be materially and adversely affected.

**The Class A Project is dependent on the availability of public utilities and services.**

Public utilities, especially those that provide water and electricity, are essential for the smooth operation of the Class A Project. The delayed delivery or any material reduction or prolonged interruption of these services may materially and adversely affect the operation of the Class A Project and may also enable certain tenants to terminate their leases. The JV Company's operating costs may also increase as a result of having to implement remedial measures, such as using back-up generators. Such back-up generators may in any event not be sufficient to supply electricity for the operation of the facilities in the Class A Project, and may result in the facilities in the Class A Project being unable to carry out normal operations. Our Company's investment in the JV Company may in turn be materially and adversely affected.

**We may face foreign exchange risks.**

Our investment into the JV Company and our revenues may be denominated in US\$. However, a portion of our assets and expenses is denominated in Kyats. The Kyat operates on a managed float basis, and an appreciation of the Kyat against the US\$ may materially and adversely affect our financial performance as it may reduce our revenue in Kyat terms. Accordingly, changes in the exchange rate of US\$ to Kyat could have an adverse impact on our results of operations and financial condition, including as a result of translation adjustments in converting US\$ to Kyat for financial statement purposes.

**We may be affected by the outbreak of communicable diseases.**

There has in the past been occasions of outbreak of various communicable diseases such as severe acute respiratory syndrome and the avian influenza, which had resulted in economic and social uncertainties. Although the effects of such outbreak on Myanmar have not been significant historically, there is no assurance that Myanmar will not be affected significantly in future if such an outbreak were to occur. The outbreak of communicable diseases in Myanmar, if uncontrolled, could adversely affect the attractiveness of the Class A Project to potential customers and tenants (especially those which are foreign investors investing in Myanmar). Our Company's investment in the JV Company may in turn be materially and adversely affected.

**RISKS RELATING TO MYANMAR**

**We may be affected by political, security, economic and social situations in Myanmar.**

The economy of Myanmar (including its financial sector and its accounting system) is still developing. In addition, companies may have to deal with inadequate telecommunications, transportation and other infrastructure, and shortage of utilities and other essential services, which will affect the ease and cost of doing business in Myanmar. There is no certainty that political, economic and social reforms of the current Myanmar Government will continue or be successful, and there is no certainty that the business and investment environment in Myanmar will continue to improve or be sustainable. Ethnic and sectarian tensions may possibly hamper investor confidence, and the growth and stability of the economy. Any unfavourable changes in the political, economic and social conditions of Myanmar, and the existence of conditions impacting upon safety and security, may also adversely affect the attractiveness of the Class A Project to potential customers and tenants (especially those which are foreign investors investing in Myanmar). In the circumstances, the returns on our Company's investment in the JVC could be adversely affected.

**The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty.**

Our operations in Myanmar will be subject to the laws and regulations promulgated by the Myanmar legislature, and notifications and guidelines from various government authorities and bodies.



There have recently been significant changes to Myanmar laws and regulations which have modernized and strengthened Myanmar's legal framework, and our Directors believe such changes are likely to continue. However, the Myanmar Government is still in the process of developing its legal system to meet the needs of investors and to encourage foreign investment. As the Myanmar economy is undergoing development at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Specifically, whilst such changes to the laws and regulations have brought about improvement to Myanmar's legal and regulatory regime, the laws and regulations may not be comprehensive and adequately address all concerns, may conflict with each other, and may sometimes be ambiguous and subject to different interpretations.

Further, the laws and regulations of Myanmar may be supplemented or otherwise modified by unofficial or internal guidelines and practices which exist but which are not documented or which are not generally available to the public or uniformly applied. Such guidelines and practices may not have been ruled upon by the courts or enacted by legislative bodies and may be subject to change without notice or adequate notice. There are also limited precedents on the interpretation, implementation or enforcement of Myanmar laws and regulations. This may create further uncertainty over the interpretation and application of Myanmar laws and regulations.

While Myanmar adopts a mixed legal system of common law, civil law and customary law, governmental policies play an overriding role in the implementation of the laws. Furthermore, the application and administration of Myanmar laws and regulations may be subject to a certain degree of discretionary determination by the authorities and may differ in implementation across various regional governments and government authorities and bodies.

In any event, the resolution of commercial and investment disputes by domestic tribunals, either through the courts or arbitration proceedings, is, at present, limited. The experience of Myanmar courts with respect to commercial disputes is significantly limited, although domestic arbitration is available under the Arbitration Act of Myanmar 1944. There are limited local experts with the knowhow needed to preside over commercial disputes. While Myanmar has recently ratified and acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958, it is uncertain how long it would take to enact or amend the necessary domestic laws to implement a framework capable of supporting the recognition and enforcement of foreign arbitral awards by the Myanmar courts. Whilst Myanmar is also a party to the ASEAN Comprehensive Investment Agreement (2009), it is likewise unclear as yet how disputes covered by and the protections afforded under this agreement will be treated and resolved under Myanmar law or by the Myanmar courts.

The uncertainties in the Myanmar legal system and the interpretation and application of Myanmar laws and regulations may adversely affect the attractiveness of the Class A Project to potential customers and tenants (especially those which are foreign investors investing in Myanmar). In the circumstances, the returns on our Company's investment in the JV Company could be adversely affected.

#### **We may be affected by sanctions imposed on Myanmar.**

We may be affected by sanctions imposed on Myanmar. Some (but not all) of these sanctions imposed on Myanmar have been either lifted or temporarily suspended. It is uncertain whether the suspension of the relevant sanctions will be renewed. It is also uncertain whether these sanctions will ultimately be lifted, or if additional sanctions will be imposed. These continuing sanctions, the non-renewal of any suspension of these sanctions or the imposition of additional sanctions may hamper the economic growth of Myanmar, and may adversely affect the attractiveness of the Class A Project to potential customers and tenants (especially those which are foreign investors investing in Myanmar). Our Company's investment in the JV Company may in turn be materially and adversely affected.

### **Sources of public and private financing for Myanmar projects continue to be weak.**

While legislation has recently allowed licensed domestic banks to deal with foreign currency and to extend foreign currency loans to Myanmar companies, the existence of project financing and other financing arrangements within Myanmar is limited and may continue to be so limited. It is uncertain whether local banks may lend to foreign invested entities under the prevailing policies of the CBM. The costs of obtaining funds from local banks are high and foreign banks are not permitted to operate within Myanmar. Furthermore, there are inadequate legal mechanisms available for the securitisation or collateralisation of land, operating and other assets, uncertainty concerning the validity of foreign loans being extended to Myanmar entities, uncertainty surrounding the repayment for foreign loans and advances and uncertainty of the nature and extent of the approvals that are required for repatriation of principal and interests out of Myanmar for the payment and discharge of foreign loans. These undeveloped financial structures may affect our funding options for the JV Company, and may also adversely affect the attractiveness of the Class A Project to potential customers and tenants (especially those which are foreign investors investing in Myanmar). In the circumstances, the returns on our Company's investment in the JV Company could be adversely affected.

### **RISKS RELATING TO THE OFFERING**

#### **There has been no prior market for our Shares and the Offering may not result in an active or liquid market and there is a possibility that our Share price may be volatile**

Prior to the Offering, there has been no public market for our Shares. There is no assurance that an active trading market for our Shares will develop, or if it develops, will be sustained. There is also no assurance that the market price for our Shares will not decline below the Offering Price. The market price of our Shares could be subject to significant fluctuations due to various external factors which are outside our control and which may be unrelated or disproportionate to our financial results. Such events include the liquidity of our Shares in the market, difference between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations.

There is also no assurance our Board will pursue a listing and quotation of our Shares on a national securities exchange at any time in the future. Further, even if our Board decides to seek a listing and quotation of our Shares, there is no assurance that we will satisfy the listing requirements or that our Shares will be approved for listing and quotation. Our Company will establish the OTC Facility to facilitate transactions in our Shares but there is no assurance that there will be an active market for trading in our Shares.

#### **Investors may not be able to realise returns on their investment in the Offering Shares within a period that they would consider reasonable.**

You should not expect that you will necessarily be able to realise your investment in the Offering Shares within a period that you would regard as reasonable. In the circumstances, the Offering Shares may not be suitable for short-term investment. There is also a risk that you may not be able to recover or receive returns on your investment in the event that we are not profitable or require longer period than expected to be profitable.

#### **Substantial future sale of Shares could adversely affect the market price of our Shares.**

Immediately following the Offering, our Company will have an aggregate of 3,900,000 issued and paid-up Shares. Such Shares may be sold in the public market in Myanmar. Any future sale or availability of our Shares in the public market can have a downward pressure on our Share price. The sale of a significant amount of Shares in the public market after the Offering, or the perception that such sale may occur, could materially and adversely affect the market price of our Shares.

There will be no restriction on the ability of our Promoters to sell their Shares. If our Promoters sell a substantial percentage of our Shares in the public market, the market price of our Shares could be affected.

**Determination of the Offering Price was arbitrary**

Prior to the Offering, there is no public market for our Shares. Further, our Company does not have any operating history. The determination of the Offering Price is therefore more arbitrary than the pricing of securities for an operating company. Our Board did not consider any projection of the book value or net asset value, or the revenue and profits, of our Company. The Offering Price is also not based on an independent valuation. The Offering Price is not indicative of the proceeds that you would receive upon liquidation, or the price at which you may be able to sell your Shares.

**Our Share price may be volatile, which could result in substantial losses for investors purchasing our Shares pursuant to the Offering.**

The market price of our Shares may fluctuate significantly and rapidly as a result of, among other things, the factors mentioned below:

- differences between our actual financial and operating results and those expected by investors and analysts;
- perceived prospects for our business and operations;
- fluctuations in stock market prices and volume;
- changes in our operating results;
- changes in securities analysts' estimates of our financial performance and recommendations;
- changes in market valuation of similar companies;
- our involvement in litigation;
- additions or departures of key personnel; and
- changes in general economic and stock market conditions.

**We may require additional funding for our growth plans, and such funding may result in a dilution of your investment.**

We may require further funding in the future in order to grow and expand our operations. Under such circumstances, secondary issue(s) of securities may be necessary to raise the required capital to develop these growth opportunities. If new Shares are issued and placed to new and/or existing Shareholders, they may be priced at a discount to the then prevailing market price of our Shares, in which case existing Shareholders' equity interest will be diluted. If our Company fails to utilise the new equity to generate a commensurate increase in earnings, our earnings per Share may be diluted and this could lead to a decline in the market prices of our Shares. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

**Negative publicity, including those relating to any of our Promoters, Directors, or Executive Officers, may adversely affect our Share price.**

Any negative publicity or announcement relating to any of our Promoters, Directors, or executive officers may adversely affect the performance of our Shares in the market, whether or not this is justifiable. Such negative publicity or announcement may include involvement in insolvency proceedings, legal disputes, and failed attempts in takeovers and joint ventures.

**We may not be able to pay dividends to our Shareholders.**

We are an investment holding company and conduct our business operations through the JV Company. Accordingly, an important source of our income, and consequently an important

factor in our ability to pay dividends on our Shares, are the dividends from the JV Company. The JV Company's ability to pay dividends and make other distributions may depend on the JV Company's earnings and cashflows and are subject to laws and regulations in Myanmar and any restrictive loan covenants applicable to the JV Company. In the event of the JV Company's liquidation, there may not be sufficient assets for us to recoup our investment.

**Our Company is not subject to any corporate disclosure standards.**

Our Company is not listed on any stock or securities exchange and, unlike listed public companies in other jurisdictions, is not subject to any corporate disclosure regime. Our Company is therefore not required to disclose any information that may typically be required to be disclosed by listed public companies in other jurisdictions, including information relating to interests of our major Shareholders and directors in our Shares or interim financial information. Information about our Company may not be readily available and, if disclosed, may not be disclosed on a timely basis. As a result, investors may not have up-to-date information relating to our Company when trading in our Shares through the OTC Facility.

**You should read the entire Prospectus carefully and we strongly caution you not to rely on any information contained in press articles or other media relating to us and/or the Offering.**

There has been press coverage regarding us and the Offering in certain news publications in Myanmar which included certain financial information, profit forecasts, operational projections, valuations, and other information about us ("**Information**"). We would emphasise to potential investors that we do not accept any responsibility for the accuracy or completeness of the Information and that the Information was not sourced from or authorised by us. We do not make any representation as to the appropriateness, accuracy, completeness or reliability of any of the Information and the underlying assumptions. To the extent that any of the Information is inconsistent with, or conflicts with, the information contained in this Prospectus, we disclaim it. In this regard, potential investors are cautioned to make their investment decisions on the basis of the information contained in this Prospectus only and should not rely on any other information.

## PROCEEDS FROM THE OFFERING

### Proceeds

Based on the Offering Price of Ks 10,000 for each Offering Share, the gross proceeds from the allotment and issue of 2,145,000 Offering Shares will be Ks 21,450,000,000.

Based on the issue price of Ks 10,000 for each Share comprising the Promoters' Tranche, the gross proceeds from the allotment and issue of the Promoters' Tranche to the Promoters will be Ks 17,550,000,000, out of which our Company has already received Ks 11,790,000,000 from the issue of an aggregate of 1,179,000 Shares (being part of the Promoters' Tranche and which includes the total of 9,000 Shares subscribed for by the Promoters upon incorporation of our Company) to the Promoters.

We intend to utilise the Total Gross Proceeds, being an aggregate amount of Ks 39,000,000,000, in the following manner:

- (a) to pay for the expenses of the Offering (as to which please see the section "**Expenses**" below);
- (b) to pay for the expenses of the feasibility study of the Thilawa SEZ, and the preliminary expenses incurred in the establishment of our Company and the JV Company.

Our Company has incurred certain expenses in connection with the feasibility study conducted on the Thilawa SEZ, as well as professional and legal fees for the establishment of our Company and the JV Company. Such expenses are estimated to be approximately Ks 500,000,000, and will be capitalised and amortised as our Company's expenses over a period of five (5) years commencing from FY 2015;

- (c) to subscribe for or acquire our 41.0% interest in the JV Company pursuant to the Joint Venture Agreement.

Under the Joint Venture Agreement, our Company, the Thilawa SMC and MMSTD have agreed to subscribe for JV Company Shares of an initial aggregate amount of US\$50,000,000 in the proportions of 41.0%, 10.0% and 49.0% respectively. Based on the foregoing, our Company is required to subscribe for JV Company Shares of an aggregate amount of US\$20,500,000. Our subscription for the JV Company Shares is subject to the satisfaction of certain conditions precedent. Please see further the section "**Our Company**" for more information.

By 18 February 2014, our Company has subscribed for JV Company Shares of an aggregate amount of US\$7,379,700, representing part of our commitment to subscribe for JV Company Shares of an aggregate amount of US\$20,500,000. We have already used an amount of US\$7,379,700 (equivalent to approximately Ks 7,294,833,450, based on the exchange rate of US\$1 : Ks 988.5) out of the gross proceeds of Ks 11,790,000,000 which have already been received by our Company from the issue of an aggregate of 1,179,000 Shares (being part of the Promoters' Tranche) to subscribe for JV Company Shares, as part of the subscription referred to above;

- (d) to acquire the Thilawa SMC Transfer Shares from the Thilawa SMC at cost, so as to reduce the interest of the Thilawa SMC in the JV Company to 10.0%.

Depending on (among other things) the timing of capital contribution to the JV Company, the Thilawa SMC may upon its capital contribution in kind to the JV Company hold more than a 10.0% interest in the JV Company. In such event, the Thilawa SMC will transfer to our Company at cost the Thilawa SMC Transfer Shares as will result in our Company and the Thilawa SMC holding respectively 41.0% and 10.0% of the total issued and paid-up share capital of the JV Company.

- (e) to pay for any costs to be incurred for the furtherance of the development of the Thilawa SEZ (other than the Class A Area); and
- (f) for general working capital purposes.

The timing and amount of disbursements to be made for the foregoing purposes shall be determined by our Directors in their discretion. However, future events or developments, such as general market conditions, the outlook for our industry, changes in social, political and economic conditions and the regulatory environment in Myanmar, as well as changes in our need for capital and the availability of financing and capital to fund those needs, among other factors, may make a change in the use of the net proceeds from that specified above necessary or desirable.

There is no minimum subscription required to be raised from the Offering. Pursuant to the Promoters' Undertaking, the Promoters will, in the event that the Offering is not fully subscribed, collectively subscribe on a pro-rata basis for all Offering Shares that are not subscribed for at the Offering Price upon and subject to the terms and conditions thereof.

### Expenses

The aggregate expenses payable by us in connection with the Offering are estimated to amount to approximately Ks 500,000,000, the breakdown of which is set out below:

	<b>Ks million</b>	<b>% of Total Gross Proceeds</b>
Professional Fees	400,000,000	1.0%
Miscellaneous expenses	50,000,000	0.1%
Printing and advertising costs	50,000,000	0.1%
<b>Total estimated expenses</b>	<b>500,000,000</b>	<b>1.3%</b>

## DIVIDENDS

*Statements contained in this section “Dividends” that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. See the section “Notice to Investors — Forward-looking statements”.*

### Past dividend

Our Company has not declared or paid any dividend from the date of our incorporation and up to the Latest Practicable Date.

### Dividend policy

Subject to the Companies Act, our Company may, from time to time with the approval of Shareholders in general meeting, declare dividends to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by our Board. We must declare and pay all dividends out of profits of our Company. Our Directors may declare an interim dividend without seeking Shareholders’ approval.

