

Confidential

November 2019

Presented by
Myanmar Japan Thilawa Development Ltd.



Thilawa Special Economic Zone (SEZ)



Outlines of Thilawa SEZ, Myanmar

- I. History & Outline of Myanmar
- II. History of Thilawa SEZ
- III. Development Plan of Thilawa SEZ
- IV. SEZ Management Committee
- V. Now in Thilawa SEZ
- VI. Key Points of Thilawa SEZ



Outlines of Thilawa SEZ, Myanmar

- I. History & Outline of Myanmar
- II. History of Thilawa SEZ
- III. Development Plan of Thilawa SEZ
- IV. SEZ Management Committee
- V. Now in Thilawa SEZ
- VI. Key Points of Thilawa SEZ

I. History & Outline of Myanmar -1



Area: 680,000 km²

Population: 51.4 Mil.
as of Sep. 2014

Capital: Ne-Pyi-Daw

Language: Myanmar

Religion: Buddhism, Christianity, Mohammedanism,

GDP: USD 68.3 Bil

- per capita: USD 1,307

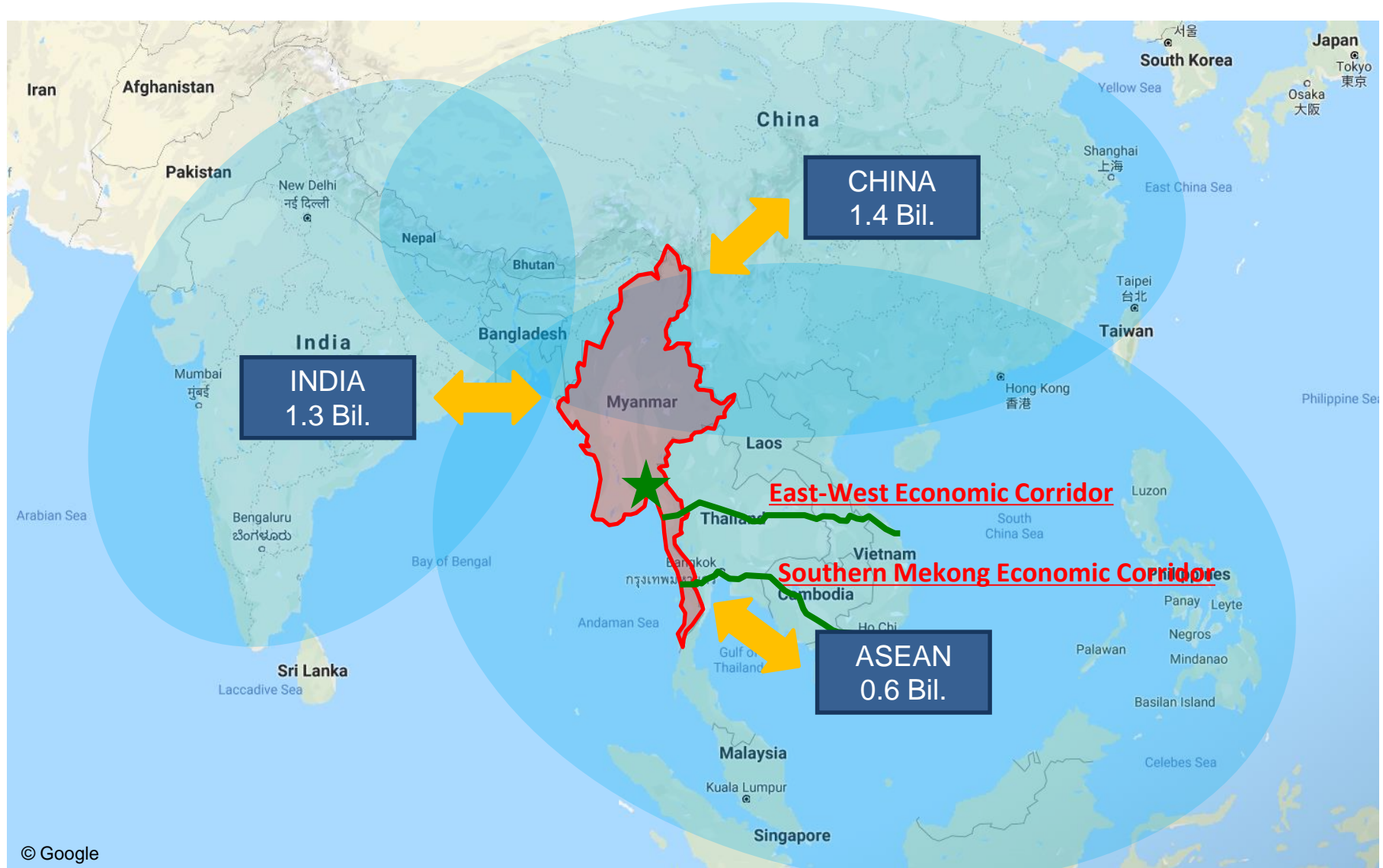
- growth: 6.3%

Inflation: 7.0%

Average Wage: USD124/month

<Source> MOFA Japan, JETRO, JCCM web pages

I. History & Outline of Myanmar -2 [Important Location]



Close to 3 Bil. Customers in Neighboring Countries [approx. 40% in the World]