Our Board has the discretion to recommend payment of dividends. As our Company’s principal business is (apart from the marketing and sale of Class A Properties) our investment in the JV Company, one key factor that our Board will take into account in deciding whether to recommend a dividend is the dividends that may be declared and paid by the JV Company.

The dividend policy of the JV Company is governed by the Joint Venture Agreement. Under the Joint Venture Agreement, the JV Company will pursue a dividend policy whereby dividends shall be paid or distributed to its shareholders (including our Company) in amounts proportional to each shareholder’s percentage ownership interest to the full amount of the profits of our Company which are available for distribution from time to time in accordance with and subject to Applicable Laws of Myanmar but after making all necessary, reasonable and prudent cash provisions and reserves for:

- taxation;
- the repayment of any borrowings by the JV Company;
- any capital expenditures and construction-related requirements;
- the fulfillment of the JV Company’s working capital requirements; and
- any other matter required for the fulfillment of the JV Company’s obligations.

Further, in considering the timing, manner and amount of dividend, if any, our Board intends to take into account various factors, including:

- the level of cash, gearing, return on equity and retained earnings;
- our Company’s expected financial performance;
- our Company’s projected investment plans, including further investment in the JV Company pursuant to the Joint Venture Agreement; and
- restrictions on payment of dividend that may be imposed on our Company under our financing arrangements.

We will pay cash dividends, if any, in Kyats.

Please see the section “**Taxation**” for information relating to taxes payable on dividends.



## EXCHANGE RATES

The reporting currency of our Company is Kyat. However, our Company is committed to subscribing for JV Company Shares pursuant to Joint Venture Agreement in US\$ and our revenues may also be denominated in US\$.

The table below sets out the high and low exchange rates between US\$ and Ks for each month for the six (6) months prior to the Latest Practicable Date. The table indicates how many Ks can be bought with one US\$.

	Ks/US\$	
	High	Low
July 2013	980	971
August 2013	975	972
September 2013	974	972
October 2013	973	971
November 2013	983	972
December 2013	987	982
January 2014	987	986

As at the Latest Practicable Date, the exchange rate was US\$1:Ks 987.

The exchange rates reflected in this section are quoted from the website of the Central Bank of Myanmar and provided solely for information and should not be construed as a representation that US\$1.00 actually represent such Ks or could be converted into Ks at the rates indicated. The Central Bank of Myanmar has not consented to the inclusion of the exchange rates quoted under this section and is not liable for such information. While our Directors have taken reasonable steps to ensure that the information is extracted accurately and fairly and has been included in this Prospectus in its proper form and context, they have not independently verified the accuracy of the information set out above.

## **THE CLASS A PROJECT**

### **INTRODUCTION**

#### *Special Economic Zone Law 2011*

The SEZ Law 2011 was enacted in January 2011, with the stated objectives to (among other things) form the framework for maintaining, protecting and safeguarding the sovereignty of Myanmar in allowing foreign investment, and to develop the momentum of the economy of Myanmar by establishing and operating special economic zones. The SEZ Law 2011 provided for (among other things) certain tax incentives to investors who invest in a designated special economic zone.

#### *Special Economic Zone Law 2014*

In January 2014, the new SEZ Law 2014 was enacted and replaced the SEZ Law 2011.

The SEZ Law 2014 has the stated objectives to (among other things) support the primary objectives of the national economic development plan, create employment for a large number of people and raise their living standards, increase production and exports and increase foreign exchange income, encourage and attract domestic and foreign investments by creating sound foundations for developers and investors, and encourage, promote and give incentives for the balanced development of industrial, economic and social sectors within Myanmar. The SEZ Law 2014 provides for (among other things) certain tax incentives to investors who invest in a designated special economic zone.

Please see further Appendix C – Summary of Relevant Myanmar Laws and Regulations for more information on the SEZ Law 2014.

#### *Special Economic Zones*

As at the date hereof, a total of 3 special economic zones have been designated for development in Myanmar, one of which is the Thilawa SEZ. The other two designated special economic zones are the Dawei Special Economic Zone, which is located at the southern part of Myanmar in the Tanintharyi Region, and the Kyauk Phyu Special Economic Zone, which is located at the western part of Myanmar in the Rakhine State. The Thilawa SEZ is described below.

### **THILAWA SEZ**

#### *Introduction*

The Thilawa SEZ covers an area of approximately 2,400 hectares and is located approximately twenty-five (25) kilometres south of Yangon between the Thanlyin and Kyauktan townships. The Myanmar Government and the Japanese Government have agreed to cooperate to jointly develop the Thilawa SEZ, as described below.

#### *Memorandum of Intent*

On 21 April 2012, the Relevant Myanmar Ministry and the Relevant Japan Ministries entered into a Memorandum of Intent on the Cooperation for the Development of the Master Plan for Thilawa, pursuant to which they expressed their intention to cooperate in the development of the master plan for an approximately 2,400 hectares of land in Thilawa which will be incorporated into the Thilawa SEZ.

#### *Cooperation Memorandum*

On 21 December 2012, further to the Memorandum of Intent mentioned above, the Relevant Myanmar Ministry and the Relevant Japan Ministries entered into the Cooperation

Memorandum, pursuant to which they declared that they will cooperate to develop the Thilawa SEZ.

Under the Cooperation Memorandum, the Relevant Myanmar Ministry and the Relevant Japan Ministries agreed (amongst other things) that:

- developers of Japan and Myanmar will establish a joint venture as a zone-developer of the Thilawa SEZ;
- the Myanmar Government will provide concession of the development of the Thilawa SEZ to the joint venture;
- the joint venture will develop the on-site infrastructures and facilities that are inside the Thilawa SEZ;
- the Myanmar Government will develop the supporting off-site infrastructures including, but not limited to, the port in the Thilawa area, that are outside the Thilawa SEZ;
- part of the area within the Thilawa SEZ will be developed with high quality infrastructures and be dedicated for high quality manufacturing industries and multi-national industries, while another part of the area within the Thilawa SEZ will be developed with key basic infrastructures that include main roads, flood control, drainage, and be dedicated for labour intensive industries such as garment, food and wire harness industries; and
- the sizes and sites of the areas described above will be decided based on the master plan, feasibility studies and market demand.



**Source:** Myanmar Investment Guide, Chapter 3 (Industrial Zones and Special Economic Zones), published by the Myanmar Investment Commission

established MMSTD for this purpose. Separately, Mitsubishi Corporation, Marubeni Corporation and Sumitomo Corporation also established the MMST LLP to undertake and complete a feasibility study of the Class A Project.

#### *Class A Project*

Subsequently, the Class A Area, being a 400-hectare portion within the Thilawa SEZ, was designated to comprise the Class A Project and set aside for joint development by developers from Myanmar and Japan into an industrial park. An indication of the location of the Class A Area is set out in the map.

#### *Consortium*

The consortium of developers from Myanmar participating in the Class A Project consists of the Promoters, which have established our Company for this purpose.

The consortium of developers from Japan participating in the Class A Project consists of Mitsubishi Corporation, Marubeni Corporation and Sumitomo Corporation, which have

Our Company, the Thilawa SMC and MMSTD have entered into the Joint Venture Agreement in connection with the establishment of the JV Company to undertake the development, construction, marketing, sales and operation of the Class A Project. This is described in the section “**Our Company**” below.

#### *Designation of Thilawa SEZ*

Under the SEZ Law 2011, the Government may, by notification, establish a special economic zone by demarcating the land area, extent and boundary of the territory in the suitable area. The Government has, pursuant to Notification No. 65/2013 issued on 23 September 2013, designated the Thilawa SEZ as a special economic zone under the SEZ Law 2011.

Section 93 of the SEZ Law 2014 provides that the notifications, orders, directives and procedures issued under the SEZ Law 2011 shall continue to be effective so long as they are not contrary to the SEZ Law 2014. Pursuant to section 93 of the SEZ Law 2014, the Notification No. 65/2013 issued by the Government on 23 September 2013 will therefore continue to be effective so long as it is not contrary to the SEZ Law 2014.

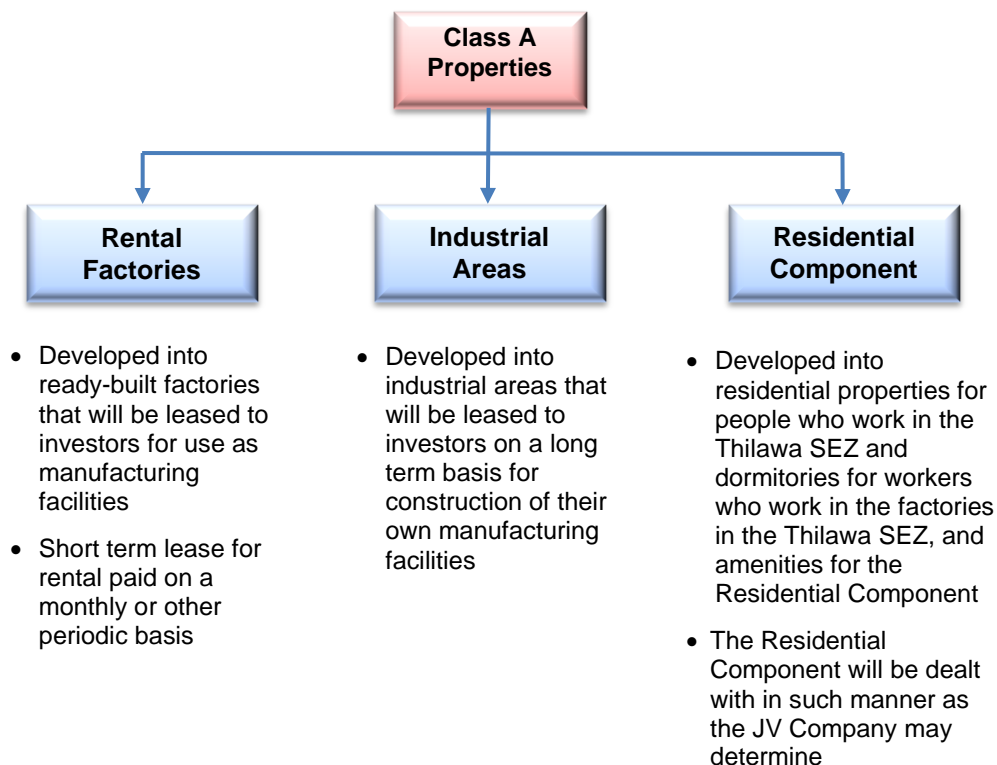
### **CLASS A PROJECT**

#### *Overview*

The Class A Project involves the development of the Class A Area into an industrial park. In the short term, the Class A Project is expected to attract light-industry manufacturers with the aim of creating job opportunities and promoting exports of products manufactured in the industrial park. In the longer term, the Class A Project aims to attract manufacturers from a wide range of industries from around the world.

#### *Development Plan*

The Class A Project will comprise the following components:



In relation to the Residential Component, the JV Company may not itself undertake the development thereof, and may instead dispose of the land to third parties for the development of the Residential Component in such manner as it may deem appropriate. In such event, our Company may consider acquiring the relevant land (or any part thereof) to develop the Residential Component.

#### *Development Phases*

It is currently envisaged that the Class A Project will be developed in three separate phases as follows:

	Phase 1	Phase 2	Phase 3	Residential Component	Total
<b>Development Area (hectares)</b>	189	138	34	35	<b>396</b>
<b>Saleable Area (hectares)</b>	148	109	27	35	<b>319</b>

The saleable area represents the Industrial Areas and Rental Factories which will actually be leased to investors. The development area outside of the saleable area includes common areas which will be developed into public infrastructure, public utilities and other common facilities, and which will not be leased to investors. The Class A Project will also include the Residential Component which will occupy approximately 35 hectares of land.

Under Phase 1, out of the total saleable area of 148 hectares, the current plan is to develop 138 hectares into Industrial Areas and the remaining 10 hectares into Rental Factories. However, the combination of Industrial Areas and Rental Factories may be varied, depending on market demand. The Residential Component will also be developed under Phase 1.

The breakdown of the saleable area under Phase 2 and Phase 3 into Industrial Areas and Rental Factories will be decided at a later date, prior to the commencement of the respective phases.

**The breakdown and descriptions set out above are only estimates and have been included in this Prospectus solely for reference only. The actual breakdown of the Class A Area for each of Phase 1, Phase 2 and Phase 3, and in turn the development area and saleable area for each such Phase, will depend on (amongst other things) market conditions and investor demand and will be finalised only at a later date.**

#### *Timing of Development*

Based on the current schedule, the timing of the development and sales under Phase 1, Phase 2 and Phase 3 are as set out below:

	Construction Period	Sales Period
<b>Phase 1</b>	2013/2014 ~ 2015	2014 ~ 2016
<b>Phase 2</b>	2015 ~ 2016	2016 ~ 2018
<b>Phase 3</b>	2017 ~ 2018	2018

The construction under Phase 1 was formally launched on 30 November 2013 and is scheduled to be completed sometime in 2015 (except for the Rental Factories the construction of which is currently expected to take place over a period of ten (10) years from 2015). The construction period for Phase 1 is subject to change and may, in particular, be varied depending on actual sales during the sales period and availability of infrastructure and utilities.

It is anticipated that the JV Company will pre-sell the Class A Properties under Phase 1 prior to completion of construction, commencing from 2014. The timing set out above is indicative only and is subject to change.

The construction period and sales period for Phase 2 and Phase 3 set out above are indicative in nature and are subject to change.

Please refer to the section “**Financial Information — Financial Projections**” for more information on the projected sales of the Class A Properties.

## OUR COMPANY

### INTRODUCTION

Our Company was incorporated on 3 May 2013 in Myanmar under the Companies Act as a public limited company under the name of Myanmar Thilawa SEZ Holdings Public Limited.

Our Company was established by the Promoters to invest into the JV Company which will undertake the Class A Project pursuant to the Joint Venture Agreement, as described below. The Promoters are as follows:

- First Myanmar Investment Company Limited
- Golden Land East Asia Development Limited
- Myanmar Agribusiness Public Corporation Limited
- Myanmar Agricultural & General Development Public Limited
- Myanmar Edible Oil Industrial Public Corporation Limited
- Myanmar Sugar Development Public Company Limited
- Myanmar Technologies and Investment Corporation Limited
- National Development Company Group Limited
- New City Development Public Company Limited

### BACKGROUND

The background relating to the cooperation between the Myanmar Government and the Japanese Government pursuant to the Cooperation Memorandum to develop the Thilawa SEZ is set out in the section “**The Class A Project**”.

### JOINT VENTURE AGREEMENT

#### *Introduction*

On 26 May 2013, pursuant to the Cooperation Memorandum, our Company signed a Memorandum of Understanding with MMST LLP for the purpose of establishing the JV Company for the development, marketing, sales and operation of the Class A Project.

On 29 October 2013, pursuant to the Memorandum of Understanding mentioned above, our Company, the Thilawa SMC and MMSTD entered into the Joint Venture Agreement in connection with the establishment of the JV Company to undertake the development, construction, marketing, sales and operation of the Class A Project.

#### *Subscription for JV Company Shares*

Under the Joint Venture Agreement, subject to the satisfaction of certain prescribed conditions precedent, our Company, the Thilawa SMC and MMSTD will collectively subscribe for JV Company Shares of an initial aggregate amount of US\$50,000,000 in the proportions of 41.0%, 10.0% and 49.0% respectively.

Our Company and MMSTD will subscribe for their respective proportions of the JV Company Shares in cash. The Thilawa SMC will subscribe for its JV Company Shares in kind, by way of

the grant of a leasehold interest over the Class A Area by the Thilawa SMC to the JV Company.

Based on the foregoing, pursuant to the Joint Venture Agreement, our Company is required to subscribe for the JV Company Shares of an aggregate amount of US\$20,500,000.

#### *Conditions Precedent*

The prescribed conditions precedent referred to above are as follows:

- confirmation from the Myanmar Government, through the Thilawa SMC or any other relevant government agency, that the SEZ Law 2011 applies to the establishment of the JV Company and the establishment and operation of the Class A Project;
- all relevant Governmental Authorities of Myanmar having approved of the investment of the parties to the Joint Venture Agreement in the Class A Project and registration of the JV Company under the Applicable Laws of Myanmar, which shall include registration of the JV Company as a “Special Company” under the Myanmar Special Companies Act 1950;
- the approval by all relevant Governmental Authorities of Myanmar of the environmental impact assessment specifically issued for the Class A Project and the Class A Area and the absence of any significant adverse environmental issues relating to the Class A Project and the Class A Area as supported by such environmental impact assessment; and
- the parties to the Joint Venture Agreement and the Myanmar Government having agreed on the form and contents of a land lease agreement, pursuant to which the JV Company secures a clear and unencumbered right from the Myanmar Government to use the Class A Area for a term of at least fifty (50) years.

#### *Transfer of Thilawa SMC Transfer Shares*

Depending on (among other things) the timing of capital contribution to the JV Company, the Thilawa SMC may, following its grant of a leasehold interest over the Class A Area to the JV Company, hold more than a 10.0% interest in the JV Company. In such event, the Thilawa SMC will transfer to our Company such number of JV Company Shares that it holds (“**Thilawa SMC Transfer Shares**”) so as to reduce its interest in the JV Company to 10.0% and so that the total aggregate shareholding of the Thilawa SMC and our Company shall be equal to 51.0% of the total issued share capital of the JV Company, with the Thilawa SMC and our Company holding 10.0% and 41.0% respectively of the total issued share capital of the JV Company. The Thilawa SMC Transfer Shares will be transferred to our Company at cost, and upon such other terms and conditions as may be mutually agreed between them.

#### *Future Funding*

In the event that the funding requirements of the JV Company are in excess of the aggregate US\$50,000,000 initial capital described above and the net cash flow from the sale, lease and/or other disposal of immovable properties located within the Class A Project, our Company, the Thilawa SMC and MMSTD have committed to subscribe for additional JV Company Shares up to a further aggregate amount of US\$50,000,000 in proportion to their respective shareholdings in the JV Company. However, instead of itself subscribing for the additional JV Company Shares, the Thilawa SMC has the option of entering into an agreement with our Company for our Company to subscribe for all or part of its additional JV Company Shares. In such event, the shareholdings of our Company in the JV Company will be adjusted accordingly.

#### *Marketing of Class A Properties*

Under the Joint Venture Agreement, it is agreed that:



- our Company will be appointed as exclusive agent for the sale, lease and/or other disposal of the JV Company's leasehold interest in the Class A Property to Myanmar Related Entities pursuant to a separate marketing agreement to be entered into and the JV Company will, subject to the terms and conditions thereof, pay our Company a marketing fee equivalent to six per cent. (6%) of the stated contract amount of each such transaction to a Myanmar-Related Entity;
- the Japanese consortium members (collectively "**Japanese Marketing Agents**") will be appointed as exclusive agents for the sale, lease and/or other disposal of the JV Company's leasehold interest in the Class A Property to Japanese Related Entities pursuant to a separate marketing agreement to be entered into and the JV Company will, subject to the terms and conditions thereof, pay the Japanese Marketing Agents a marketing fee equivalent to six per cent. (6%) of the stated contract amount of each such transaction to a Japanese-Related Entity;
- all marketing activities for the sale, lease and/or other disposal of the JV Company's leasehold interest in the Class A Property to parties who are not Myanmar Related Entities or Japanese Related Entities shall be jointly executed by our Company and the Japanese Marketing Agents on behalf of the JV Company. Our Company shall be entitled to receive three per cent. (3%) of the stated contract amount and the Japanese Marketing Agents shall collectively be entitled to receive three per cent. (3%) of the stated contract amount of each such transaction.

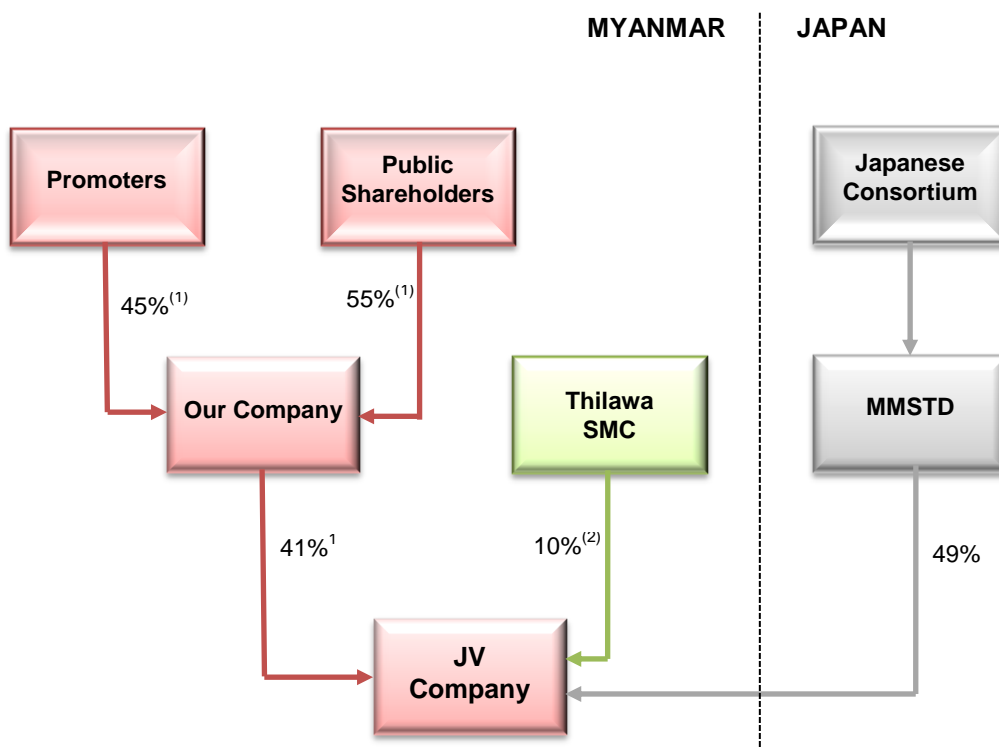
#### **SUBSCRIPTION FOR JV COMPANY SHARES**

By 18 February 2014, our Company has subscribed for JV Company Shares of an aggregate amount of US\$7,379,700, representing part of our commitment to subscribe for JV Company Shares of an aggregate amount of US\$20,500,000. We used part of the gross proceeds of Ks 11,790,000,000 received from the issue of an aggregate of 1,179,000 Shares (being part of the Promoters' Tranche and which include the 9,000 Shares issued upon incorporation of our Company) to pay for such amount of US\$7,379,700. MMSTD has also subscribed for JV Company Shares of an aggregate amount of US\$7,090,300 by 18 February 2014. As such, as at the Latest Practicable Date, the JV Company has a total issued and paid-up share capital of US\$14,470,000, and our Company holds 51.0%, and MMSTD holds 49.0%, of the total issued and paid-up capital of the JV Company respectively. As at the Latest Practicable Date, the Thilawa SMC does not hold any shares in the issued and paid-up share capital of the JV Company.

It is anticipated that following the further subscription for JV Company Shares by our Company, the Thilawa SMC and MMSTD and the transfer of the Thilawa SMC Transfer Shares from the Thilawa SMC to our Company, our Company, the Thilawa SMC and MMSTD will hold respectively 41.0%, 10.0% and 49.0% of the total issued and paid-up share capital of the JV Company.

#### **FUTURE CORPORATE STRUCTURE**

Following the subscription by the Promoters of the Promoters' Tranche, the closing of the Offering and our Company's subscription for our proportion of the initial JV Company Shares in full pursuant to the Joint Venture Agreement (as described in the above section "**Joint Venture Agreement — Subscription for JV Company Shares**"), our corporate structure will be as follows:



Notes:

- (1) This assumes that the Offering Shares will be fully subscribed by and issued to public investors, and the Promoters will not be required to subscribe for any of the Offering Shares pursuant to the Promoters' Undertaking.
- (2) As at the Latest Practicable Date, following the subscription of JV Company Shares of an aggregate amount of US\$7,379,700 by our Company and US\$7,090,300 by MMSTD, our Company and MMSTD hold 51% and 49% of the total issued and paid-up share capital of the JV Company respectively, and the Thilawa SMC does not hold any shares in the issued and paid-up share capital of the JV Company. It is anticipated that, following the further subscription for JV Company Shares by our Company, the Thilawa SMC and MMSTD and the transfer of the Thilawa SMC Transfer Shares (if any) from the Thilawa SMC to our Company, our Company, the Thilawa SMC and MMSTD will hold respectively 51%, 10% and 49% of the total issued and paid-up capital of the JV Company, based on the initial total issued and paid-up share capital of US\$50.0 million.

## BUSINESS

### BUSINESS OVERVIEW

#### *Our principal business activities*

Our Company was incorporated by the Promoters to participate in the Class A Project. Our principal business activities are as follows:

- Our Company will invest in the JV Company, which will engage in the development, construction, marketing, sale and operation of the Class A Project.

Apart from being a shareholder in the JV Company, our Company is entitled to and will participate in the management of the JV Company subject to and in accordance with the Joint Venture Agreement. In particular, our Company is entitled to and will nominate persons to fill certain executive positions in the JV Company under the Joint Venture Agreement.

Please see further the section **“Principal Business Activities of the JV Company”** below for more information.

- Our Company will market and sell the Class A Properties to Myanmar Related Entities as exclusive agent for the JV Company, and will market and sell the Class A Properties to parties which are not Myanmar Related Entities or Japanese Related Entities jointly with the Japanese Marketing Agents. A separate marketing agreement will be entered into in due course between the JV Company and our Company for this purpose.
- Our Company may also be engaged in the development of the Thilawa SEZ (other than the Class A Area) or any part thereof as may be determined by our Directors in their discretion.

In the event that the JV Company decides not to itself develop the Residential Component and instead disposes of the land to third parties for the development of the Residential Component, our Company may consider acquiring the relevant land (or any part thereof) and to develop the Residential Component. If our Company does so and succeeds in acquiring the relevant land (or any part thereof), then our Company will, in addition to the foregoing principal business activities, also engage in the development of the Residential Component.

#### *Principal Business Activities of the JV Company*

As a key part of our business is our investment in the JV Company, we set out in this section some information on the principal business activities of the JV Company.

The principal business activities of the JV Company are to undertake the development, construction, marketing, sales and operation of the Class A Project. Specifically, the JV Company will:

- develop and construct the Class A Area into Industrial Areas, Rental Factories and the Residential Component;
- sell, lease or otherwise dispose of the Industrial Areas to investors for the construction of their own manufacturing facilities on a long-term basis for lump sum upfront payment;
- lease the Rental Factories to investors for use as ready-built factories for immediate use on a short-term basis for a rental payable on a monthly or other periodic basis;
- deal with the Residential Component in such manner as it may determine; and

- manage and operate the Class A Project in consideration for a management fee payable by occupants of the Class A Project.

Please see further the section “**The Class A Project**” for more information.

## **COMPETITIVE STRENGTHS**

### **Strategic Location of the Class A Project**

The Thilawa SEZ, in which the Class A Project is located, is adjacent to the existing Thilawa port. The Thilawa port is a deep sea port that can handle large vessels with deep drafts and is capable of handling a wide variety of cargo. The Myanmar Port Authority has also announced that construction of the Thilawa port extension project will start in early 2014 with development aid from Japan. The Thilawa port extension will serve to enhance infrastructure and logistics at the Thilawa region.

Further, the Thilawa SEZ is located just approximately twenty-five (25) kilometres from Yangon, which is Myanmar’s commercial and industrial centre and handles a large proportion of Myanmar’s foreign trade.

We believe that the strategic location of the Class A Project as described above significantly enhances its attractiveness as an industrial park for manufacturing activities.

### **Manufacturing Base in Myanmar Ready to Expand**

Despite Myanmar’s economic isolation until recently, manufacturing activities are not new in Myanmar. Since the 1990s, Myanmar has adopted market-oriented policies and introduced economic reform, and has slowly built up over the years a manufacturing base whose growth may have been constrained by (among others) Myanmar’s economic isolation from the rest of the world.

We believe that there is a manufacturing base in Myanmar which will be ready to expand its manufacturing operations, capitalise on more favourable operating environment and take advantage of Myanmar’s gradual emergence from economic isolation and accelerating economic reforms, and that this will benefit the Class A Project.

### **Support of the Myanmar and Japanese Governments**

The development of the Thilawa SEZ, of which the Class A Project forms a part, is supported and backed by the Myanmar Government and the Japanese Government pursuant to the Cooperation Memorandum. The Class A Project will be jointly developed by a consortium of Myanmar developers through our Company and a consortium of Japanese developers through MMSTD.

The Myanmar Government will be participating in the Class A Project through the Thilawa SMC by way of grant of a leasehold interest in the Class A Area to the JV Company in return for JV Company Shares. It is also contemplated under the Joint Venture Agreement that MMSTD may eventually transfer part of the JV Company Shares which it will hold to the Japanese Government or an agency thereof.

We believe that the involvement of the Myanmar Government and the Japanese Government will facilitate the development of the Class A Project, enhance the profile of the Class A Project and thereby increase the chances of success of the Class A Project.

### **Strong Consortium of Developers**

The Class A Project will be developed by a strong consortium of Myanmar and Japanese developers.

The Myanmar consortium members comprise the Promoters which are public companies that collectively have substantial experience in conducting business in Myanmar and are familiar with the operating environment in Myanmar. The Japanese consortium members of Mitsubishi Corporation, Marubeni Corporation and Sumitomo Corporation are some of the biggest conglomerates in Japan with global business interests in various sectors, that will bring the technical expertise and knowhow and international best practices to the joint venture.

We believe that the Myanmar consortium and Japanese consortium will be able to leverage on their respective expertise, experience, knowhow and financial and other resources, and work effectively to develop the Class A Project pursuant to the Joint Venture Agreement.

## **PROPERTIES AND FIXED ASSETS**

As at the Latest Practicable Date, our Company leases the following property:

<b>Location</b>	<b>Lease Term</b>	<b>Approximate Area</b>	<b>Agreed Rental</b>	<b>Use of Property</b>	<b>Lessor</b>
Room Number 1103, 11 <sup>th</sup> Floor UMFCCI Office Tower No. 29 Min Ye Kyaw Swar Road Lanmadaw Township, Yangon Myanmar	36 months (from 1 October 2013 to 30 September 2016)	2477 square feet	Ks 1,624,912.60 for the first twelve (12) months. The rental for each of the next two (2) periods of twelve (12) months shall be increased by 10% over the rental for the previous twelve (12) months.	Office premises	UMFCCI

## **REGULATIONS**

To the best of our Directors' knowledge, we have complied with all relevant laws and regulations of Myanmar and have obtained all material licences, permits and approvals for our business and operations in Myanmar.

A summary of the relevant Myanmar laws and regulations which our business and operations are subject to in Myanmar is set out in Appendix C – Summary of Relevant Myanmar Laws and Regulations. Save as disclosed above and in Appendix C, our business and operations in Myanmar are not subject to any special policy, legislation or regulatory controls which have a material effect on our business and operations.

## **EMPLOYEES**

Our Company has not commenced business and does not currently carry on any operations. As at the Latest Practicable Date, apart from the Executive Officers, our Company has a total of ten (10) employees who undertake primarily finance and general administrative functions. After the close of the Offering, our Company expects in due course to hire additional employees to carry out appropriate functions within our Company as we prepare to commence business.

## **LITIGATION**

We are not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated, which may have or have had in the twelve (12) months immediately preceding the date of this Prospectus, a material effect on our financial position or profitability.

## MANAGEMENT

### MANAGEMENT REPORTING STRUCTURE

The management structure chart showing the reporting lines and the functional responsibilities of our Directors and Executive Officers as at the Latest Practicable Date is set out below:



### DIRECTORS

Our Board of Directors is entrusted with the responsibility for our overall management and direction. Our Board will as frequently as required review and monitor our financial position and operations.

The following table sets out information regarding our Directors, all of whom are Myanmar citizens:

Name	Age	Address	Position	Date of Appointment
U Win Aung	61	No. 105, University Avenue, 10 Ward, Kamayut Township Yangon Region	Chairman	8 July 2013
U Theim Wai @ Mr Serge Pun	61	No. 2 Jasmine Place, Pun Hlaing Golf Estate, Hlaing Thar Yar Township Yangon Region	Vice Chairman and Managing Director	8 July 2013
U Nyi Khin	51	No. 417 23 <sup>rd</sup> Street, between 63 and 64 Street Ahhnake Taw Ward, Aung Myay Thar San Township Mandalay Region	Director	8 July 2013
U Thein Han @ Ko Han Thein	62	Building No. 67A Top Floor, Bohosi Housing Wardan Street 10 Ward, Lanmadaw Township Yangon Region	Director	8 July 2013

Name	Age	Address	Position	Date of Appointment
U Tun Lwin	45	No. 785/787 11 <sup>th</sup> Floor, Maharbandoola Road 6 Ward, Lanmadaw Township Yangon Region	Director	8 July 2013
Dr. Nyan Thit Hlaing	44	No. 55(A) Thu Nandar 4 Street, Thu Mingalar Housing Thingunyun Township Yangon Region	Director	2 August 2013
U Khin Maung Aye	49	No. C/1 Kabaraye Villa, Kabaraye Pagoda Road Mayangone Township Yangon Region	Director	8 July 2013
U Aung Soe Tha	34	No. 148E, 10 (B-9) A1 Street, 9 <sup>th</sup> Mile MaYanGone Township Yangon Region	Director	8 July 2013
U Tin Maung Hlaing	48	No.7/2 Saw Mahar Street Bo Cho Ward 2, Ba Han Township Yangon Region	Director	2 August 2013

The above Directors are nominated for appointment by our Promoters.

Save as disclosed in the section “**Executive Officers**”, none of our Directors is related to each other or to our Executive Officers.

Certain information on the business and working experience of our Directors is set out below:

**U Win Aung** is our Chairman. He is chairman of Golden Land East Asia, which is one of the Promoters and is a public company that is engaged in general trading. He brings to our Company many years of experience in business development in Myanmar and Southeast Asia, particularly in the Greater Mekong Sub-Region (“**GMS**”).

He has been the chairman and chief executive officer of the Dagon Group since 1990. The Dagon Group is involved in diverse industries that include real estate, construction and engineering, hospitality management, retail and distribution, food, agriculture and plantation, and petroleum and power.

He was vice president of the UMFCCI from 1999 to 2011, where he closely cooperated with the United Nations Economic and Social Commission for Asia and the Pacific (“**UN-ESCAP**”), which is the regional development arm of the United Nations for the Asia Pacific. He was elected as the president of the UMFCCI in 2011 and was re-elected as president in 2013.