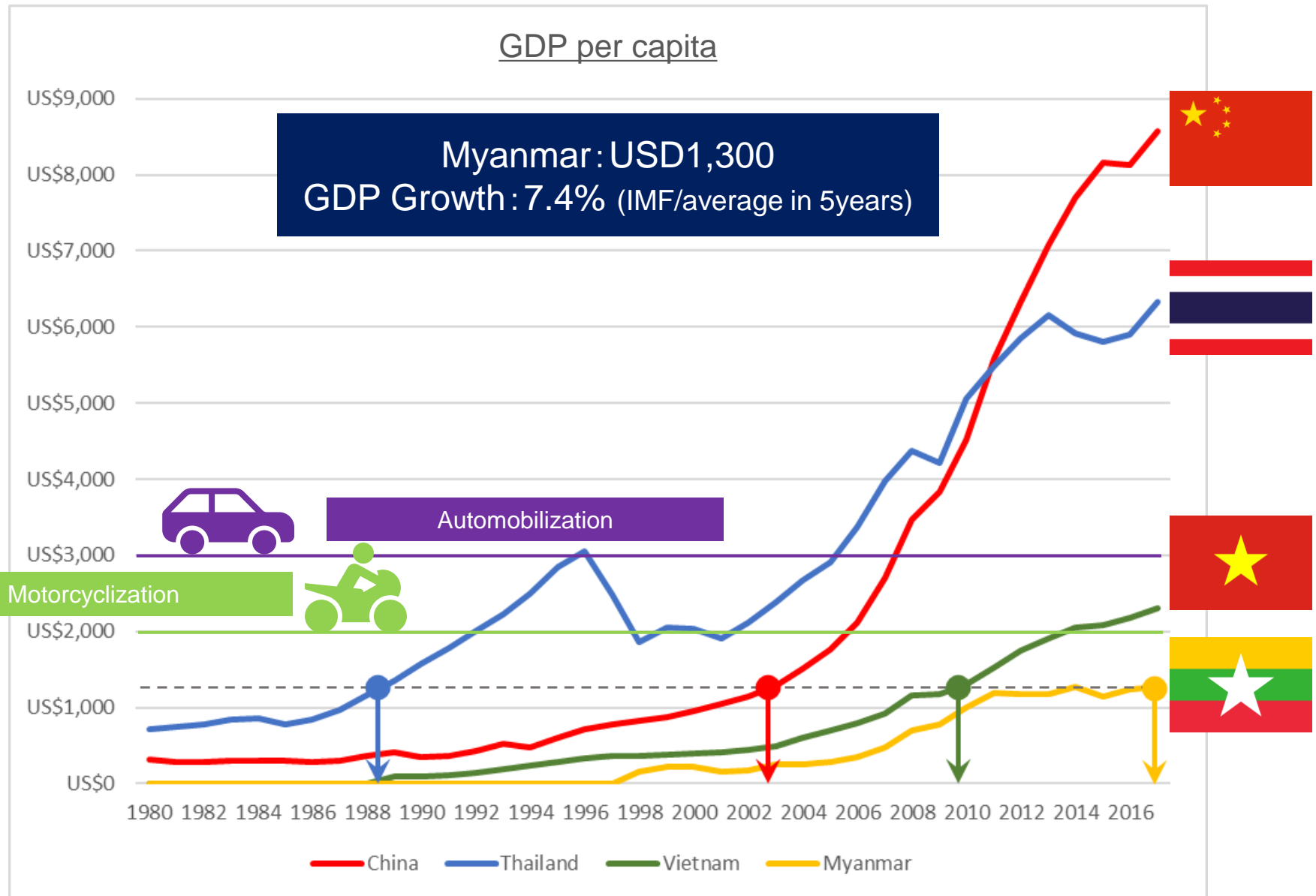
I. History & Outline of Myanmar -3 [before Democratization]

Year	Event
1044	Bagan Dynasty Established.
1752	Konbaung Dynasty Established.
1886	Burma was colonized by India and UK after Anglo-Burmese Wars
1937	Burma became independent from India, UK's dominion
1943	Burma Established. (Cooperation between Japan & Burma led by General Aun Sun)
1945	Coup (d'etat) occurred by Burmese Military, lead by General Aun Sun. transferred to UK again.
1948	Burma became independent from UK.
1962	Military Coup led by General Ne Win, transferred to Burman Socialism.
1974	Socialist Republic of the Union of Burma Established. General Ne Win became a president.
1988	Military Dictatorship collapsed due to democratization movement by Ms. Aung San Suu Kyii. However, Military Coup occurred again.
1989	Ms. Aung San Suu Kyii under house arrest. (until 1995)
1997	Joined to ASEAN
2000	Ms. Aung San Suu Kyii under house arrest, again. (until 2010)
2003	US started economic sanction. Myanmar government released 7 road-maps for democratization.
2011	President Thein Sein born, transferred to Democracy.
2015	General Election, Nov.8, 2015. ⇒ NLD government born Apr. 2016.

I. History & Outline of Myanmar -4 [after Democratization]

Time	Event
2011	<u>Transferred to Democracy</u>
Jun.	<u>Magazine Censorship Abolished, Internet Rules Relaxed.</u>
2012 Apr.	<u>Ms. Aung Sun Suu Kyii as a Member of Parliament</u>
	<u>Yen-Loan Restart Declared by Japan</u>
	1-Year Suspension of Economic Sanction Declared by EU
	<u>Fixed Foreign Exchange Abolished, transferred to Floating FX</u>
May.	1-Year Suspension of Economic Sanction Declared by USA
Jul.	Partial Economic Sanction Lifted by USA (Investment/Financial Service)
Aug.	Censorship Completely Abolished
Nov.	US President Obama visited Myanmar
2013 Apr.	<u>Economic Sanction Lifted by EU</u>
Jun.	FDI into Telephone & Telecom Business
2014	Myanmar as Host Country of ASEAN
Oct.	<u>License Issued to Foreign Bank</u>
2016 Apr.	New Government Born by NLD, lead by Ms. Aung Sun Suu Kyii.
Oct.	<u>Economic Sanction Lifted by USA</u>