He was the chairman of the GMS Business Forum from 2003 to 2004. He was again appointed as chairman of the GMS Business Forum in 2012 and currently continues to hold such position. The GMS Business Forum is a joint initiative of the chambers of commerce of the six (6) GMS countries, and plays a key role in promoting and facilitating cross-border trade and investment in the region.

Along with others, he initiated and founded the Myanmar Construction Entrepreneurs Association, the Myanmar Hotelier Association, the Myanmar Farm Crop Producers’ Association and the Myanmar Fruit and Vegetable Producers and Exporters Association.

U Win Aung is a member of the National Economic and Social Advisory Council of Myanmar, and also a member of the Business Advisory Council of the UN-ESCAP and of the ASEAN Business Advisory Council.

**U Theim Wai @ Mr Serge Pun** is our Vice Chairman and Managing Director. He is the executive chairman of First Myanmar Investment, which is one of the Promoters.

Mr Pun is a Myanmar national and the chairman of the SPA Group. He founded Serge Pun & Associates Limited in 1983 in Hong Kong which was then primarily active in real estate development and consultancy services. Mr Pun has led many real estate investments as a general partner in real estate limited partnerships. In these partnerships, he was involved in the organisation, development, promotion and management of all the projects. In 1988, Serge Pun & Associates Limited opened its first overseas branch in Bangkok. Branches and subsidiaries in Shenzhen (1988), Kuala Lumpur (1990) and Chengdu (1992) followed in the ensuing years.

In 1991, Mr Pun decided to return to his hometown in Myanmar and set up the SPA Group, which has today grown to become one of the country's leading corporations with over forty (40) operating companies active in eight (8) key business sectors including financial services (Yoma Bank Limited), real estate development, automobile service and distribution, agriculture, manufacturing, the services industry, tourism, transportation and infrastructure development.

Most projects are undertaken in conjunction with its local flagship company First Myanmar Investment and since 2006 together with its overseas flagship company Yoma Strategic Holdings Limited ("YSH"). First Myanmar Investment is a Myanmar public company established in 1992 and has more than 5,000 shareholders. YSH has been listed on the Main Board of the Singapore Exchange Securities Trading Limited since 2006, and Mr Pun is its executive chairman.

Mr Pun was appointed an honorary business representative of International Enterprise Singapore for Myanmar from 2004 to 2007. He has been a member of the Chinese People Political Consultative Conference of Dalian, People's Republic of China, since 2007. Serge Pun & Associates (Myanmar) Limited was elected to be one of the first founding members from Myanmar to the World Economic Forum in 2013.

**U Nyi Khin** is a Director of our Company. He is the chairman of Myanmar Sugar, which is one of the Promoters and was jointly set up by enterprises in the sugar and sugar-related industries with the objective of developing the sugar and sugar-related industries in Myanmar. He brings with him more than twenty-five (25) years of experience in the food production industry.

U Nyi Khin owns and operates three sugar factories under the "Shwe Pyi Aung" name.

**U Thein Han @ Ko Han Thein** is a Director of our Company. He is chairman of Myanmar Edible Oil, which is one of the Promoters and is a public company engaged in manufacturing, importing and exporting all kinds of edible oil and oil-related products.

He is the managing director of Golden Horse Company Limited and director of Golden Horse Industry Company Limited, both of which are engaged in the business of importing, exporting and distributing oil-related products such as sesame seeds, groundnuts, niger seeds and palm oil. He is also a director of Shwe Taung Cement Company Limited and Future Energy Company Limited, both of which are part of the Shwe Taung group in Myanmar. U Thein Han is the chairman of the Myanmar Edible Oil Dealers' Association, and also serves as vice president of the UMFCCI.

U Thein Han graduated with a Bachelor of Science (Chemistry) from Yangon University in 1972.

**U Tun Lwin** is a Director of our Company. He is chairman of Myanmar Agricultural, which is one of the Promoters and is a public company engaged in (among others) the construction of containers and general cargo handling international terminal at Thilawa Port Plot 29.



He is serving as the executive director of Myanmar Agribusiness and Myanmar Edible Oil, both of which are our Promoters. In addition, he is currently the managing director of the Shwe Me' group of companies. He is also vice chairman of the National Resources Development Company Limited, and the executive director of Myanmar Citizens Bank Limited. He is chairman of the Myanmar Pulses, Beans and Sesame Seeds Merchants Association, and treasurer of the UMFCCI as well as the Myanmar-Japan Association.

**Dr. Nyan Thit Hlaing** is a Director of our Company. He is currently co-managing director of the National Development Company, which is one of the Promoters and is a public company engaged primarily in the business of construction, trading and general services.

He is a director of Proven Technology Industrial Co. Ltd. and managing director of Zodiac E Corridor Company Limited. He is also secretary of the Myanmar Construction Entrepreneur Association, secretary of Myanmar Tourism Federation and treasurer of the Peti Foundation.

Dr. Nyan Thit Hlaing graduated with a Bachelor of Medicine from the University of Medicine (1) Yangon in 1996.

**U Khin Maung Aye** is a Director of our Company. He is the chairman of New City Development, which is one of the Promoters and is a public company that is engaged in town planning and infrastructure development, with the objective of improving the living standards of rural areas in Myanmar and relieving the population pressure in the big cities in Myanmar.

U Khin Maung Aye established Kaytumadi Co., Ltd. in 1991 and is also the founder and chairman of the Kaung Myanmar Aung group. He is also the chairman of Citizen Business Insurance Public Limited, Myanmar Microfinance Bank Limited and Golden Myanmar Airlines Public Company Limited (all of which are associated with the Kaung Myanmar Aung group). He is also the chairman and chief executive officer of Co-Operative Bank Limited.

U Khin Maung Aye was previously the general secretary of the Myanmar Bankers' Association, and is currently the chairman of the Central Co-operative Society, vice chairman of the Myanmar Hotel Association and the patron of Parami Hospital.

U Khin Maung Aye graduated with a Bachelor of Science (Maths) Q1 from the University of Yangon in 1985.

**U Aung Soe Tha** is a Director of our Company. He is a director of Myanmar Technologies, which is one of the Promoters and is a public company established to invest and become a leading player in the info-communications and telecommunications and telecommunications-related fields in Myanmar.

U Aung Soe Tha is the chairman of the Myanmar ComBiz group, which is engaged in the business of trading products in the information communications and technology sector, trading in the agricultural sector, and trading of petroleum products and a variety of commodities. The Myanmar ComBiz group is also involved in the services sector and, in particular, in the travel and tourism industry.

He is a central executive committee member of the UMFCCI, vice president of the Myanmar Young Entrepreneurs Association, secretary of the Myanmar Computer Industries Association, vice president of the Yangon Region Computer Industries Association, and joint-treasurer of the Myanmar Rice Industry Association.

U Aung Soe Tha was conferred the ASEAN Outstanding Entrepreneur Award in Vietnam in 2011.

He holds a Master of Business Administration, as well as degrees in Economics and Information Technology, from the Yangon Institute of Economics.

**U Tin Maung Hlaing** is a Director of our Company. He is an executive director of Myanmar Agribusiness, which is one of the Promoters and is a public company formed to mobilise public savings and to foster broader investment in agriculture and agro-based industries of Myanmar. He is also the managing director of Evergreen Autos Co., Ltd., and a director of Max Myanmar Trading Co., Ltd.

U Tin Maung Hlaing graduated with a Bachelor of Science from the Yangon University in 1998.

#### **Present and past principal directorships of our Directors**

The present and past principal directorships held by our Directors in the last five (5) years preceding the Latest Practicable Date, excluding those held in our Company, are as follows:

<b>Name</b>	<b>Principal Present Directorships</b>	<b>Principal Past Directorships</b>
U Win Aung	Golden Land East Asia Dagon International Ltd.	
U Theim Wai @ Mr. Serge Pun	7 Focus Investment Ltd. Agribusiness and Rural Development Consultant Co., Ltd. First Myanmar Investment FMI Air Ltd. FMI Garden Development Ltd. FMI Syndication Ltd. Hlaing River Golf & Country Club Co., Ltd. JJ-Pun Ltd. Myanmar Agri-Tech Carbon Capital Ltd. Myanmar Agri-Tech Ltd. Pun Hlaing Capital Co., Ltd. Pun Hlaing International Hospital Ltd. Pun Hlaing Links Services Co., Ltd. Pun Plus Projects Ltd. Serge Pun & Associates (Myanmar) Ltd. SPA Project Management Ltd. Thanlyin Estate Development Ltd. Yangon Land Co., Ltd. Yangon Nominees Ltd. Yoma Bank Ltd. Yoma Telecom Co., Ltd. Yoma Thitsar Commercial Co., Ltd.	Group Synergetic Force Co., Ltd. Meeyahta International Hotel Ltd. Seven Golden Gates Co., Ltd. Yangon Sand Industries Ltd.
U Nyi Khin	Shwe Own Pwint Co., Ltd.	Nil.
U Thein Han @ Ko Han Thein	Myanmar Edible Oil Golden Horse Company Limited  Shwe Taung Cement Company Limited Future Energy Company Limited	Nil.

<b>Name</b>	<b>Principal Present Directorships</b>	<b>Principal Past Directorships</b>
U Tun Lwin	Shwe Me' Co., Ltd. Shwe Me' Industry Co., Ltd. Shwe Me' Logistics Services Co., Ltd National Resources Development Company Limited Myanmar Agribusiness Myanmar Edible Oil Myanmar Agricultural Myanmar Citizens Bank Limited	Nil.
Dr. Nyan Thit Hlaing	National Development Company Proven Technology Industrial Co. Ltd. Zodiac E Corridor Company Limited	Nil.
U Khin Maung Aye	New City Development Co-Operative Bank Limited Kaung Myanmar Aung Shipping Co., Ltd. Citizen Business Insurance Public Limited Myanmar Microfinance Bank Limited Golden Myanmar Airlines Public Company Limited	Nil.
U Aung Soe Tha	Myanmar Technologies Myanmar ComBiz Group	Nil.
U Tin Maung Hlaing	Myanmar Agribusiness Evergreen Autos Co., Ltd. Max Myanmar Trading Co., Ltd	Nil.

#### **Term of office**

Our Directors do not currently have a fixed term of office. In accordance with our Articles of Association, at the first annual general meeting of our Company, all our Directors will retire from office. At each subsequent annual general meeting of our Company, one-third of our Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to one-third) is required to retire from office by rotation.

Our Directors who are required to retire by rotation in each year shall be those who have been longest in office since their last re-election, but as between persons who became Directors on the same date, those to retire (unless they otherwise agree amongst themselves) shall be determined by lot.

A retiring Director is eligible for re-election.

#### **EXECUTIVE OFFICERS**

Our Executive Officers are responsible for our day-to-day management and operations. The following table sets out information regarding our Executive Officers.

<b>Name</b>	<b>Age</b>	<b>Address</b>	<b>Position</b>
U Tun Tun	39	O22A, Orchid Garden, FMI City Hlaing Thayar Township Yangon	Chief Financial Officer
U Thurane Aung	32	No. 105, University Avenue Road 10 <sup>th</sup> Quarter, Kamayut Township Yangon	Project Director
U Aye Win	45	No. 42, Shwe Tharaphy Yeik Mon Bayint Naung Road, Kamayut Township Yangon	Administrative and Human Resource Director

Save as disclosed below, none of our Executive Officers is related to each other or to our Directors. Our Project Director, U Thurane Aung, is the son of our Chairman, U Win Aung.

None of our Executive Officers owns any Shares.

Our Executive Officers are not working exclusively for our Company. Please see further the section “**Employment Agreements and Remuneration**”.

Information on the business and working experience of our Executive Officers is set out below:

#### **U Tun Tun**

U Tun Tun is the Chief Financial Officer of our Company.

U Tun Tun is an executive director and chief financial officer of the SPA Group and First Myanmar Investment (one of our Promoters). He joined the SPA Group in late 1998, and developed his career within the SPA Group, where he assumed many different positions which gave him exposure and experience in many areas, including corporate finance, share registration, company secretarial practice, legal, corporate governance, information technology, property development, estate management, valuation, mergers and acquisitions, business development, and stock exchange listing work.

He graduated in 1998 from, and currently holds an associate membership in, the Institute of Chartered Secretaries and Administrators (United Kingdom).

#### **U Thurane Aung**

U Thurane Aung is the Project Director of our Company.

U Thurane Aung has more than ten (10) years of working experience in the Dagon group, which is one of the leading conglomerates in Myanmar with diversified businesses in sectors that include property development and construction, hospitality, timber, agriculture, commodity trading, plantation, retail and distribution, petroleum, automobile and food processing.

He is responsible for the business strategies and expansion plans for the Dagon group, and specializes in identifying new business areas for the Dagon group to expand into. He actively leads and works on feasibility studies on the Dagon group’s expansion into new industries in Myanmar through the establishment of new business, privatizations and acquisitions.

He holds a Bachelor of Arts (Honours) in Business Information Management in Finance, which he obtained from the University of Westminster in 2004.

#### **U Aye Win**

U Aye Win is the Administrative and Human Resource Director of our Company.

U Aye Win has, since 2012, been the managing director of Myanmar Edible Oil, one of our Promoters which is a public company engaged in manufacturing, importing and exporting all kinds of edible oil and oil-related products. He is concurrently the managing director of Thuriya Win Company Limited, which is engaged primarily in the food processing, distribution, agribusiness and plantation business. He is a director of Unity Force International Company Limited, which is primarily engaged in the import and wholesale distribution in the local market of consumer products (with edible oil being its main product).

He is a central executive committee member of the UMFCCI, and also holds the post of secretary general of the Myanmar Young Entrepreneurs Association and joint secretary of the Myanmar Food Processors and Exporters Association, and central executive committee member of the Myanmar Industries Association.

U Aye Win graduated with a Bachelor of Commerce from the Yangon Institute of Economics in 1992.

### **Present and past principal directorships of our Executive Officers**

The present principal and past directorships held by our Executive Officers in the five years preceding the Latest Practicable Date are as follows:

<b>Name</b>	<b>Principal Present Directorships</b>	<b>Principal Past Directorships</b>
U Tun Tun	7 Focus Investment Ltd. Agribusiness and Rural Development Consultant Co., Ltd. Asia Green Valley Co., Ltd. Butterfly Trading Co., Ltd. Chindwin Investments Ltd. Convenience Prosperity Co., Ltd. First Myanmar Investment Co., Ltd. FMI Air Ltd. FMI Garden Development Ltd. FMI Pearl City Development Ltd. FMI Riverside Development Ltd. FMI Syndication Ltd. Group Synergetic Force Co., Ltd. Hexagon System Co., Ltd. Hlaing River Golf & Country Club Co., Ltd. JJ-Pun Ltd. Mandalay Cement Industries Co., Ltd. May Enterprise Ltd. Meeyahta International Hotel Ltd. Myanmar Agri - Tech Carbon Capital Ltd. Myanmar Agri - Tech Ltd. Northern Island Co., Ltd. Pun Hlaing Capital Co., Ltd. Pun Hlaing International Hospital Ltd. Pun Hlaing Landscaping Ltd. Pun Hlaing Links Services Co., Ltd.	First Myanmar Construction Co., Ltd. Hicom Co., Ltd. Hlaing Properties Development Ltd. Myanmar Nissan Co., Ltd. Thanlyin Estate Development Ltd.

Name	Principal Present Directorships	Principal Past Directorships
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Pun Hlaing Lodge Ltd.  
 Pun Plus Projects Ltd.  
 Serge Pun & Associates  
 (Myanmar) Ltd.  
 Serge Pun & Associates  
 Marketing Ltd.  
 Seven Golden Gates Co., Ltd.  
 SGG Motor Services Ltd.  
 Smart & Trust Services Co., Ltd.  
 SPA Elevator Ltd.  
 SPA Motorcycle Ltd.  
 Star City Transport Ltd.  
 Trusted Persons Co., Ltd.  
 Yangon Land Co., Ltd.  
 Yangon Nominees Ltd.  
 Yangon Sand Industries Ltd.  
 Yoma Bank Ltd.  
 Yoma Myittar Development Ltd.  
 Yoma Thitsar Commercial Co.,  
 Ltd.  
 Yoma Yarzar Manufacturing Co.,  
 Ltd.

U Thurane Aung	Dagon International Ltd. Dagon Rubber Plantation Ltd Dagon Communication Limited Kyaiklat Rice Production Co., Ltd Thuriya Energy Co., Ltd Thuriya Energy Depot Management Co., Ltd Dagon Foods Limited	Nil
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U Aye Win	Myanmar Edible Oil Thuriya Win Co., Ltd. Unity Force International Co., Ltd.	Nil
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#### EMPLOYMENT AGREEMENTS AND REMUNERATION

None of our Directors (to the extent they act in an executive capacity) or Executive Officers has entered into employment agreements with our Company. Our Directors and Executive Officers are nominated by the relevant Promoters and (to the extent relevant) take up executive positions in our Company without any compensation on an interim basis.

We expect in due course to hire dedicated employees who will work solely for our Company and who will be separately remunerated. Employment agreements will be entered into with such employees at that time.

## **CORPORATE GOVERNANCE**

### **INTRODUCTION**

Our Directors recognise the importance of corporate governance and the maintenance of high standards of accountability to our Shareholders, and intends in due course to adopt corporate governance practices which are generally consistent with prevailing international principles, to the extent reasonably practicable taking into account local conditions in Myanmar.

### **INDEPENDENT DIRECTORS**

We intend to appoint three (3) independent Directors in due course with a view to introducing a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and major shareholders of our Company. Our Board feels that this is important, particularly taking into account the fact that our Directors as at the Latest Practicable Date are all nominated by the Promoters. As at the Latest Practicable Date, our Board is still in the course of identifying suitable candidates for appointment as independent Directors.

### **BOARD COMMITTEES**

Our Board has established three (3) committees: (a) the Audit Committee; (b) the Nominating Committee; and (c) the Remuneration Committee.

#### **Audit Committee**

The Audit Committee comprises U Thein Han @ Ko Han Thein, U Tun Lwin and U Khin Maung Aye. The Chairman of the Audit Committee is U Khin Maung Aye. The Board currently intends that the Chairman of the Audit Committee will be an independent Director. It is contemplated that one of the three (3) independent Directors to be appointed in due course will also be appointed as Chairman of the Audit Committee.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Company.

Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit Committee shall meet periodically to perform the following functions:

- (a) review the audit plans of the external auditors and our internal auditors (if any), including the results of the review and evaluation of our system of internal controls by our external auditors and internal auditors (if any);
- (b) review the annual financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with applicable financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before submission to our Company for approval;
- (c) review the periodic financial statements comprising the profit and loss statements and the balance sheets and such other information required by law, before submission to our Company for approval;

- (d) review and discuss with external and internal auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Company's operating results or financial position and our management's response;
- (e) review the co-operation given by our management to our external auditors;
- (f) consider the appointment and re-appointment of the external auditors;
- (g) review and approve Interested Person Transactions pursuant to the IPT Procedures (as to which see further the section "**Interested Person Transactions**" below);
- (h) review any potential conflicts of interests;
- (i) review the procedures by which employees of our Company may, in confidence, report to the Chairman of the Audit Committee possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;
- (j) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (k) undertake generally such other functions and duties as may be required by law.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Myanmar law, rule or regulation which has or is likely to have a material impact on our Company's operating results and/or financial position. Each member of the Audit Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

### **Nominating Committee**

Our Nominating Committee comprises U Tin Maung Hlaing, Dr. Nyan Thit Hlaing and U Nyi Khin. The Chairman of the Nominating Committee is U Tin Maung Hlaing. The Board currently intends that the Chairman of the Nominating Committee will be an independent Director. It is contemplated that one of the three (3) independent Directors to be appointed in due course will also be appointed as Chairman of the Nominating Committee.

Our Nominating Committee is responsible for (a) re-nomination of our Directors having regard to a Director's contribution and performance, (b) determining annually whether or not a Director is independent, and (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Nominating Committee decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term Shareholders' value. The Board intends to implement a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee is required to abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or re-nomination as Director.

### **Remuneration Committee**

Our Remuneration Committee comprises U Theim Wai @ Mr Serge Pun, U Win Aung and U Aung Soe Tha. The Chairman of the Remuneration Committee is U Aung Soe Tha. The Board



currently intends that the Chairman of the Remuneration Committee will be an independent Director. It is contemplated that one of the three (3) independent Directors to be appointed in due course will also be appointed as Chairman of the Remuneration Committee.

Our Remuneration Committee is responsible for recommending to our Board a framework of remuneration for our Directors and key executive, and determining specific remuneration packages for each Director and key executives. The recommendations of our Remuneration Committee are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be covered by our Remuneration Committee. Each member of the Remuneration Committee is required to abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the Remuneration Committee in respect of his remuneration package.

## INTERESTED PERSON TRANSACTIONS

### INTRODUCTION

Our Company is inviting investors to subscribe for the Offering Shares but will not at this time be listed on any stock or securities exchange and is, therefore, not subject to any listing rules or regulations. As at the Latest Practicable Date, there is also no legal or regulatory framework in Myanmar directly governing transactions between a Myanmar public company or its subsidiaries and any person connected with a director or major shareholder.

As our Company is a public company that is inviting investors to subscribe for the Offering Shares and will have minority Shareholders, our Directors acknowledge the need for the interests of minority Shareholders to be safeguarded. In view of the foregoing, our Directors have voluntarily adopted the IPT Procedures (as set out below).

### PAST, PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

As at the Latest Practicable Date, save as disclosed below, there has never been any, and there are no, Interested Person Transactions.

We have not entered into any employment agreement with our Directors (to the extent that they act in an executive capacity) or our Executive Officers. All of our Directors and Executive Officers are nominated by our Promoters to take up executive positions in our Company without any compensation on an interim basis.

Our Company's Principal Bankers (as set out in the section "**Corporate Information**"), Receiving Banks and Distributing Banks are Yoma Bank Limited and Co-operative Bank Limited. Our Vice Chairman and Managing Director, U Theim Wai @ Mr Serge Pun, is the major shareholder and a director of Yoma Bank Limited. Our Director, U Khin Maung Aye, is the major shareholder and chairman of Co-operative Bank Limited.

Save as disclosed above, our Directors do not currently expect that there will be ongoing recurring Interested Person Transactions.

### IPT PROCEDURES

Our Directors have resolved to adopt the IPT Procedures with a view to ensuring that Interested Person Transactions are on normal commercial terms and are transacted on an arm's length basis on terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Company and our minority Shareholders. Our Directors may from time to time revise the IPT Procedures in such manner as may be considered appropriate by our Board.

#### 1. Definitions

For the purpose of the IPT Procedures, unless the context otherwise requires:

"**associate**" means:

- (a) in relation to any Director, the Managing Director or controlling shareholder of our Company (being an individual):
  - (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a controlling shareholder of our Company (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

**“associated company”** means a company in which at least 20% but not more than 50% of its shares are held by our Company or our Group;

**“control”** means, in relation to a company, the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company;

**“controlling shareholder”** means a person who:

- (a) holds directly or indirectly 15% or more of the total issued and paid-up share capital of our Company, unless the Board reasonably determines that a person who satisfies this paragraph is not a controlling shareholder; or
- (b) in fact exercises control over our Company;

**“Entity at Risk”** means (a) our Company; (b) a subsidiary of our Company that is not listed on a stock or securities exchange recognised by our Board for this purpose; or (c) an associated company of our Company that is not listed on a stock or securities exchange recognised by our Board for this purpose, provided that our Group, or our Group and its Interested Person(s), has control over the associated company;

**“Group”** means our Company and our subsidiaries (if any);

**“immediate family”** means, in relation to a person, the person’s spouse, child, adopted child, step-child, sibling and parent;

**“Interested Person”** means: (a) a Director, the Managing Director or controlling shareholder of our Company; or (b) an associate of such Director, Managing Director or controlling shareholder;

**“Interested Person Transaction”** means a transaction between an Entity at Risk and an Interested Person; and

**“transaction”** includes, without limitation:

- (a) the provision or receipt of financial assistance;
- (b) the acquisition, disposal or leasing of assets;
- (c) the provision or receipt of services;
- (d) the issuance or subscription of securities;
- (e) the granting of or being granted options; and
- (f) the establishment of joint ventures or joint investments;

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

## **2. General Procedures**

The following procedures will be implemented by our Group in relation to Interested Person Transactions:

- (a) when purchasing any products or procuring any services from an Interested Person, two (2) additional quotations from non-Interested Persons will be obtained as a comparison to ensure that our Group's interests and minority Shareholders' interests are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) additional quotations from non-Interested Persons. Pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be considered in determining the most competitive price or fee;
- (b) when selling any products or supplying services to an Interested Person, the price or fee and terms of two (2) other successful transactions of a similar nature with non-Interested Persons will be used as comparison to ensure that the interests of our Group and minority Shareholders are not disadvantaged. The price or fee for the sale of products or the supply of services shall not be lower than the lowest price or fee of the two (2) other successful transactions with non-Interested Persons;
- (c) when renting properties from or to an Interested Person, appropriate steps will be taken to ensure that such rent is matched with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rates of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant inquiries; and
- (d) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an Interested Person, the Interested Person Transaction will be approved by either our Managing Director or Chief Financial Officer, if he has no interest in the transaction, or failing which, our Audit Committee, in accordance with our usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account.

## **3. Review and Approval Procedures**

- (a) All Interested Person Transactions entered into by our Group will be categorised in the following manner:
  - (i) Category 1: An Interested Person Transaction where the value thereof is equal or in excess of 3.0% of the latest audited net tangible asset of our Group.
  - (ii) Category 2: An Interested Person Transaction where the value thereof is below 3.0% of the latest audited net tangible asset of our Group but is equal to or in excess of Ks 100,000,000.
  - (iii) Category 3: An Interested Person Transaction where the value thereof is below Ks 100,000,000.

- (b) The relevant thresholds applicable in determining each category of Interested Person Transaction may be revised by our Board from time to time as may be considered appropriate by our Board.
- (c) Category 1 Interested Person Transactions must be approved by our Audit Committee prior to entry.
- (d) Category 2 Interested Person Transactions need not be approved by our Audit Committee prior to entry, but must be approved by our Managing Director and Chief Financial Officer prior to entry and shall be reviewed on a quarterly basis by our Audit Committee.
- (e) Category 3 Interested Person Transactions need not be approved by our Audit Committee or Managing Director or Chief Financial Officer prior to entry, but shall be reviewed on a quarterly basis by our Audit Committee.
- (f) Our Audit Committee will review all Interested Person Transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis. In accordance with the procedures outlined above, our Audit Committee will take into account all relevant non-quantitative factors.
- (g) We shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all Interested Person Transactions. The basis for entry into the transactions, including the quotations and other evidence obtained to support such basis, shall also be recorded in the register.
- (h) The following will apply to the review and approval process for all categories of Interested Person Transactions:
  - (i) If our Managing Director or Chief Financial Officer has an interest in the transaction or is a nominee for the time being of the relevant Interested Person, the review and approval process shall be undertaken by the Chairman of our Audit Committee or another member of our Audit Committee (who is not a nominee of the Interested Person and has no interest in the transaction) designated by the Chairman of our Audit Committee from time to time for such purpose.
  - (iii) If a member of our Audit Committee has an interest in a transaction or is a nominee for the time being of the relevant Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.

#### **4. Disclosure**

We will disclose in our annual report the aggregate value of Interested Person Transactions entered into during the financial year under review. The aggregate value of the Interested Person Transactions entered into with the same Interested Person (as determined reasonably by our Board) will also be disclosed.

## POTENTIAL CONFLICT OF INTERESTS

### INTRODUCTION

Except in very limited circumstances specified under the Companies Act, there is no legal or regulatory framework in Myanmar dealing with potential conflict of interests or requiring disclosure of potential conflict of interests in the context of the Offering. The disclosure of potential conflict of interests below is made by the Promoters on a strictly voluntary basis and may therefore not be complete. Our Board does not assume any responsibility for any incomplete disclosure and/or any conflicts of interests not so disclosed.

### POTENTIAL CONFLICT OF INTERESTS

The following potential conflict of interests has been disclosed by the relevant Promoters and Directors appointed to the Board by the relevant Promoters:

1. First Myanmar Investment and its subsidiaries ("**FMI Group**") are part of the SPA Group and is controlled by our Vice Chairman and Managing Director, U Theim Wai @ Mr Serge Pun. Mr Serge Pun and our Chief Financial Officer, U Tun Tun, are also executive chairman and executive director of First Myanmar Investment respectively.

First Myanmar Investment has informed our Board that the FMI Group is engaged in (among others) the development of real estate projects in Myanmar, and has developed or is developing projects that include the Pun Hlaing Golf Estate and FMI City projects in Hlaing Thayar Township, Thanlyin Star City and Pun Hlaing Links project in Thanlyin Township, and The Landmark project in Pabedan Township, Yangon Region. The FMI Group conducts real estate development projects which may potentially be in competition with the business of the JV Company and our Company.

2. Dagon International Ltd. and its group of companies ("**Dagon Group**") is controlled by our Chairman, U Win Aung. U Win Aung and our Project Director, U Thurane Aung are also the chairman and chief executive officer, and director, of Dagon International Ltd. respectively.

U Win Aung has informed our Board that the Dagon Group is involved in real estate development projects in Yangon, which may potentially be in competition with the business of the JV Company and our Company.

## **SHARE CAPITAL AND SHAREHOLDERS**

### **SHARE CAPITAL OF OUR COMPANY**

Our Company (Registration No. 484 of 2013-2014) was incorporated in Myanmar on 3 May 2013 under the Companies Act as a public limited company under the name of Myanmar Thilawa SEZ Holdings Public Limited. As at the Latest Practicable Date, our authorised share capital is Ks 500,000,000,000 divided into 50,000,000 Shares.

As at the Latest Practicable Date, the total issued and paid-up capital of our Company is Ks 11,790,000,000 divided into 1,179,000 Shares, which are held by our Promoters.

Our Company has only one class of shares, being ordinary shares of Ks 10,000 each in our share capital. As at the Latest Practicable Date, no redeemable preference shares are intended to be issued. The rights and privileges of our Shares are stated in the Articles of Association of our Company, a summary of which is set out in Appendix B – Summary of our Memorandum and Articles of Association. There are no founder, management or deferred shares in the capital of our Company. The Shares held by our Promoters are not entitled to any different voting rights from the Offering Shares.

### **PROMOTERS' UNDERTAKING**

Our Promoters have entered into the Promoters' Undertaking, pursuant to which they have undertaken to collectively subscribe for the Promoters' Tranche, comprising an aggregate of 1,755,000 Shares at the price of Ks 10,000 for each Share for an aggregate amount of Ks 17,550,000,000. As at the Latest Practicable Date, the Promoters have already subscribed for an aggregate of 1,179,000 Shares (including a total of 9,000 Shares that were subscribed for by our Promoters upon incorporation of our Company) for an aggregate amount of Ks 11,790,000,000. The Promoters will therefore be required pursuant to the Promoters' Undertaking to subscribe for the remaining 576,000 Shares for an aggregate amount of Ks 5,760,000,000 prior to or at the same time as the issue of the Offering Shares.

Our Company will receive total gross proceeds of Ks 17,550,000,000 from the allotment and issue of the entire Promoters' Tranche to the Promoters, out of which our Company has already received an aggregate amount of Ks 11,790,000,000 from the issue of an aggregate of 1,179,000 Shares (being part of the Promoters' Tranche and which include the total of 9,000 Shares subscribed for by the Promoters upon incorporation of our Company) to the Promoters.

Under the Promoters' Undertaking, the Promoters have also undertaken to, in the event that the Offering is not fully subscribed, collectively subscribe for the unsubscribed Offering Shares on a pro-rata basis at the Offering Price upon and subject to the terms and conditions thereof. The Promoters will not be receiving any commission or other fee for such undertaking.

### **THE OFFERING**

Under the Offering, our Company will be offering for subscription by investors an aggregate of 2,145,000 Offering Shares. Pursuant to the Promoters' Undertaking, in the event that the Offering Shares are not fully subscribed by investors, our Promoters have collectively undertaken to subscribe on a pro-rata basis for the remainder of the Offering Shares upon and subject to the terms and conditions thereof.

Immediately after the issue of the Promoters' Tranche in full and the Offering Shares, the issued and paid-up share capital of our Company will increase to Ks 39,000,000,000 divided into 3,900,000 Shares.

## SHAREHOLDERS

We set out below the interest in Shares of our Shareholders:

- (a) immediately before the Offering (as at the Latest Practicable Date); and
- (b) immediately after the issue in full of the Offering Shares and the Promoters' Tranche, assuming that the Offering is fully subscribed by public investors.

	Before the Offering		Immediately after the issue in full of the Offering Shares and Promoters' Tranche	
	No. of Shares	%	No. of Shares	%
<b>Promoters</b>				
First Myanmar Investment	131,000	11.11	195,000	5.00
Golden Land East Asia	131,000	11.11	195,000	5.00
Myanmar Agribusiness	131,000	11.11	195,000	5.00
Myanmar Agricultural	131,000	11.11	195,000	5.00
Myanmar Edible Oil	131,000	11.11	195,000	5.00
Myanmar Sugar	131,000	11.11	195,000	5.00
Myanmar Technologies	131,000	11.11	195,000	5.00
National Development	131,000	11.11	195,000	5.00
New City Development	131,000	11.11	195,000	5.00
Sub-Total	1,179,000	100.00	1,755,000	45.00
<b>Public Shareholders</b>	—	—	2,145,000	55.00
<b>Total</b>	1,179,000	100.00	3,900,000	100.00

In the event that the Offering Shares are not fully subscribed by investors pursuant to the Offering, and our Promoters subscribe for such remaining Offering Shares on a pro-rata basis, the number of Shares and the percentage of the total issued and paid-up share capital held by our Promoters will increase accordingly.



## **TAXATION**

The discussion below is not intended to constitute a complete analysis of all tax consequences relating to ownership of the Shares. It is a discussion of certain tax matters arising under the current tax laws in Myanmar and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force as at the Latest Practicable Date, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. There may be laws and other rules, regulations or official notifications, or unofficial or internal guidelines, which exist but which are not published or which are not generally available to the public, and the existence of the same may affect the discussion herein.

The discussion is limited to a general description of certain tax consequences in Myanmar with respect to ownership of the Shares by Myanmar investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, hold or dispose of the Shares.

Prospective investors of the Shares should consult their own tax advisers regarding Myanmar tax consequences and other tax consequences of owning, and disposing of, the Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in this Offering accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Shares.

### **Scope of tax**

The following discussion describes the material Myanmar income tax, capital gains tax and stamp duty consequences of the subscription for, ownership, and disposal of the Shares.