I. History & Outline of Myanmar -5 [Economic Growth]



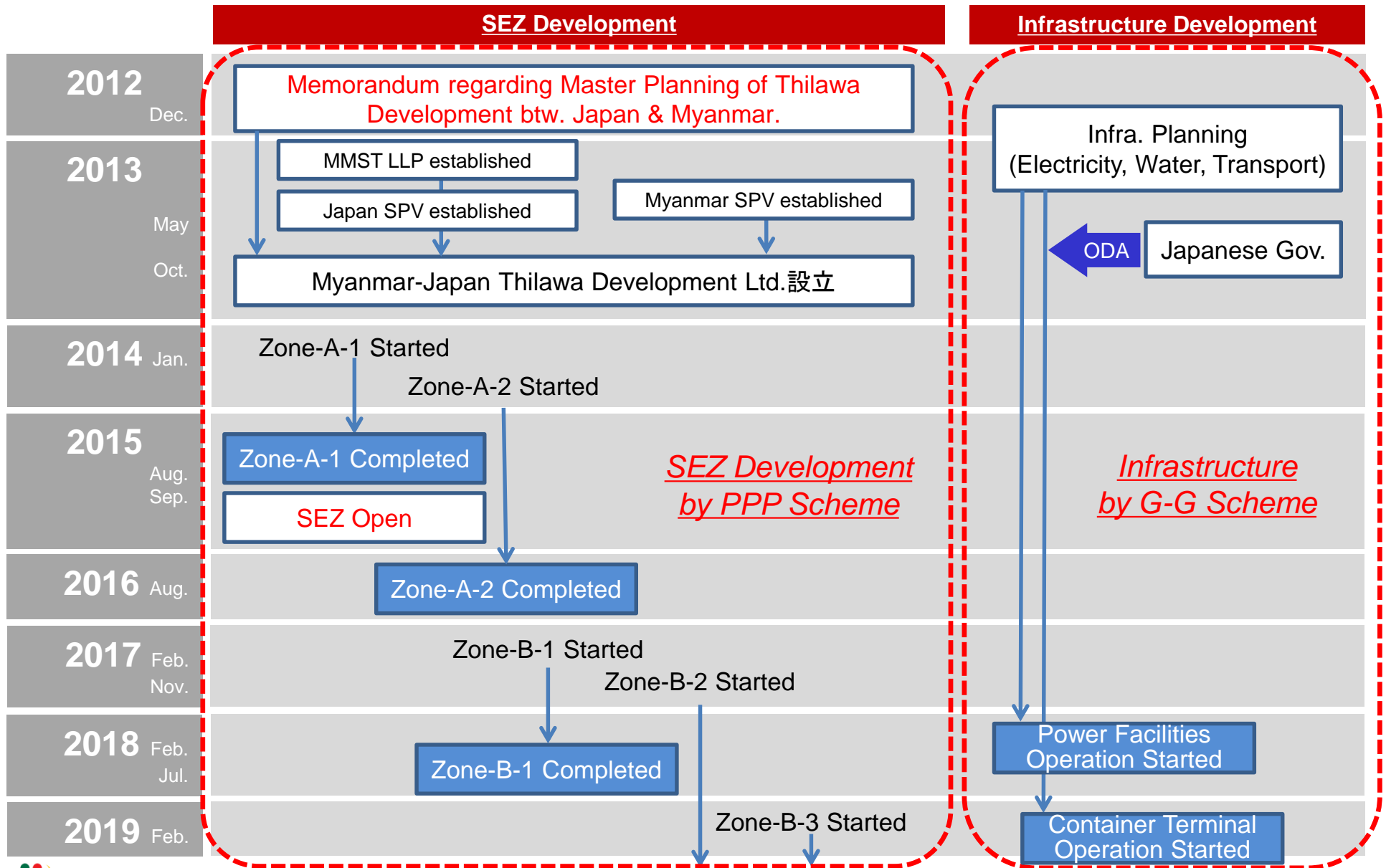
Outlines of Thilawa SEZ, Myanmar

- I. History & Outline of Myanmar
- II. History of Thilawa SEZ**
- III. Development Plan of Thilawa SEZ
- IV. SEZ Management Committee**
- V. Now in Thilawa SEZ
- VI. Key Points of Thilawa SEZ

II. History of Thilawa SEZ -1

Time	Event
2011 Nov.	<u>Japan-Myanmar Summit Meeting (@ Bali, Indonesia), Myanmar Gov. required Japanese Gov. assist Thilawa Development.</u>
2012 Apr.	Japan-Myanmar Summit Meeting (@ Tokyo, Japan), Memorandum regarding Master Planning of Thilawa Development.
Dec.	Both governments concluded principle agreement for Thilawa Development. Coordination meeting was held between both governments.
2013 Jan.	Deputy Prime Minister of Japan, Mr. Aso visited Myanmar to meet President of Myanmar, Mr. Thein Sein, and confirmed the cooperation to achieve the operation commencement of Thilawa in 2015.
May.	Prime Minister of Japan, Mr. Abe, visited Myanmar. Governments and Private sectors in both countries agreed to develop Thilawa. ODA, the amount of USD2Mil. was pledged for infrastructure related Thilawa.
Oct.	Shareholders agreed the joint venture agreement at Tokyo, Japan.
2014 Jan.	<u>Myanmar Japan Thilawa Development Ltd. established.</u>

II. History of Thilawa SEZ -2



III. Development Plan of Thilawa SEZ -1 [Company Profile]

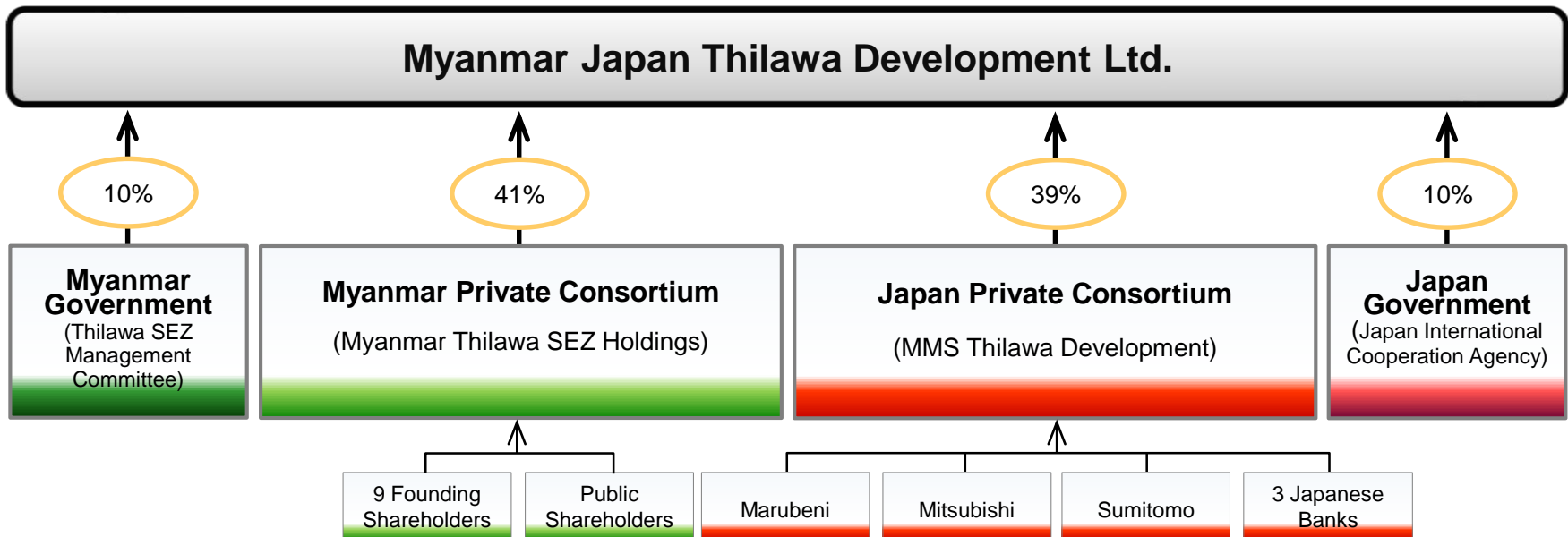
Company: Myanmar-Japan Thilawa Development Ltd

Establish: January, 2014

Location: Thilawa SEZ (approx. 25km from Yangon CBD)

Shareholders: 41% Myanmar Private Consortium (MTSH/ Myanmar Thilawa SEZ Holdings)
10% Myanmar Government (TSMC/ Thilawa SEZ Management Committee)
39% Japanese Private Consortium (MMSDT/ MMS Thilawa Development Co.)
10% Japanese Government (JICA/ Japan International Cooperation Agency)

Business: Development, Sales, Maintenance & Operation of Special Economic Zones



III. Development Plan of Thilawa SEZ -3 [Location]

Suburban of Yangon, Largest City in Myanmar

Approx. 25km from Yangon (approx. 60min. by car)

Yangon Int'l Airport

Yangon CBD

Thilawa SEZ

MR Yangon Central Sta.

MR Thilawa Sta.

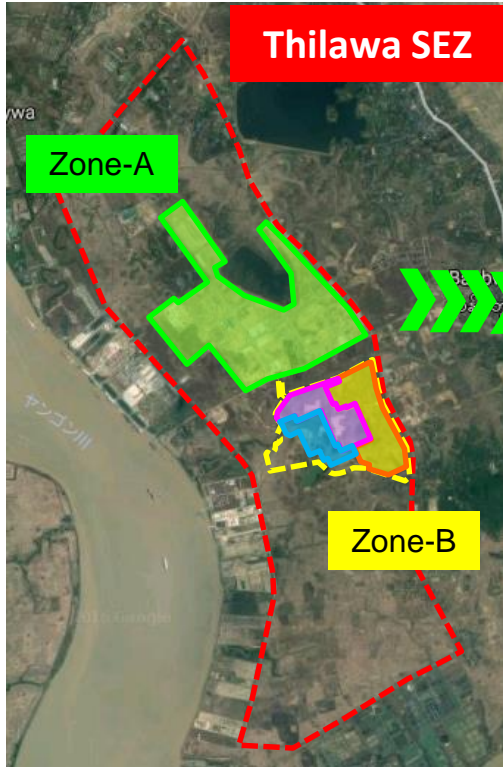
Capital: Nay-Pyi-Daw

Largest City: Yangon

Map labels include: Mandalay, Myanmar, Naypyitaw, Xishuangbanna, Laos, Luang Prabang, Vientiane, UDON THAI, PHITSANULOK, PHETCHABUN, THAILAND, Bangkok, Pattaya City, East Dagon Twp, Ywathitkon, BAHAN, Thanlyin, Banwagon, A-ngu, Yangon River.

III. Development Plan of Thilawa SEZ -4 [Zone-A]

Entire Area Thilawa SEZ



Zone-A

Thilawa SEZ

Zone-B

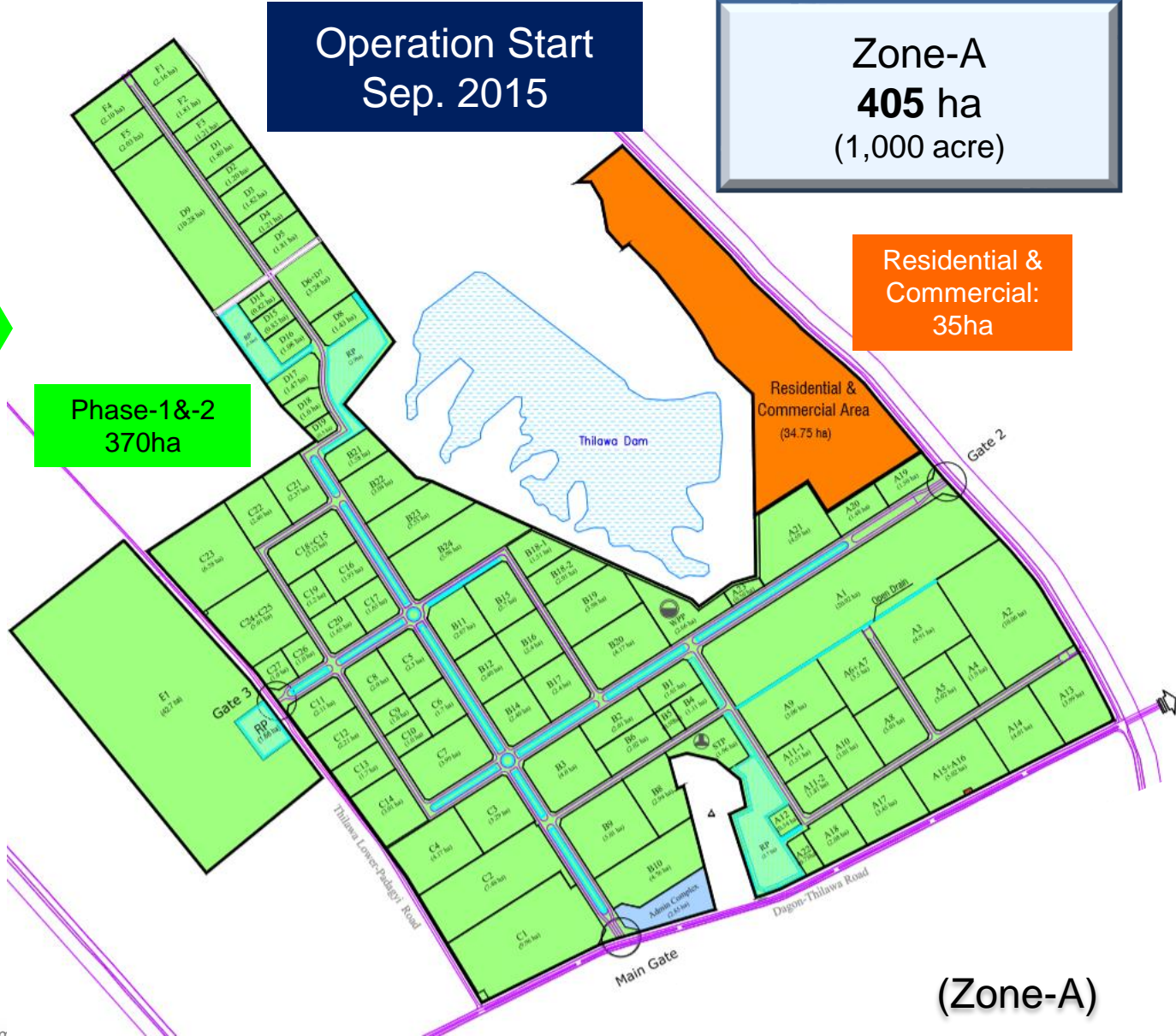
Total Area
2,400 ha
(6,000 acre)

Operation Start
Sep. 2015

Zone-A
405 ha
(1,000 acre)

Residential & Commercial:
35ha

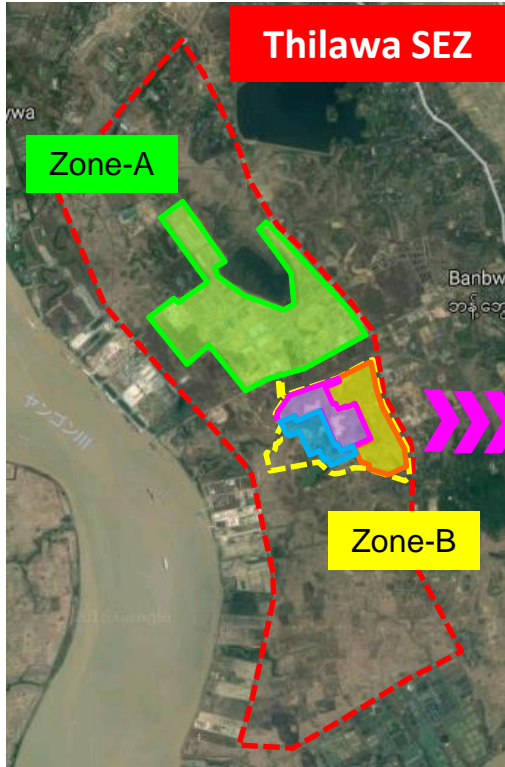
Phase-1&-2
370ha



(Zone-A)