### **Individual income tax**

All Myanmar citizens are treated as tax residents for purposes of Myanmar income taxation. Taxable income includes salaries and wages, income from the practice of a profession, income from the conduct of business, income from dealings with property, and income derived from other sources. Salaries and wages received by Myanmar citizens from sources outside of Myanmar are exempt from income taxes.

The tax rate for salaries and wages received by Myanmar citizens (where not otherwise exempt) are assessed at a graduated rate of one per cent. (1%) to twenty per cent. (20%). The maximum rate of twenty per cent. (20%) applies to salaries and wages that exceed Ks 20,000,000. Meanwhile, the tax rate for income received from the practice of a profession, the conduct of business, dealings with property, or from other sources are assessed at a graduated rate of two per cent. (2%) to thirty per cent. (30%), depending on the amount of income received. The maximum rate of thirty per cent. (30%) applies to income exceeding Ks 30,000,000.

In all cases, income received from an undisclosed source is taxed at a fixed rate of thirty per cent. (30%).

### **Corporate income tax**

A company is considered a citizen of Myanmar for purposes of income taxes if it is formed under the Companies Act or any other laws of Myanmar and where the entirety of its share capital is held exclusively by Myanmar citizens. Such companies are considered residents for purposes of income taxation, and are taxed on a global basis. Taxable income, in this case, includes all income from the conduct of business, from dealings with property, and from other sources.

All resident companies are taxed at a rate of twenty-five per cent. (25%) of net taxable income.

**Dividend distributions**

Dividends received from a company are exempt from income tax in the hands of shareholders.

**Gains on disposal of Shares**

Gains received on the disposal of Shares by Myanmar citizens are subject to capital gains taxes computed at the rate of 10 per cent. (10%). The taxable capital gain is calculated based on the difference between the sales proceeds and the cost of the Shares. Stamp duty must be paid at the rate of 0.3 per cent. (0.3%) of the value of Shares sold.

## **PLAN OF DISTRIBUTION**

### **THE OFFERING**

Our Company is offering an aggregate of 2,145,000 Offering Shares to the public for subscription pursuant to the Offering. The Offering is conditional upon the issue by the CRO to our Company of a certificate of commencement of business pursuant to the Companies Act.

The Offering is not underwritten by any bank or financial institution. However, pursuant to the Promoters' Undertaking, the Promoters have undertaken to, in the event that the Offering is not fully subscribed, collectively subscribe on a pro-rata basis for all unsubscribed Offering Shares at the Offering Price upon and subject to the terms and conditions thereof. No commission or other fee will be payable to the Promoters for such undertaking.

### **NO EXISTING PUBLIC MARKET**

Prior to the Offering, there has been no public market for the Offering Shares. The Offering Price of Ks 10,000 is based on the par value of the Shares. The Promoters have collectively subscribed for an aggregate of 9,000 Shares upon incorporation of our Company at the same price of Ks 10,000 for each Share. On 29 January 2014, the Promoters collectively subscribed for a further 1,170,000 Shares at the price of Ks 10,000 for each Share. Pursuant to the Promoters' Undertaking, the Promoters will collectively subscribe for an aggregate of a further 576,000 Shares at the price of Ks 10,000 for each Share prior to or at the same time as the allotment and issue of the Offering Shares.

After the close of the Offering, our Shares will not be listed or quoted on any stock or securities exchange whether in Myanmar or elsewhere, but our Company will establish the OTC Facility to facilitate transactions in our Shares. It is currently expected that investors will be able to utilise the OTC Facility to trade in our Shares within three (3) months after the allocation of the Offering Shares pursuant to the Offering, but there is no assurance that there will be an active market for trading in our Shares.

Please see further the section "**OTC Facility**" for more information.

### **SELLING RESTRICTIONS**

No action has been or will be taken in any jurisdiction that would permit a public offering of the Offering Shares outside Myanmar, or the possession, circulation or distribution of this document or any other material relating to us or the Offering Shares in any jurisdiction where action for the purpose is required. Accordingly, the Offering Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisements in connection with the Offering Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The distribution of this Prospectus or any offering material and the offering, sale or delivery of our Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

## **OTC FACILITY**

Our Shares will not be listed or quoted on any stock or securities exchange whether in Myanmar or elsewhere. Successful applicants for the Offering Shares will be issued with certificates representing the Offering Shares that are allotted and issued to them. Any transfer of Shares will have to be made by way of execution of a share transfer form that is approved by our Directors in accordance with our Articles of Association and the Companies Act.

We will establish an OTC Facility at our registered office to facilitate the trading of Shares by investors. It is currently expected that investors will be able to utilise the OTC Facility to trade in our Shares within three (3) months after the allocation of the Offering Shares pursuant to the Offering. The OTC Facility will be staffed and operated by our Company's employees.

The trading of our Shares on the OTC Facility will be based on the principle of enabling a transaction to take place between a willing buyer and a willing seller of our Shares. We will maintain at our registered office a log book of willing sellers with the particulars of Shareholders who are offering to sell their Shares, as well as another log book of willing buyers with the particulars of investors who are bidding for our Shares. Our Company will check the log books on a regular basis to ascertain whether there is a match between the sellers and buyers.

In the event of any successful matching of willing seller and willing buyer, the relevant parties will be notified accordingly. Settlement will take place two (2) days after such a successful match, whereby the parties will execute a share transfer form and the buyer will pay the consideration for the transaction. The executed share transfer form, together with relevant share certificate(s), will be sent to share registrar for registration and the issue of new share certificate(s) to the buyer. The seller and buyer will have to pay for the expenses relating to the transaction, including transaction commission and stamp duty, the amount of which will be determined by our Board in due course.

## **LEGAL MATTERS**

The validity of the Offering Shares and certain legal matters in connection with this Offering will be passed upon for us by Kelvin Chia Yangon Ltd with respect to matters of Myanmar law.

Kelvin Chia Yangon Ltd does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this document which purports to be based on a statement made by it, and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this document.

## GENERAL AND STATUTORY INFORMATION

### SUBSIDIARY

As at the Latest Practicable Date, our Company holds 51.0% of the total issued and paid-up share capital of the JV Company, and the JV Company is therefore our subsidiary. It is anticipated that, following the further subscription for JV Company Shares by our Company, the Thilawa SMC and MMSTD and the transfer of the Thilawa SMC Transfer Shares from the Thilawa SMC to our Company, our Company will hold 41.0% of the total issued and paid-up share capital of the JV Company based on the initial total issued and paid-up share capital of US\$50.0 million. As a result, the JV Company will cease to be our subsidiary.

### SHARE CAPITAL

1. Save as disclosed in the sections “**Our Company**” and “**Share Capital and Shareholders**”, there were no changes in the issued and paid-up capital of our Company and our subsidiaries during the period from date of incorporation to the Latest Practicable Date.
2. Save as disclosed in the section “**Share Capital and Shareholders**”, no Shares or debentures were issued or were agreed to be issued by our Company for cash or for a consideration other than cash during the period from the date of incorporation to the Latest Practicable Date.

### MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company within the two (2) years preceding the date of filing of this Prospectus for registration and are or may be material:

- (a) the Memorandum of Understanding dated 26 May 2013 between our Company and MMST LLP for the purpose of establishing the JV Company for the development, marketing, sales and operation of the Class A Project;
- (b) the Joint Venture Agreement; and
- (c) the Promoters’ Undertaking.

### MISCELLANEOUS

1. As at the Latest Practicable Date, our Company has not appointed any auditors.
2. Save as disclosed in this Prospectus, no amount has been paid within the two (2) years preceding the Latest Practicable Date or is intended to be paid to any Promoter.
3. Except as disclosed below, none of our Directors has any interest in the promotion of, or in any property proposed to be acquired by, our Company, whether in his own capacity or in his capacity as a partner in a firm, and no sum has been paid or agreed to be paid to a Director or his firm to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or his firm in connection with the promotion or formation of our Company. As at the Latest Practicable Date, all of our Directors are appointed by our Promoters to the Board.
4. No shares or debentures in our Company have within the two (2) years preceding the Latest Practicable Date been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash.

5. No amount has been paid within the two (2) years preceding the Latest Practicable Date or is payable as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, our Company, or as discount in respect of any shares issued.

#### CONSENTS

1. Kelvin Chia Yangon Ltd as the Legal Adviser to our Company on Myanmar laws, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references in the form and context which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
2. Each of the Legal Adviser to our Company on Myanmar laws, the Principal Bankers (as set out in the section “**Corporate Information**”), the Receiving Banks and the Distributing Banks does not make, or purport to make, any statement in this document or any statement upon which a statement in this document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this document.

#### LANGUAGE

This Prospectus is issued in both the English language and the Myanmar language. In the event of any inconsistencies between the English and Myanmar versions of this Prospectus, the English version of this Prospectus shall prevail.

#### RESPONSIBILITY STATEMENT BY OUR DIRECTORS

This Prospectus has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Prospectus are true, accurate and fair, and that no material facts have been omitted from the Prospectus which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

#### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at Room Number 1103, 11<sup>th</sup> Floor, UMFCCI Office Tower, No. 29 Min Ye Kyaw Swar Road, Lanmadaw Township, Yangon during normal business hours for a period of six (6) months from the date of filing of this Prospectus with the CRO:

- (a) the Memorandum and Articles of Association of our Company; and
- (b) the material contracts referred to in the section “**Material Contracts**”.

## DEFINITIONS

### Companies, Organisations and Agencies

<b>“Company”</b>	: Myanmar Thilawa SEZ Holdings Public Limited. The terms “we”, “our”, “our Company” and “us” have correlative meanings
<b>“Distributing Banks”</b>	: Ayeyarwaddy Bank Limited, Yoma Bank Limited, Co-operative Bank Limited, Myanmar Apex Bank Limited and Kanbawza Bank Limited, and <b>“Distributing Bank”</b> means any one of them
<b>“First Myanmar Investment”</b>	: First Myanmar Investment Company Limited, one of our Promoters
<b>“Golden Land East Asia”</b>	: Golden Land East Asia Development Limited, one of our Promoters
<b>“Japanese Marketing Agents”</b>	: Has the meaning ascribed to it under the section <b>“Our Company — Joint Venture Agreement — Marketing of Class A Properties”</b>
<b>“JV Company”</b>	: The joint venture company established under the laws of Myanmar with the name of “Myanmar Japan Thilawa Development Ltd” and whose registered office is at UBC Tower, Room 01-09, Level I, Nat Mauk Road, Bo Cho Quarter, Near Japan Embassy, Bahan Township, Yangon
<b>“MMSTD”</b>	: MMS Thilawa Development Co. Ltd., formed by the consortium of Japanese developers to participate in the Class A Project
<b>“MMST LLP”</b>	: MMS Thilawa Limited Liability Partnership, formed by the consortium of Japanese developers to undertake and complete a feasibility study of the Class A Project
<b>“Myanmar Agribusiness”</b>	: Myanmar Agribusiness Public Corporation Limited, one of our Promoters
<b>“Myanmar Agricultural”</b>	: Myanmar Agricultural & General Development Public Limited, one of our Promoters
<b>“Myanmar Edible Oil”</b>	: Myanmar Edible Oil Industrial Public Corporation Limited, one of our Promoters
<b>“Myanmar Sugar”</b>	: Myanmar Sugar Development Public Company Limited, one of our Promoters
<b>“Myanmar Technologies”</b>	: Myanmar Technologies and Investment Corporation Limited, one of our Promoters
<b>“National Development Company”</b>	: National Development Company Group Limited, one of our Promoters
<b>“New City Development”</b>	: New City Development Public Company Limited, one of our Promoters
<b>“Promoters”</b>	: The nine (9) promoters of our Company, being First Myanmar Investment, Golden Land East Asia, Myanmar Agribusiness, Myanmar Agricultural, Myanmar Edible Oil, Myanmar Sugar,



Myanmar Technologies, National Development Company and New City Development

- “Receiving Banks”** : Ayeyarwaddy Bank Limited, Yoma Bank Limited, Co-operative Bank Limited, Myanmar Apex Bank Limited and Kanbawza Bank Limited, and **“Receiving Bank”** means any one of them
- “Relevant Japan Ministries”** : The Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry of Japan, which entered into the Cooperation Memorandum with the Relevant Myanmar Ministry
- “Relevant Myanmar Ministry”** : The Ministry of National Planning and Economic Development of Myanmar, which entered into the Cooperation Memorandum with the Relevant Japan Ministries
- “SPA Group”** : Serge Pun & Associates (Myanmar) Ltd and its group of companies
- “Thilawa SMC”** : Thilawa SEZ Management Committee, through which the Myanmar Government is participating in the Class A Project, having its address at No. 55 Yarza Thingaha Road (Central Bank of Myanmar), Thilawa SEZ Management Committee Office, Nay Pyi Taw, Myanmar
- “UMFCCI”** : Union of Myanmar Federation of Chambers of Commerce and Industry, the biggest business federation in Myanmar

## **General**

- “Applicable Laws”** : The laws, statutes, rules, regulations and by-laws for the time being having force and effect including all notifications, orders, directives, procedures and policies of any Governmental Authority
- “Application Forms”** : The printed application forms to be used for the purpose of the Offering and which forms part of this Prospectus
- “Articles of Association”** : Articles of association of our Company
- “Audit Committee”** : The audit committee of our Company
- “Board” or “Board of Directors”** : Our Company’s board of directors
- “Class A Area”** : The area of approximately 400 hectares within the Thilawa SEZ that has been identified for development into the Class A Project
- “Class A Project”** : The development of the Class A Area into an industrial park by the joint venture formed pursuant to the Cooperation Memorandum, as further described under the section **“The Class A Project”**
- “Class A Properties”** : The immovable property or immovable properties found within the Class A Project located in the Class A Area, comprising primarily the Industrial Areas, the Rental Factories and the Residential Component

<b>“Companies Act”</b>	: The Myanmar Companies Act 1914 (as amended and supplemented from time to time)
<b>“Cooperation Memorandum”</b>	: The Memorandum of Cooperation for the Development of the Thilawa SEZ dated 21 December 2012 between the Relevant Myanmar Ministry and the Relevant Japan Ministries
<b>“Directors”</b>	: Our Company’s directors as at the date of this Prospectus
<b>“Executive Officers”</b>	: The executive officers of our Company as at the date of this Prospectus
<b>“FY”</b>	: Financial year ended or ending 31 March, as the case may be
<b>“Governmental Authority”</b>	: Any foreign, domestic, federal, national, provincial, territorial, state or local governmental authority, quasi-governmental authority, court, governmental or self-regulatory organization, commission, tribunal, organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing, as the context or the terms of this Prospectus may require.
<b>“Industrial Areas”</b>	: The parts of the Class A Area that will be developed into industrial areas for investors to construct their own manufacturing facilities
<b>“Interested Persons”</b>	: Has the meaning ascribed to it under the section <b>“Interested Person Transactions — IPT Procedures”</b>
<b>“Interested Person Transaction”</b>	Has the meaning ascribed to it under the section <b>“Interested Person Transactions — IPT Procedures”</b>
<b>“Japanese Company”</b>	: A <i>kabushiki kaisha</i> or a company, corporation or any other form of entity incorporated or organized under the laws of Japan, whether with limited or unlimited liability
<b>“Japanese Related Entity”</b>	: (a) A Japanese Company that is not otherwise considered a Myanmar Related Entity; or  (b) any company or any other form of entity incorporated or established in any country, other than in Japan but including in Myanmar, in which a Japanese Company or Japanese citizens directly or indirectly hold more than 50% of such company’s or entity’s issued voting stock
<b>“Joint Venture Agreement”</b>	: Joint Venture Agreement dated 29 October 2013 entered into between our Company, the Thilawa SMC and MMSTD
<b>“JV Company Shares”</b>	: Ordinary shares in the capital of the JV Company
<b>“Latest Practicable Date”</b>	: 17 February 2014, being the latest practicable date prior to the filing of this Prospectus with the CRO
<b>“Memorandum”</b>	: Memorandum of association of our Company
<b>“Myanmar Company”</b>	: A company incorporated under the Companies Act or the Myanmar Special Companies Act (1950)

<b>“Myanmar Related Entity”</b>	: (a) A Myanmar Company that is not otherwise considered a Japanese Related Entity ; or  (b) any company or any other form of entity incorporated or established in any country, other than in Myanmar, in which a Myanmar Company or Myanmar citizens directly or indirectly hold more than 50% of such company’s or entity’s issued voting stock;
<b>“Nominating Committee”</b>	: The nominating committee of our Company
<b>“Offering”</b>	: The offering of 2,145,000 Offering Shares for subscription at the Offering Price by way of public offer
<b>“Offering Price”</b>	: The offering price for each Offering Share at Ks 10,000
<b>“Offering Shares”</b>	: The aggregate of 2,145,000 new Shares which is the subject of the Offering
<b>“OTC Facility”</b>	: The over-the-counter trading facility to be established by our Company to facilitate transactions in our Shares, as described in the section <b>“OTC Facility”</b>
<b>“Promoters’ Tranche”</b>	: The aggregate of 1,755,000 new Shares which the Promoters have committed to subscribe for under the Promoters’ Undertaking prior to or at the same time as the allotment and issue of the Offering Shares
<b>“Promoters’ Undertaking”</b>	: The undertaking dated 27 February 2014 entered into between our Company and the Promoters, pursuant to which each of the Promoters has undertaken with our Company to: (a) subscribe for the Promoters’ Tranche prior to or at the same time as the allotment and issue of the Offering Shares; and (b) in the event that the Offering is not fully subscribed, collectively subscribe on a pro-rata basis for all of the Offering Shares not subscribed for
<b>“Prospectus”</b>	: This prospectus dated 27 February 2014
<b>“Remuneration Committee”</b>	: The remuneration committee of our Company
<b>“Rental Factories”</b>	: The parts of the Class A Area that will be developed into ready-built factories for immediate use by investors
<b>“Residential Component”</b>	: The parts of the Class A Area that will be developed into residential properties and dormitories, as well as amenities for persons working in the Thilawa SEZ
<b>“SEZ Law 2011”</b>	: The Myanmar Special Economic Zone Law No. 8/2011, which has been repealed by the SEZ Law 2014
<b>“SEZ Law 2014”</b>	The Myanmar Special Economic Zone Law No. 1/2014 or any amendment or replacement to such law as may be in force from time to time
<b>“Shareholders”</b>	: Registered holders of Shares
<b>“Shares”</b>	: Ordinary shares of Ks 10,000 each in the capital of our Company

**“Thilawa SMC Transfer Shares”** : Has the meaning ascribed to it under the section **“Our Company — Joint Venture Agreement — Transfer of Thilawa SMC Transfer Shares”**

**“Total Gross Proceeds”** : The total amount of Ks 39,000,000,000, being the aggregate of the gross proceeds of Ks 21,450,000,000 from the issue of the Offering Shares under the Offering and the gross proceeds of Ks 17,550,000,000 from the issue of the Promoters’ Tranche

#### **Currencies, Units and Others**

**“hectares”** : Metric unit of area that is equivalent to 10,000 square metres

**“Kyats” or “Ks”** : The lawful currency of the Republic of the Union of Myanmar

**“per cent.” or “%”** : Per centum or percentage

**“US\$”** : The lawful currency of the United States of America

## **APPENDIX A**

### **DESCRIPTION OF OUR SHARES**

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Myanmar and the Articles of Association. These statements summarise the material provisions of the Articles of Association but are qualified in entirety by reference to the Articles of Association.