III. Development Plan of Thilawa SEZ -5 [Zone-B]

Entire Area Thilawa SEZ



Total Area
2,400 ha
 (6,000 acre)

Phase-1 Completed
July 2018

Zone-B
246 ha
 (615 acre)

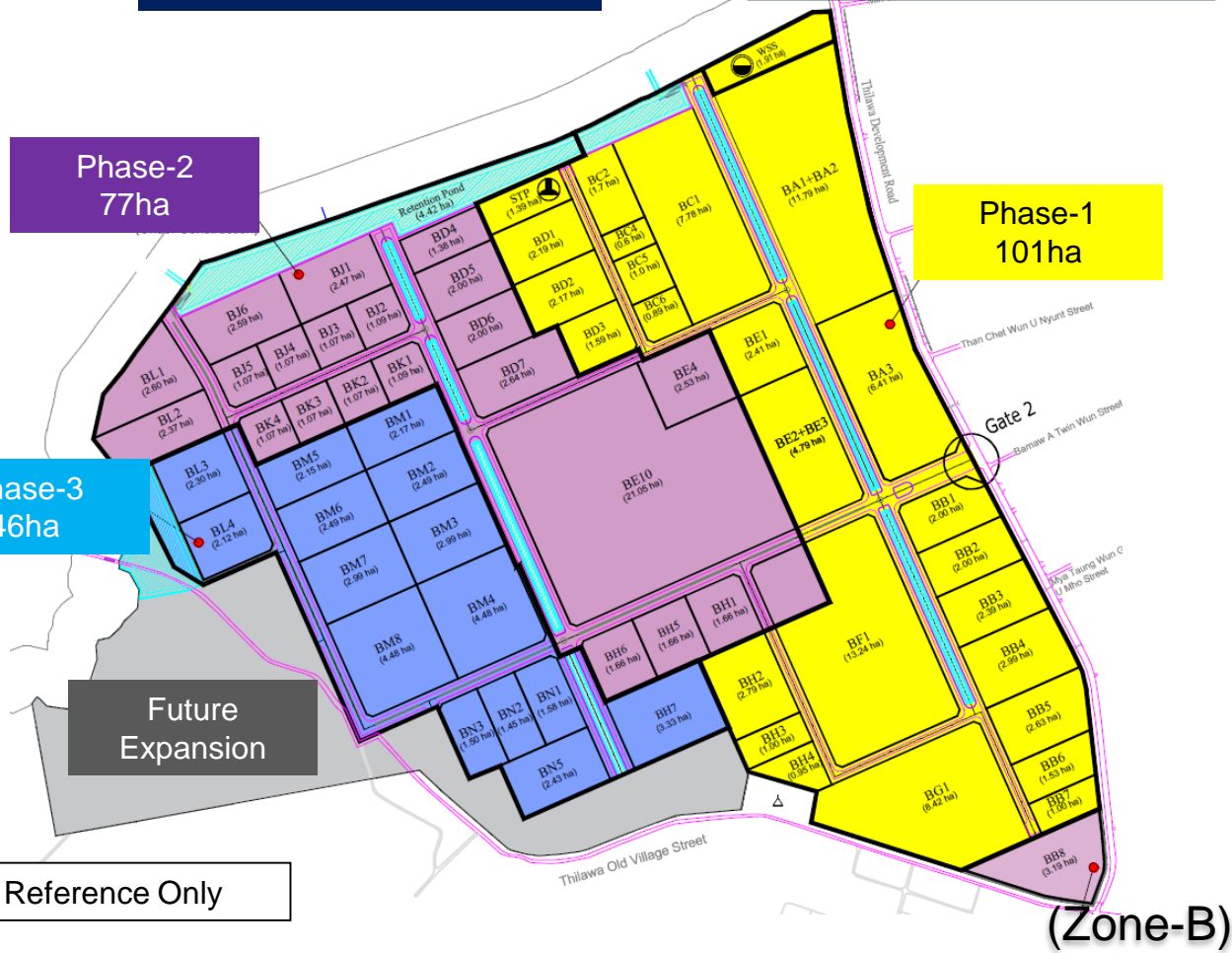
Phase-2
 77ha

Phase-1
 101ha

Phase-3
 46ha

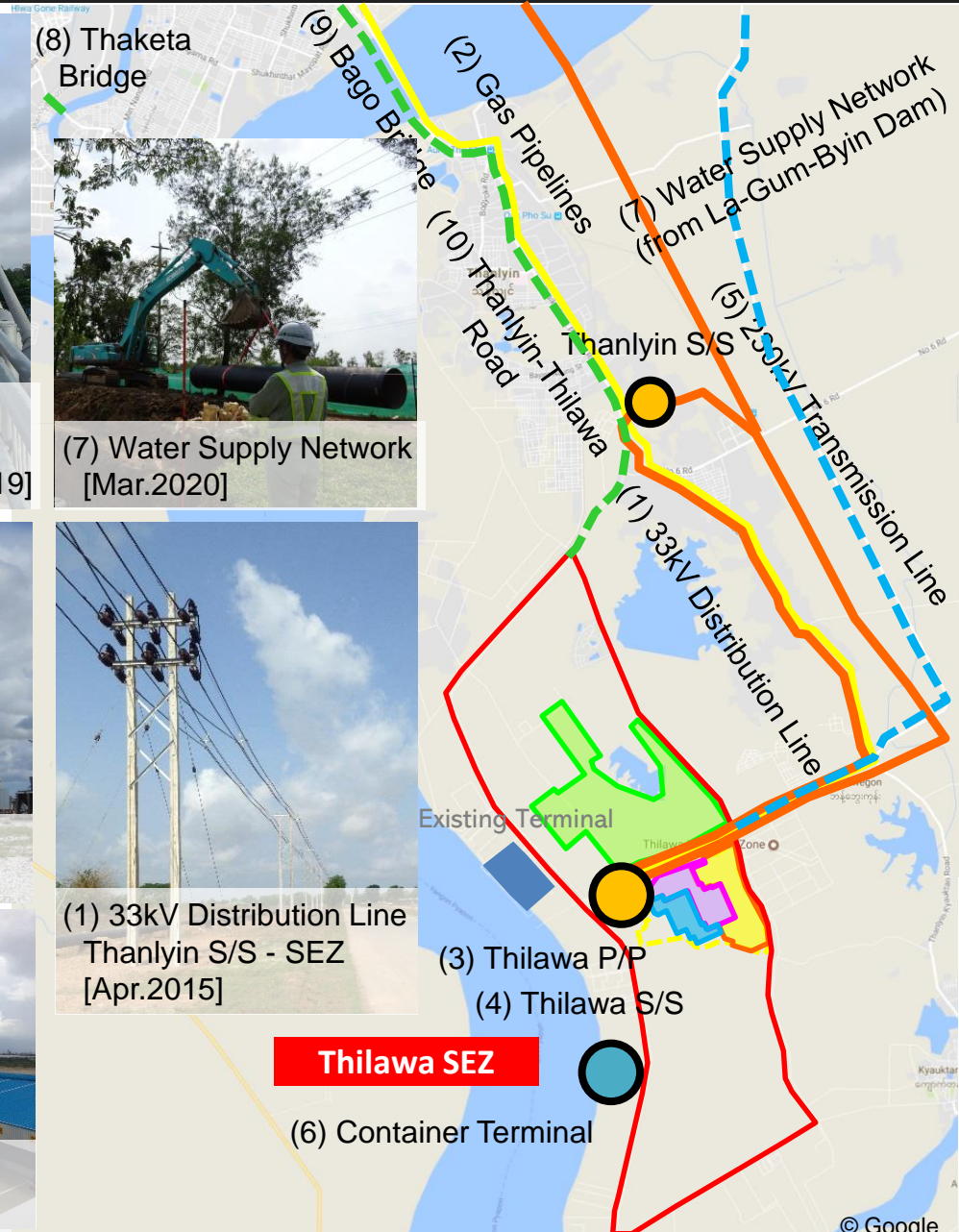
Future Expansion

Attn. Reference Only

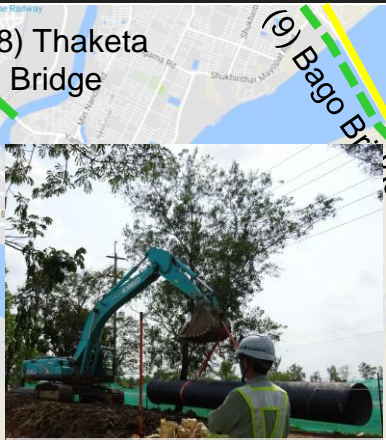


(Zone-B)

III. Development Plan of Thilawa SEZ -6 [Related Infrastructure]



(8) Thaketa Bridge [Jun.2018]
 (9) Bago Bridge [Year 2022]
 (10) Thanlyin-Thilawa Road [Jun.2019]



(7) Water Supply Network [Mar.2020]



(2) Gas Pipe Line for Thilawa P/P [Dec.2015]



(3) 50MW Thilawa Power Plant [Mar.2016]



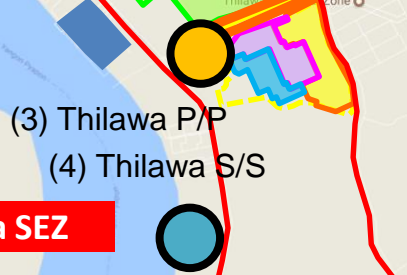
(1) 33kV Distribution Line Thanlyin S/S - SEZ [Apr.2015]



(5) 230kV Trans. Line [Nov.2017]



(6) Thilawa Container Terminal [Dec.2018]



(4) Thilawa Substation [Sep.2017]



(4) Thilawa Substation [Sep.2017]

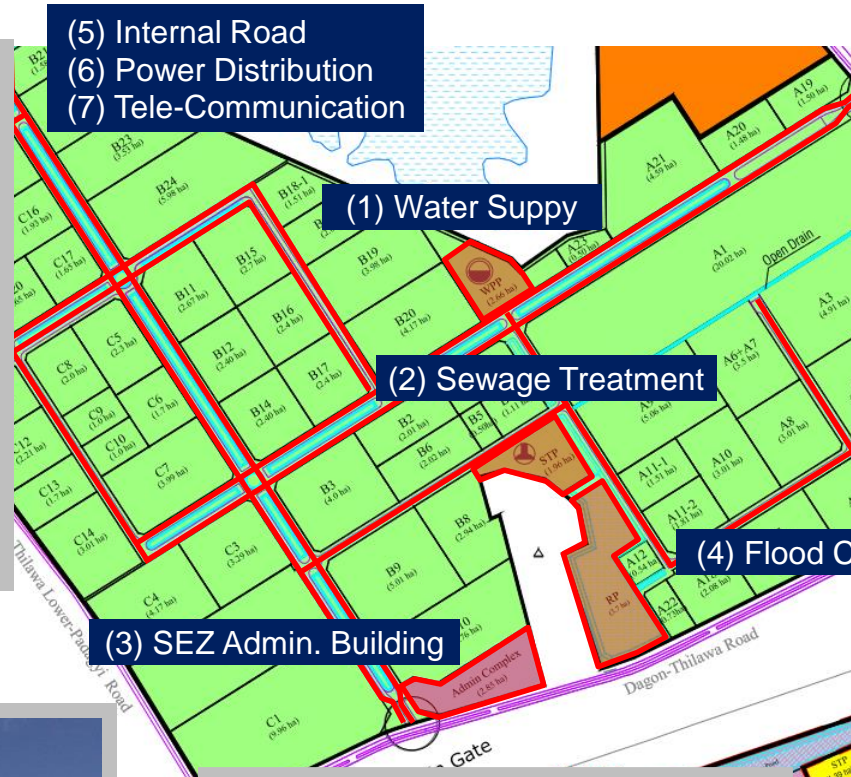
III. Development Plan of Thilawa SEZ -7 [SEZ Utilities]



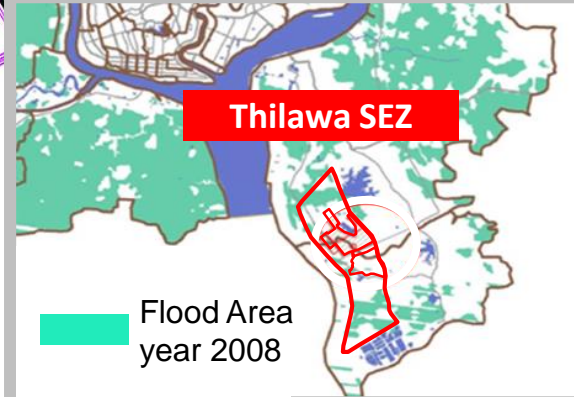
(2) Sewage Treatment Plant
[Present Capacity; 4,800m³/day]



(3) SEZ Administration Building
[MJTD, TSMC, Banks,
Insurance Companies Office]



(1) Water Purification Plant
[Present Capacity; 6,000m³/day]



Other SEZ Utilities

- (4) Flood Control
 - > Boundary Dike (Altitude 7m)
 - > Retention Pond
- (5) Internal Road
- (6) Power Distribution Line (33kV)
- (7) Telecom Line (Optical Fiber)

Flood Level in 2008	4.9m (estimation)
Zone-A Ground Level	6.5m
Zone-B Ground Level	6.0m