#### **Ordinary Shares**

Our Company has one class of shares, namely, ordinary shares, which have identical rights in all respects and rank equally with one another.

#### **New Shares**

New shares in the capital of our Company may only be issued with the prior approval of our Shareholders in a general meeting. Unless a contrary instruction is provided in such resolution approving the issue, all such new shares shall first be offered to our existing Shareholders in proportion to their respective interests in our Company. All Shares shall be paid up in full upon allotment.

#### **Shareholders**

Only persons who are registered in our register of members are recognized as our Shareholders.

#### **Transfer of Shares**

Shares in our Company may be transferred in any usual or common form which our Directors approve. However, our Directors may suspend registration of transfers during the fourteen (14) days immediately preceding any ordinary annual general meeting.

#### **General Meeting of Shareholders**

The ordinary general meeting of our Shareholders shall be held within eighteen (18) months from the date of our Company's incorporation, and thereafter, at least once in every year, at such time and place as may be determined by our Company. Such general meeting may also be called by any two (2) Shareholders.

The Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than ten per cent. (10%) of the total voting rights of all Shareholders request in writing that such a meeting be held.

Unless otherwise required by law or by the Articles of Association, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least seventy-five (75%) of the votes cast at the meeting, is necessary for certain matters under the Companies Act, including voluntary winding up, amendments to the Memorandum and the Articles of Association, a change of the corporate name and a reduction in the share capital.

Our Company must give at least fourteen (14) days' notice in writing for every general meeting convened for the purpose of passing an ordinary resolution. Special resolutions generally require at least twenty-one (21) days' notice in writing. The notice must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

**Voting Rights**

Our Shareholders are entitled to attend, speak and vote at any general meeting. Our Shareholders may exercise their voting rights in person or by proxy, and proxies need not be a Shareholder. The instrument appointing a proxy, and the power-of-attorney or other authority (if any) under which it is signed, must be deposited at our Company's registered office no less than seventy-two (72) hours before the time for holding the meeting at which the proxy shall vote.

**Dividend**

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. Our Directors may also, from time to time, pay to our Shareholders such interim dividends as appear to them to be justified by the profits of our Company. In any event, we must pay all dividends out of our profits and no dividend declared and payable shall bear interest against our Company.

**Bonus and Rights Issues**

The Board of Directors may, with approval of our Shareholders at a general meeting, capitalize any reserves and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings.

**Takeovers**

Myanmar does not have any laws or regulations that may delay, deter or prevent a future takeover or change in control of our Company as a public company.

**Liquidation or Other Return of Capital**

If our Company liquidates or in the event of any other return of capital, holders of Shares will be entitled to participate in any surplus assets in proportion to their Shareholdings, subject to any special rights attaching to any other class of shares.

**Limitations on Rights to Hold or Vote on Shares**

Under current laws, only Myanmar nationals are allowed to hold or vote Shares in our Company.

## **APPENDIX B**

### **SUMMARY OF OUR MEMORANDUM AND ARTICLES OF ASSOCIATION**

Our Company is registered with the CRO under the registration number 484 of 2013-2014.

#### **MEMORANDUM OF ASSOCIATION**

##### *Limited Liability*

The Memorandum of Association of our Company states, among others, that the liability of members of our Company is limited, and that its authorized capital is Ks 500,000,000,000 divided into 50,000,000 shares of Ks 10,000 each.

##### *Objects of our Company*

Our Memorandum of Association also sets out the following objects for which our Company was formed:

1. To invest in the development of the Thilawa SEZ situated in Kyauktan Township, Yangon Division of Myanmar.
2. To assist and facilitate in the development and establishment of the Thilawa SEZ including, but not limited to, making necessary arrangements and payments towards clearance of the land site and the borrowing of funds for the development of the Thilawa SEZ.
3. To invest in any kind of construction business, industrial business, trading and services business, in accordance with the laws for the time being in force, which are calculated to enhance the profitability of our Company, and to do such other things as are incidental or conducive to the attainment of the above objects or any of them in accordance with the laws for the time being in force; provided that such activities are performed within the Thilawa SEZ or related to the development thereof.
4. To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of our Company or any subsidiary of our Company or for any other purpose which may seem directly or indirectly calculated to benefit our Company.
5. To purchase or otherwise acquire and undertake in accordance with the laws of Myanmar all or any part of the business, property and liabilities of any company or persons as our Company may deem expedient.
6. To amalgamate with any company having objects altogether or in part similar to those of our Company and to enter into partnership or into any arrangement for sharing profits, union of interests, cooperation, joint venture or reciprocal concession with any company carrying on or engaged in any business or transaction which our Company is authorized to carry on or engage in, or any business or transaction which our Company would or might derive any benefit directly or indirectly; to lend money to, guarantee the contracts of or otherwise assist any such company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
7. To sell, improve, develop, turn to account, exchange, lease, grant licenses, easements and other rights over and in any manner deal with or dispose of all or any part of the undertaking, property rights, assets and effects of our Company or any part thereof for such consideration (if any) as may be thought fit and, in particular, for any securities (whether fully or partly paid) of any other company or person and to hold, deal with or dispose of such consideration.

8. To purchase or otherwise acquire for any estate or interest any property or assets or any concessions, licenses, grants, patents, trade marks, copy rights or other exclusive or non-exclusive rights of any kind and to develop and turn to account and deal with the same in such manner as may be thought it and to make experiments and tests and to carry on all kinds of research work.

*Signatories to the Memorandum of Association*

The signatories to the Memorandum and their respective particulars and the number of Shares taken by them are set out below:

No.	Name and Address of Signatory	Nationality and Description	Number of Shares Taken
1.	Golden Land East Asia Development Limited No. 29, Min Ye Kyaw Swar Road Lanmadaw Township Yangon Region  Represented by: U Win Aung No. 105, University Avenue 10 Ward, Kamaryut Township Yangon Region	Company incorporated in Myanmar  Merchant / Myanmar Citizen	1,000
2.	Myanmar Sugar Development Public Company Limited No. 3, Block 164 23 <sup>rd</sup> Street between 80 and 81 Street East of Pyigyikyethayay Ward Aung Myay Thar San Township Mandalay Region  Represented by: U Nyi Khin No. 417 23 <sup>rd</sup> Street between 63 and 64 Street Ahhnake Taw Ward Aung Myay Thar San Township Mandalay Region	Company incorporated in Myanmar  Merchant / Myanmar Citizen	1,000
3.	Myanmar Edible Oil Industrial Public Corporation (MEICO) Limited No. B (81/82), Kantkaw Street Bayint Naung Warehouse Mayangone Township Yangon Region  Represented by: U Thein Han (a) Ko Han Thein Building No. 67A 1 <sup>st</sup> Floor Bahosi Housing, Wardan Street 10 Ward, Lanmadaw Township Yangon Region	Company incorporated in Myanmar  Merchant / Myanmar Citizen	1,000



4.	<p>First Myanmar Investment Company Limited FMI Centre, 10-11 Floor No. 380, Bogyoke Aung San Road Pabedan Township Yangon Region</p> <p>Represented by: U Theim Wai @ Mr Serge Pun No. 2, Jasmine Place, Pun Hlaing Golf Estate Hlaing Thar Yar Township Yangon Region</p>	<p>Company incorporated in Myanmar</p> <p>Merchant / Myanmar Citizen</p>	1,000
5.	<p>Myanmar Agricultural &amp; General Development Public Limited UMFCCI Tower, Room No. 803 No. 29 Min Ye Kyaw Swar Street Lanmadaw Township Yangon Region</p> <p>Represented by: U Tun Lwin No. 785/787 11<sup>th</sup> Floor, Maharbandoola Road 6 Ward, Lanmadaw Township Yangon Region</p>	<p>Company incorporated in Myanmar</p> <p>Merchant / Myanmar Citizen</p>	1,000
6.	<p>National Development Company Group Limited No. 3/A, Thanthumar Road Thuwana Junction Thingangyun Township Yangon Region</p> <p>Represented by: U Zay Thiha No. 77F Universities Avenue Road Shwe Taung Kyar 1 Ward Bahan Township Yangon Region</p>	<p>Company incorporated in Myanmar</p> <p>Merchant / Myanmar Citizen</p>	1,000
7.	<p>New City Development Public Company Limited 5<sup>th</sup> Floor, Saya San Plaza Corner of New University Avenue Bahan Township Yangon Region</p> <p>Represented by: U Khin Maung Aye No. C/1 Kabaraye Villa Kabaraye Pagoda Road Mayangone Township Yangon Region</p>	<p>Company incorporated in Myanmar</p> <p>Merchant / Myanmar Citizen</p>	1,000
8.	<p>Myanmar Technologies and Investment Corporation Limited No. 615(F), Mar Lar Lane, Pyay Road Kamayut Township Yangon Region</p>	<p>Company incorporated in Myanmar</p>	1,000

	Represented by: U Aung Soe Tha No. 362, Yin Mar Myaing Street 23 Ward, Thingangyun Township Yangon Region	Merchant / Myanmar Citizen	
9.	Myanmar Agribusiness Public Corporation (MAPCO) Limited No. 29, Room No. 901/903 Min Ye Kyaw Swar Road Lanmadaw Township Yangon Region  Represented by: U Aung Than Oo No. 18, Phoe Myay Street Myo Ma Taung Ward Thanlyin Township Yangon Region	Company incorporated in Myanmar   Merchant / Myanmar Citizen	1,000

## ARTICLES OF ASSOCIATION

Summarised below are extracts from our Articles of Association relating to, among others, the rights, preferences and restrictions on the transferability of our shares and the voting and other rights of our Shareholders, and the borrowing and other powers of our Directors. We have also included provisions from our Articles of Association pertaining to changes in the capital of our Company. The extracts provide only a summary of the above matters, and are qualified in their entirety by our Memorandum and Articles of Association, a copy of which is available for inspection at the registered office of our Company in accordance with the section “**General and Statutory Information — Documents Available for Inspection**” of this Prospectus.

### *Provisions relating to the appointment, qualification and removal of Directors*

Our Articles of Association provide for the appointment of not less than seven (7) and not more than fifteen (15) Directors, including the Chairman and the independent Directors.

Our Articles of Association currently provide that the qualification of a Director shall be the holding of at least 1,000 Shares, and it is his duty to comply with the provisions of section 85 of the Companies Act. As at the Latest Practicable Date, our Directors do not hold the qualification Shares required under our Articles, although all of our Directors are appointed by our Promoters each of which holds 131,000 Shares. Our Board expects to amend our Articles of Association in due course to remove the requirement for a Director to hold at least 1,000 Shares.

Our Articles of Association provide for the rotation of the members of the Board of Directors, such that at the first ordinary general meeting of our Company, all of our Directors shall retire from office, and at the ordinary general meeting in every subsequent year, one-third of our Directors shall retire from office. However, a retiring Director shall, in all events, be eligible for re-election.

Any Director may be removed by an extraordinary resolution of our Shareholders before the expiration of his period of office, and our Shareholders may, by ordinary resolution, appoint another person as Director in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected.

*Provisions relating to appointment of Chairman, Vice Chairman and Managing Director*

Our Directors may from time to time elect from among themselves to the office of Chairman, Vice Chairman or Managing Director and from non-Shareholders to the office of such Director for such term, and at such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as our Directors may think fit, provided that any person chosen by our Directors to fill a casual vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

*Provision relating to the voting rights of our interested Directors*

Our Directors are required to declare their interest in, but shall not be entitled to vote in respect of, any contract between our Company and him or a company of which he is a member or a firm of which he is a partner or work done for our Company, or any work done by him or a company of which he is a member or a firm of which he is a partner or work done for our Company, and if he does so vote, his vote shall not be counted.

*Provision relating to the borrowing powers of our Directors*

Our Articles of Association provide that the amount for the time being undischarged of moneys borrowed or raised by our Directors for the purpose of our Company (otherwise than by the issue of share capital) must not at any time exceed the issued and paid-up share capital of our Company without the approval of our Company in general meeting.

*Provisions relating to the voting rights of our Shareholders*

Our Company has one class of shares, namely, ordinary shares, which have identical rights in all respects and rank equally with one another.

Only persons who are registered in our register of members are recognized as our Shareholders.

Our Shareholders are entitled to attend, speak and vote at any general meeting. Our Shareholders may exercise their voting rights in person or by proxy, and proxies need not be a Shareholder. The instrument appointing a proxy, and the power-of-attorney or other authority (if any) under which it is signed, must be deposited at our Company's registered office no less than seventy-two (72) hours before the time for holding the meeting at which the proxy shall vote.

Except as otherwise provided in our Articles of Association, five (5) or more Shareholders must be present to constitute a quorum at any general meeting. A resolution put to a vote during the general meeting shall be decided on show of hands, unless a poll (before or on the declaration of the result of the show of hands) is demanded by at least two (2) Shareholders, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or lost (and an entry to that effect entered in the book of proceedings of our Company), shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against, the resolution. In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

*Provisions relating to the issuance and classification of shares in our Company*

Shares may be issued with such preferred, deferred or other special rights, in accordance with a special resolution passed for such purpose, and any preference share may be issued on terms that it is or at the option of our Company is liable to be redeemed.

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated

either with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of our Articles of Association relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be three (3) persons at least holding or representing by proxy at least one-third of the issued shares of that class.

*Provisions relating to changes in capital*

We are required to obtain approval of our Shareholders by way of an extraordinary general resolution in order to increase our share capital.

We are required to obtain approval of our Shareholders by way of an ordinary resolution in order to: (a) consolidate and divide our share capital into shares of larger amount than its existing shares; (b) by subdivision of our existing shares or any of them, divide the whole or any part of our share capital into shares of smaller amount than is fixed by our Memorandum, subject, nevertheless, to relevant provisions of the Companies Act; or (c) cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.

We are required to obtain our Shareholders' approval by way of a special resolution for any reduction of our share capital, subject to the conditions prescribed by law.

*Provisions relating to the transfer and transmission of shares in our Company*

Shares in our Company may be transferred in any usual or common form which our Directors approve. However, our Directors may suspend registration of transfers during the fourteen (14) days immediately preceding any ordinary annual general meeting.

A Shareholder registered in the register of members of our Company shall be the only person recognized by our Company as having any title to the share, and any Shareholder who transfers shares in our Company shall be deemed to remain holder of such share until the name of the transferee is entered in the register of members of our Company.

*Provisions relating to the dividend rights of our Shareholders*

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. Our Directors may also, from time to time, pay to our Shareholders such interim dividends as appear to them to be justified by the profits of our Company. In any event, we must pay all dividends out of our profits and no dividend declared and payable shall bear interest against our Company.

*Provisions relating to the right of Shareholders to inspect the books and other documents of our Company*

The books of accounts and other documents of our Company shall be kept at our registered office or at such other place as our Directors may deem fit, and shall be open to the inspection to the Shareholders only upon specific authorization of our Directors or by our Company in a general meeting.

## **APPENDIX C**

### **SUMMARY OF RELEVANT MYANMAR LAWS AND REGULATIONS**

The following sets out a summary of relevant aspects of applicable laws and regulations which our business and operations are subject to in Myanmar, and is not intended to be and does not constitute legal advice. The following does not purport to contain all conditions, qualifications and exceptions nor is the following a complete and exhaustive review of all laws and regulations of Myanmar with respect to the stated matters. The summary is based on laws, regulations and interpretations in effect and available as at the Latest Practicable Date. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive. While this discussion is considered to be a correct interpretation of existing laws and regulations in force, no assurance can be given that the courts or government authorities responsible for the enforcement and administration of such laws or regulations will agree with this interpretation or that changes in such laws or regulations will not occur.