III. Development Plan of Thilawa SEZ -8 [Land Sales]

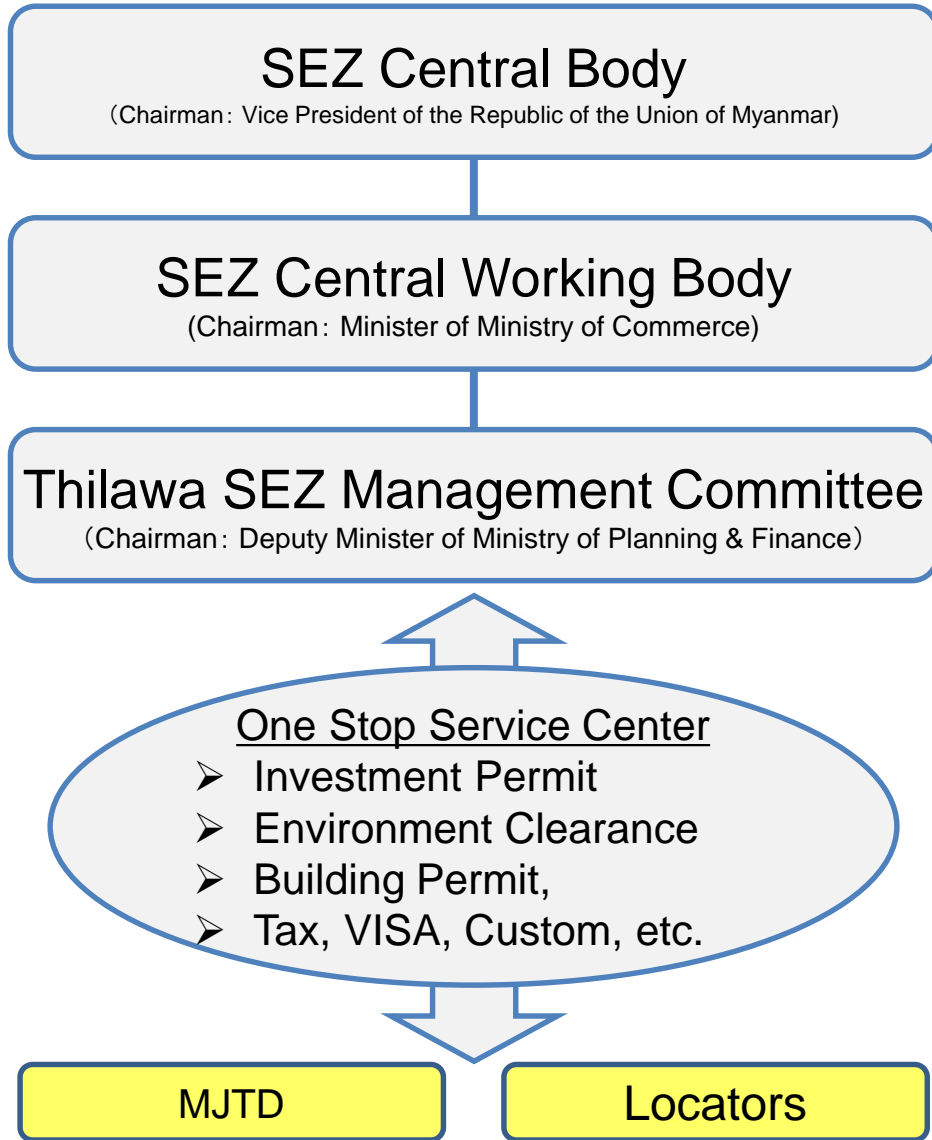
For Land

- Locator is subleased a lot by MJTD with Land Sublease Agreement accordingly. (MJTD is leased by Myanmar Government, TSMC with Land Lease Agreement accordingly.)
- Sublease period is until June, 2064 in Zone-A (50years from June, 2016),
until February 2067 in Zone-B Phase-1 (50years from February 2017).
* Note; 25years may be extended when TSMC agrees.
- 30% of land rent shall be paid at reservation agreement, remained 70% at sublease agreement.

For Rental Factory

- Locator is leased a factory building by MJTD with Lease Agreement accordingly.
- Lease period is basically 5years and may be extended. (Minimum period shall be 3 years.)
- Warranty deposit is 3times of monthly rent.

IV. SEZ Management Committee -1



IV. SEZ Management Committee -2

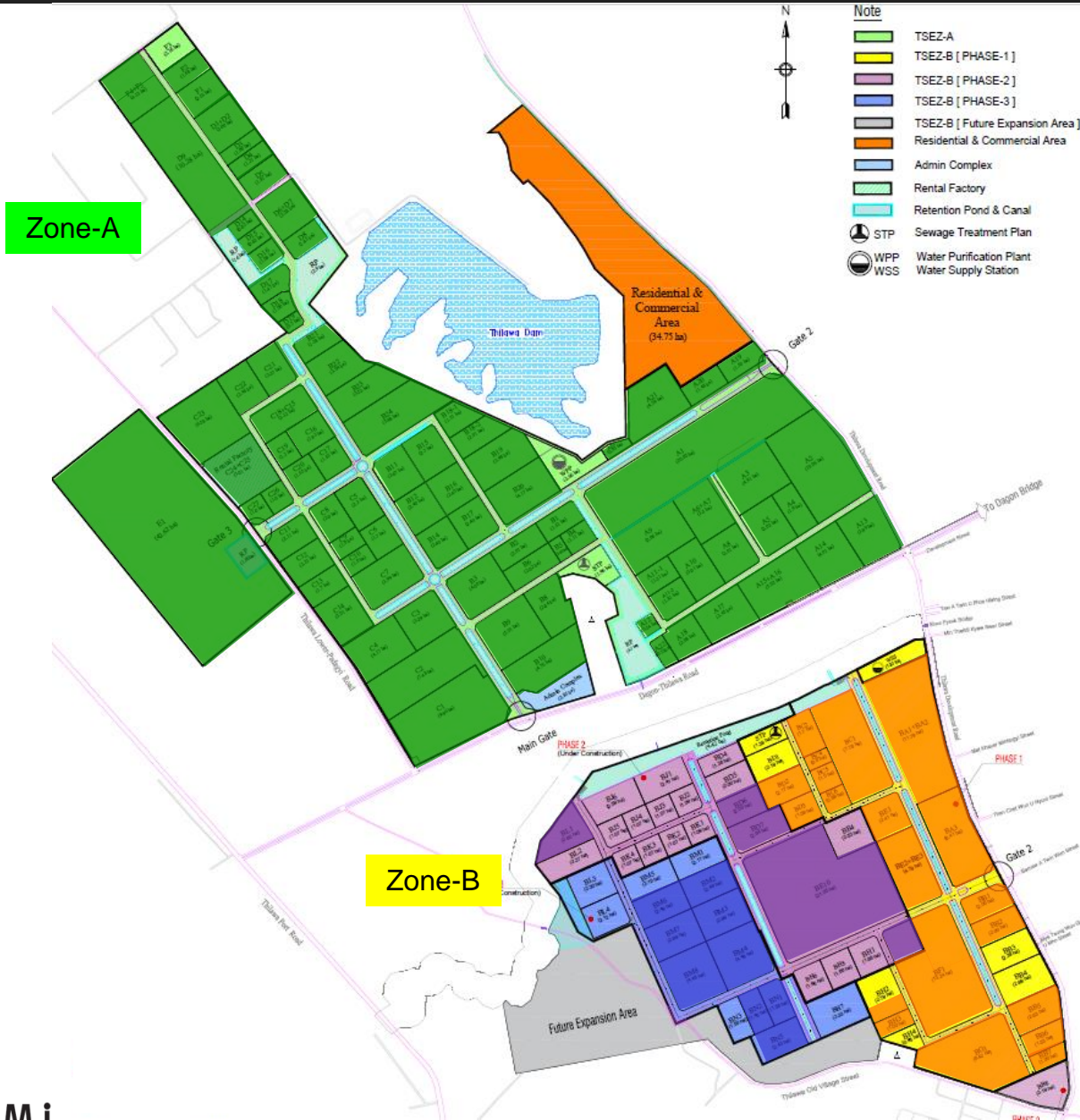
Tax Incentives

		Investment Law (Yangon Region)	Special Economic Zone (SEZ) Law	
			Free Zone (Export Oriented)	Promotion Zone (Domestic Market Oriented)
Corporate Income Tax	Exemption	3 years	7 Years	5 Years
	50% Discount	—	5 Years	5 years
	50% Discount for Additional Investment	Exemption	5 Years	5 Years
Custom Duty	Building, Machinery	Exemption	Exemption	5 Years Exemption & 5 Years 50% Discount
	Raw Materials	Exemption	Exemption	- Refundable for Materials, Parts brought to Free Zone Companies

Outlines of Thilawa SEZ, Myanmar

- I. History & Outline of Myanmar
- II. History of Thilawa SEZ
- III. Development Plan of Thilawa SEZ
- IV. SEZ Management Committee
- V. Now in Thilawa SEZ**
- VI. Key Points of Thilawa SEZ**

V. Now in Thilawa SEZ -1



Locators: 109
(Reservation Included)



Under Construction: 23



Under Operation: 75

V. Now in Thilawa SEZ -2

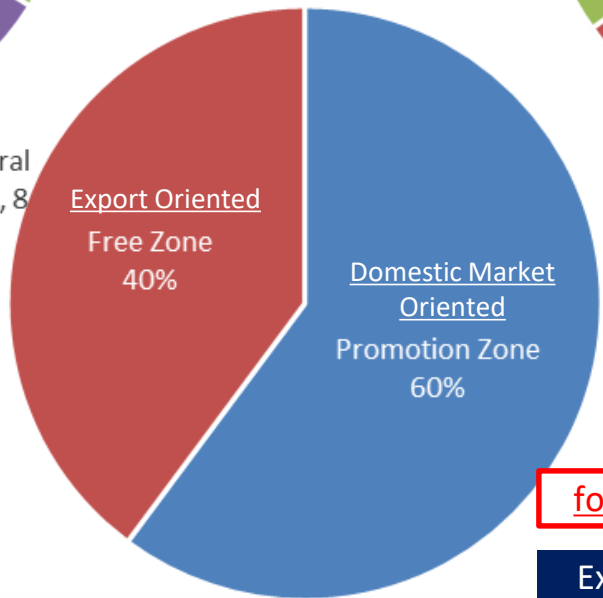
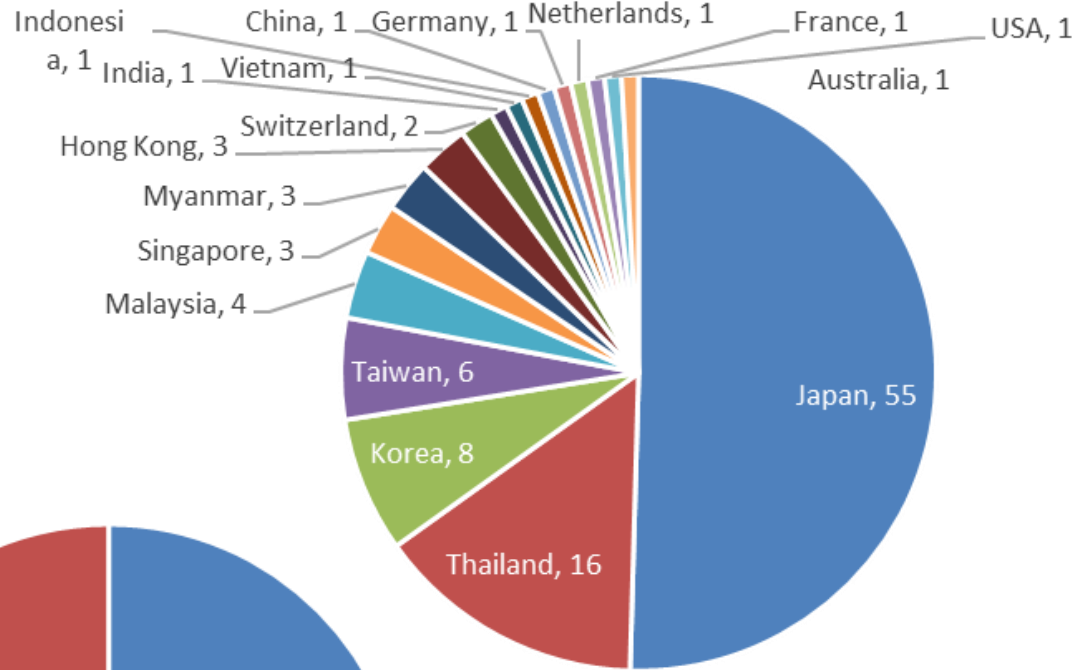
BUSINESS WIDE

Variable Business



Variable Nationalities

NATIONALITY WIDE



for Domestic Market also

Export/Domestic Market

VI. Key Points of Thilawa SEZ

Advantage

Myanmar

- Plenty and Cheap Labor-Force
- Untouched/Virgin Consumer Market (Population 50M. Myanmar, 7M. Yangon)

Thilawa

- Quick Governmental Process by One Stop Service Center
- International Standard Service by Japanese experienced developer

Disadvantage

- Unstable Power
- Insufficient Infrastructure (Telecom, Transport, Water and Sewage)

Recent Improvement

- **New SEZ Law** (Jan. 23, 2014 implemented), SEZ Rules issued (Aug 27, 2015)
- **Economic Sanction Lifted** by USA (Oct. 7, 2016)

ありがとうございました。 Thank you. ကျေးဇူးတင်ပါတယ်