#### **COMPANIES ACT**

##### *Introduction*

The key statute in Myanmar that is generally applicable to companies is the Companies Act. The Companies Act is supplemented by the Companies Rules 1940 and the Companies Regulations 1957.

##### *General*

The Companies Act generally regulates the formation and registration, share capital, management and administration, winding-up and dissolution of companies in Myanmar. In particular, the Companies Act provides for (among other things) the following matters:

- The different types of companies that may be formed and registered under the Companies Act (being primarily (i) companies limited by shares, companies limited by guarantee and unlimited companies, (ii) private and public companies, and (iii) Myanmar companies and foreign companies) and the requirements applicable to them.
- The share capital of companies regulated by the Companies Act, including the allotment and issue and transfer of shares, maintenance of the register of members, alteration of share capital, capital reduction and variation of rights of shareholders.
- The appointment and removal of and vacation of office by directors, and certain conduct and liability of directors.
- The meetings of shareholders, and the proceedings and voting at shareholders' meetings, and records of meetings.
- Maintenance of company records, including books of account and certain statutory registers, and audit requirements.
- Winding up and dissolution, including applicable procedures to be undertaken by the Myanmar courts or by appointed liquidators.

##### *Public Companies*

Under the Companies Act, a "public company" is defined as a company incorporated under the Companies Act (or certain specified preceding statutes) which is not a "private company". A "private company" is defined to mean a company which by its articles (a) restricts the right to transfer the shares (if any); (b) limits the number of its members to fifty (50) not including persons who are in the employment of the company; and (c) prohibits any invitation to the

public to subscribe for the shares, if any, or debentures of the company. Our Company is a public company formed and registered under the Companies Act.

The Companies Act contains certain provisions that are specifically applicable to public companies, including the following:

- A public company is prohibited (save as specifically permitted in the Companies Act) from giving, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the company.
- The directors of a public company or of a subsidiary company of a public company are not permitted, except with the consent of the company concerned in general meeting: (a) sell or dispose of the undertaking of the company; or (b) remit any debt due by a director.
- Certain requirements are applicable to meetings of shareholders of public companies, including in relation to notice of meeting, notice period and demand for a poll.
- A public company is prohibited from making any loan or guaranteeing any loan made to a director of the company or to a firm of which such director is a partner or to a private company of which such director is a director.
- Except as may be expressly permitted by the Companies Act, a director of a public company shall not vote as a director on any contract or arrangement in which he is either directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of any such vote; and if he does so vote, his vote shall not be counted.

#### *Articles of Association*

The Companies Act provides that the articles of association of a company may adopt all or any of the prescribed regulations contained in Table A (First Schedule) to the Companies Act. In any event, a company is deemed to contain regulations identical with or to the same effect as the prescribed regulations in Table A relating to voting in general meetings, deposit of proxy instruments, powers of directors, retirement of directors by rotation, source and declaration of dividends, inspection of corporate books by shareholders, contents of profit and loss statement, and the manner by which notice is given to shareholders and directors of the company.

#### *Some Reporting Requirements*

The Companies Act prescribes certain reporting and filing requirements that are mandatory for all companies, including the following:

- Every company must, within eighteen (18) months from incorporation, and thereafter at least once a year, submit to the CRO a list of (i) all persons who, on the day of the first or only general meeting in the year, are shareholders of the company, and (ii) all persons who have ceased to be shareholders since the date of the last return. This annual submission must be made in the prescribed form and must include the number of shares held by each of the existing members on the date of the return.
- Every public company, in particular, is required to maintain an index of the names of its members and must, within fourteen (14) days after the date on which any alteration is made in such register of members make any necessary alteration in the index.
- Every company must submit a return on allotment of shares to the CRO within one (1) month from such allotment. This return must be made in the prescribed form and

should state the number and nominal amount of the shares comprised in the allotment, description of the allottees and the amount paid or the amount due and payable on each share.

- Every company must file a notification informing the CRO of any change in its directors, managers or managing agents within fourteen (14) days of the appointment or change. This notification must be made in the prescribed form.

## **SPECIAL ECONOMIC ZONE LAW 2014**

### *Introduction*

The SEZ Law 2014 was enacted on 23 January 2014 and replaced the SEZ Law 2011.

The SEZ Law 2014 states that its objectives are to (among other things) support the primary objectives of the national economic development plan, create employment for a large number of people and raise their living standards, increase production and exports and increase foreign exchange income, encourage and attract domestic and foreign investments by creating sound foundations for developers and investors, and encourage, promote and give incentives for the balanced development of industrial, economic and social sectors within Myanmar.

### *Administration of the SEZ Law 2014*

The SEZ Law 2014 provides that the Government shall form a Myanmar Special Economic Zone Central Body ("**Central Body**"), comprising a person suitable for carrying out functions and duties contained therein related to the establishment of special economic zones as chairman, and suitable persons from relevant ministries and government departments and government organizations as members.

The Central Body shall:

- with the approval of the Government, in turn form the Myanmar Special Economic Zone Central Working Body ("**Central Working Body**"), comprising persons from relevant government departments and government organizations, to support the implementation of activities related to special economic zones; and
- form one management committee ("**Management Committee**") for each stipulated special economic zone, comprising persons from relevant government departments, government organizations, persons from external organizations and external persons, for carrying out functions and duties under the SEZ Law 2014. The Management Committee shall also include a representative from the relevant region or state government cabinet concerned.

Pursuant to the SEZ Law 2014, the central body, the central working body and the management committee formed under the SEZ Law 2011 are deemed to have been formed in accordance with the SEZ Law 2014.

### *Establishment of Special Economic Zones*

Under the SEZ Law 2014, the Central Body may, with the consent of the Government cabinet, submit to the Myanmar Parliament for approval a proposal for a special economic zone in a suitable region or location taking into account the prescribed criteria under the SEZ Law 2014. Upon obtaining the approval of the Myanmar Parliament, the Central Body may then stipulate the relevant region or location as a special economic zone for the purposes of the SEZ Law 2014.

Notwithstanding the foregoing, the Central Body may, with the approval of the Government cabinet, stipulate a special economic zone if deemed feasible and beneficial for the State and the public, even if the prescribed criteria are not met.

Under the SEZ Law 2011, the Government may by notification establish a special economic zone by demarcating the land area, extent and boundary of the territory in a suitable area in order to further develop the economic momentum of the State. The SEZ Law 2014 provides that notifications, orders, directives and procedures issued under the SEZ Law 2011 shall continue to be effective so long as they are not contrary to the SEZ Law 2014. As such, any notification establishing a special economic zone issued under the SEZ Law 2011 will continue to be effective as long as it is not contrary to the SEZ Law 2014.

#### *Designation as Exemption Zone or Promotion Zone*

The relevant Management Committee may stipulate distinct territories within a special economic zone as an exemption zone ("**Exemption Zone**") or a promotion zone ("**Promotion Zone**").

An Exemption Zone is considered as external to the State, being exempt from custom duties and other tariffs on goods which exist within a special economic zone or which are imported into a special economic zone. A Promotion Zone is an area within a special economic zone to which domestic tariffs apply.

The relevant Management Committee may also stipulate individual export-oriented enterprises as exemption zone enterprises ("**Exemption Zone Enterprises**") in the absence of stipulation of distinct zones into Exemption Zone or Promotion Zone. An Exemption Zone Enterprise will enjoy the same benefits as an enterprise operating in an Exemption Zone.

Manufacturing enterprises situated within an Exemption Zone or Exemption Zone Enterprises will primarily be export-oriented manufacturing enterprises, whereas manufacturing enterprises situated in a Promotion Zone are primarily oriented to the domestic market, but they may also carry out direct exports or sales to Exemption Zone Enterprises.

#### *Business Activities*

An investor investing in a special economic zone may carry out (among other things) the manufacturing of finished products, process production, warehousing, provision of transportation and services.

In order to make an investment in a special economic zone, an investor will have to apply to the relevant Management Committee, in accordance with rules and regulations that may be issued under the SEZ Law 2014, for an operation permit for the investment activity.

#### *Tax Incentives*

The SEZ Law 2014 provides that an investor who invests in and operates a business in a special economic zone is entitled to certain tax incentives, which generally depend on whether such business is conducted within an Exemption Zone or a Promotion Zone.

In particular, an investor who operates a business in an Exemption Zone or an Exemption Zone Enterprise is entitled to income tax exemption for the first seven (7) years from the date of commencement of commercial operations, while an investor who operates a business in a Promotion Zone may be granted an income tax exemption for five (5) years from the date of commencement of commercial operations.

In all cases, an investor may, upon the expiration of the specified income tax exemption described above, obtain a fifty per cent. (50%) relief on the income tax rate for the second five (5) years, and obtain a fifty per cent. (50%) relief on the income tax rate for the third five (5) years if the profit generated by the business is maintained in a reserve fund or re-invested



within one (1) year after the reserve is made. An investor may also apply for income tax exemption on dividends distributed out of domestic profits for which tax has been paid, as well as for commercial and other related indirect taxes, but only for a specified period of time.

In addition, an investor operating in an Exemption Zone may enjoy exemption from custom duties and other tariffs in respect of the import of raw materials, machinery, equipment and essential supplies to be utilized in production; construction materials to be utilized in the construction of factory, warehouse and its own offices; and vehicle for operational use. It may also enjoy exemption from custom duties and other tariffs in respect of the import of goods to be traded, consignments, vehicles actually needed for operations and other materials to be used in duty-free wholesale business, export trade business and services business such as logistics.

An investor operating in a Promotion Zone may also enjoy exemption for the first five (5) years from the commencement of operations, and fifty per cent. (50%) relief for the next five (5) consecutive years, from custom duties and other tariffs in respect of the import of machinery and equipment and essential supplies; construction materials to be utilized in the construction of factory, warehouse and its own offices; and vehicle actually needed for operations, and other materials which are not to be traded.

## **LAND LEASE AND USE REGULATIONS UNDER THE SEZ LAW 2014**

### *Introduction*

The legal framework with regard to land in Myanmar exists in the form of numerous laws that deal with specific areas or concerns relating to land (such as the Village Act (amended 1961), the Forest Law (1992) and the recently enacted Farmland Law (2012), just to give a few examples), and there is no single piece of legislation governing land in Myanmar.

### *Types of Interests in Land*

Generally, there are two (2) primary types of interests in land in Myanmar, i.e. estates in fee simple and leasehold rights. In Myanmar, lands which are held as fee simple estates (e.g. freehold lands) are also known as “ancestral lands,” and the government no longer grants such estates in fee simple. Instead, the government issues “grants” over specific parcels of land that can be considered leasehold rights, as they are conceptually estates for years. The terms of the grant vary at the discretion of the government, and may also depend on the statute upon which such grant is being issued. In any event, grant land is transferable and entities (including corporate entities) with leasehold interests in such lands may carve out and divest lesser interests (such as a lesser estate for years) and, in some cases, create security interests over such lands as well.

Myanmar nationals and companies may generally receive land grants for any period as specified in the corresponding grant without need of securing or perfecting any special or additional approval from the government (apart from the issuance of the land grant itself). Foreign individuals and companies, on the other hand, may only enter into long term agreements for the lease or use of land upon the issuance of an investment permit from the Central Body under the Special Economic Zone Law or the Myanmar Investment Commission under the Myanmar Foreign Investment Law (2012). In the absence of such an investment permit, they are only allowed to lease land for a term not exceeding one year as provided under the Transfer of Immoveable Property Registration Law (1987). In any event, foreigners are not allowed to own land in Myanmar.

### *Land in Special Economic Zones*

For investors (whether local or foreign) intending to locate their business activities in special economic zones and lease land located therein, the SEZ Law 2014 grants the Central Body the

power to approve the lease or use of the land for a term of at least fifty (50) years, with possible term extensions of twenty-five (25) years.

The SEZ Law 2014 also prescribes the following specific conditions for any lease or use of permitted land in a special economic zone:

- The investor must bear the cost and expenses for the relocation of houses, buildings, farms and gardens found on the land, including the payment of compensation to any settlers who may have to be displaced by such land lease or land use.
- The investor must use such land only in accordance with the terms and conditions issued pursuant thereto.
- The investor may mortgage or transfer the land for the conduct of the business activities in the special economic zone for the remaining term of the lease, subject, in all cases, to the approval of the relevant Management Committee.
- The investor must not modify or alter the physical condition or topography of the land, without the prior approval of the relevant Management Committee.
- The investor must report the discovery of any treasure, antiques and minerals on the land, which shall, in all cases, be owned by the Government. The relevant Management Committee may choose to allow the investor to continue to use the land, or to relocate the investor to another parcel of land for the continuance of the business.

Under the SEZ Law 2014, a specific period for the completion of construction and the commencement of commercial operations for business enterprises located in a special economic zone may be prescribed. The relevant Management Committee may withdraw the investment permit if delays in the construction or in the commencement of commercial operations are without any acceptable reason..

Leases of land located in a special economic zone may be registered in accordance with the procedures of the Myanmar Registration Act 1908.

## **LABOUR AND MANPOWER REGULATIONS**

In engaging workers for businesses operated in special economic zones, investors are required to comply with the general laws, notifications and regulations relating to labour and employment, including the following:

- Leave and Holidays Act 1952
- Minimum Wages Act 2013
- Social Security Act 1954
- Workmen's Compensation Act 1924
- Labour Dispute Settlement Law 2012
- Factories Act 1951

This also includes the obligation to register all employees with the Myanmar Social Security Board within fifteen (15) days from the commencement of its operations.

The SEZ Law 2014 also set out hiring requirements for both citizen and foreign workers. For unskilled workers, the law provides that investors in special economic zones may only engage Myanmar citizens. Meanwhile, for skilled workers, the law allows the engagement of foreign workers, provided, however, that for the first two (2) years of commercial operations, twenty-five per cent. (25%) of all skilled workers must be Myanmar citizens. By the end of the fourth

year of commercial operations, the number of Myanmar citizens hired for skilled work must be at least fifty per cent. (50%) of the investor's total skilled worker force, and by the end of the sixth year of commercial operations, this number must be increased to 75% of the skilled worker force. In any event, there exists no guidance on what constitutes skilled work and unskilled work for purposes of these manpower requirements.

## **MYANMAR ENVIRONMENTAL REGULATIONS**

Environmental regulation in Myanmar has historically been a patchwork of sectoral regulations at the national and regional level, but has recently become more coherent and centralized with the enactment of the Environment Conservation Law of 2012 (“ECL”). The ECL empowers the Environmental Conservation Committee (“ECC”) to fix standards relating, among others, to surface, coastal and underground water quality, atmospheric quality, noise pollution, gaseous emissions, and solid and fluid waste discharge.

Under the ECL, businesses that cause so-called “point source pollution” are required to treat, emit, discharge and/or dispose of pollutants in accordance with ECC standards and to install equipment to further monitor, control, manage, reduce and/or eliminate pollutants. Businesses operating in a special economic zone are particularly mentioned as having the following specific obligations:

- The contribution of funds and resources to the unified conservation scheme implemented by the ECC under the ECL in the relevant special economic zone, including the payment of related user charges and management fees for the exploitation of natural resources.
- Strict compliance with the directives issued by the ECC and the relevant Special Economic Zone Management Committee for the protection of natural resources.

The ECL also empowers the ECC to require the preparation of an environmental impact assessment report for businesses seeking to operate in Myanmar. Investors seeking to operate in a special economic zone, therefore, may be required by the Central Body, through the relevant Management Committee, to prepare and submit an environmental impact assessment report as a condition to the issuance of an investment permit to operate their business in a special economic zone. If such environmental impact assessment report is approved, it may include additional terms and conditions related to environmental conservation that the investor must satisfy throughout the term of business operations.

In addition, the ECL allows the ECC to specify business activities that are particularly harmful to the environment and to require those businesses to obtain prior approval from the ECC before it may receive the relevant permit or approval from the concerned government agency (for example, the relevant Management Committee under the SEZ Law 2014). There is currently no notification or regulation that outlines these particularly harmful business activities, or the corresponding conditions that such businesses must satisfy in order to engage in business in Myanmar.

In any event, the ECL mandates that businesses subject to the submission of an environmental impact assessment report, or prior permission as determined by the ECC must secure satisfactory insurance coverage against any accidents that may be harmful to the environment.

Apart from the ECL, investors continue to be subject to specific environmental laws and regulations such as the Underground Water Act 1930, the Conservation of Water Resources and Rivers Law and its associated rules, as well as rules and regulations issued by the applicable ministry supervising the particular business activity (for example, the Ministry of Energy for petroleum-related enterprises, or the Ministry of Commerce for manufacturing-based enterprises), and the governing authority (such as the Central Body) within which such business operates.

**SIGNATURES OF THE DIRECTORS OF  
MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED**

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U WIN AUNG  
CHAIRMAN

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U THEIM WAI @ MR SERGE PUN  
DIRECTOR

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U NYI KHIN  
DIRECTOR

---

U THEIN HAN @ KO HAN THEIN  
DIRECTOR

---

U TUN LWIN  
DIRECTOR

---

DR. NYAN THIT HLAING  
DIRECTOR

---

U KHIN MAUNG AYE  
DIRECTOR

---

U AUNG SOE THA  
DIRECTOR

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U TIN MAUNG HLAING  
DIRECTOR

Dated this 27<sup>th</sup> day of February 2014