

What's Happening in Myanmar Market & Valuation

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Yoma Strategic H2 loss widens to \$44.2 million on higher finance cost

Yoma Strategic 社の 3 月 31 日終了の下半期の純損失は、前年の 1,480 万米ドルから 3,270 万米ドルに拡大した。これは、現在建設中の複合開発「ヨマ・セントラル」の純公正価値損失と減損損失が増加したことによるものだ。同社はミャンマーで、不動産、飲食、自動車、金融サービス、投資などの分野で事業を展開している。

Learnt from: The Strait Times (May 25, 2023)

Japan halts multibillion-dollar development loans agreed

日本政府は、長年にわたる日緬協力の象徴であるヤンゴン・マンダレー鉄道開発事業に対する政府開発援助を停止した。このプロジェクトは、全長 385 マイルにわたるヤンゴン・マンダレー鉄道を改良するもので、日本からの 20 億米ドルを超える融資と 4 億 6,800 万ドルの予算配分によって資金調達されていた。

Learnt from: The Asahi Shinbun (May 31, 2023)

Japan-led Thilawa Special Economic Zone has no new plot sales after 2021

ティラワ経済特区(SEZ)を開発・運営するミャンマー・ジャパン・ティラワ。デベロップメント社(MJTD)は、コロナウイルスの感染拡大と政情不安の影響で、2021 年以降新規の土地販売はなかったと報告している。

Learnt from: Myanmar Japan News (June 06, 2023)

Hotel sold in Yangon one after another

ヤンゴンやその他の主要都市のホテル経営者は、自社の不動産を売却し始めている。不動産業者の「ラグジュアリーハウス」社は、先月フェイスブックページで 27 ホテルの売却広告を出した。それらはいずれも客室数 50 室以上で、売却希望価格は 3 億チャットから 60 億チャットだ。ホテル売却の理由はコロナ以降における観光客の激減だ。また電力不足でコスト負担は増大し、利益は見込めないことにもよる。

Learnt from: The Irrawaddy News (June 22, 2023)

Yoma Strategic H2 loss widens to \$44.2 million on higher finance cost



Myanmar-focused Yoma Strategic has businesses in areas such as real estate, food and beverage, automotive, financial services and investment.

Yoma Strategic's net loss widened to US\$32.7 million (S\$44.2 million) for the second half-year ended March 31, from US\$14.8 million in the previous year. This came amid an increase in net fair value losses and impairment losses for its mixed-use development, Yoma Central, which is still under construction. Higher interest expenses at Yoma Central, rising London interbank offered rates for the US dollar and currency translation losses on its baht-denominated bonds also added to finance costs. The results translated to a loss per share (LPS) of 1.47 US cents for the same period, compared with an LPS of 0.67 US cent. Myanmar-focused Yoma Strategic has businesses in areas such as real estate, food and beverage, automotive, financial services and investment. Revenue for the second half rose 126.1 per cent year on year to US\$82.7 million from US\$36.6 million. This was mainly due to record home sales, food and beverage sales, and the completion of the Wave Money acquisition. Wave Money, which comes under the group's financial service segment, became a subsidiary of the group in December 2022. It contributed US\$19.7 million towards the group's revenue from December 2022 to March 2023. For the full year ended March, net loss was US\$41.2 million, while revenue was US\$123.6 million. While the business environment in Myanmar has experienced gradual growth over the past quarters, the group noted that challenges

such as regulatory changes, US dollar availability, inflationary pressures and persistent electricity outages remain. Shares of Yoma Strategic were trading up 4.1 per cent to 10.1 cents on Thursday morning after the earnings announcement, but closed at 10 cents, up 3.1 per cent.

Learnt from: The Straits Times (May 25, 2023)

Japan halts multibillion-dollar development loans agreed



Officials examine a railway bridge in Myanmar under a Japanese official development assistance program to make repairs.

The Japanese government has suspended official development aid for the Yangon-Mandalay Railway Development Project, a long-standing symbol of Japan-Myanmar cooperation. The cessation of aid was partly intended as a Japanese government condemnation of Myanmar's 2021 military coup. The Japanese government has assisted in the project since 2013. According to Myanmar Railway Department records, the project to upgrade the Yangon-Mandalay railway, which spans 385 miles, was funded by a loan of more than US\$2 billion from Japan and a budget allocation of \$468 million. The project's planning and surveying began in 2013, with construction beginning in 2018. The Japanese government agreed to lend \$1 billion to the project. The railway modernization project is currently less than 25% complete. The Japanese government had planned to finance the project until it was completed. Japanese officials cited falling yen exchange rates, Myanmar's deteriorating security situation, and various risks and difficulties

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associated with the global pandemic in explaining their decision.

Learnt from: The Asahi Shinbun (May 31, 2023)

Japan-led Thilawa Special Economic Zone has no new plot sales after 2021



The main entrance of Thilawa Special Economic Zone.

According to the Myanmar Japan Thilawa Development (MJTD), which develops and operates the Thilawa Special Economic Zone (SEZ), it is reported that no new plot was sold after 2021 due to the spread of the coronavirus and political instability. In 2019, MJTD announced plans to complete the sale of Zone A and Zone B parcels by 2021 at the latest, followed by another 200-hectare expansion. MJTD was established in 2013 with 51% investment by the Myanmar side (government and private sector) and 49% by the Japanese side (Mitsubishi Corporation, Marubeni Corporation, and Sumitomo Corporation). The Japan International Cooperation Agency (JICA) also decided to invest in Myanmar's major development project in April 2014.

Learnt from: Myanmar Japan News (June 06, 2023)

Hotel sold in Yangon one after another



Sule Shangri-La hotel in downtown Yangon has been closed since 2021.

Hoteliers in Myanmar's commercial capital of Yangon and other major cities are selling their properties after the double blow of COVID-19 and political instability left them empty. Realtor Luxury House advertised on its Facebook page the sale of 27 hotels last month. They have 50 or more rooms and were priced between 300 million and six billion kyats. Myanmar received over 3.5 million foreign visitors in 2018, and nearly 4.4 million foreign visitors in 2019. The reason for the hotel sale is that the number of tourists has decreased sharply due to political instability, and that the cost burden has increased due to the power shortage, but there is no prospect of profit. Although Myanmar reopened its border to international visitors last year after a two-year ban due to the pandemic, most hotels failed to rebound from the pandemic as instability kept international visitors away and operational costs soared due to inflation. Hotels operating on bank loans were burdened with interest when the pandemic forced them to close for two years, and they received few guests after February 2021. Hoteliers have been forced to sell their hotels at a loss to repay loans. Half of Yangon's 12 five-star hotels, including the upscale Sule Shangri-La, have been forced to close. Due to the high operation cost and others, hotels have been forced to close, and owners are planning to sell them. In March, Singaporean state-backed conglomerate Keppel Corp. sold the Sedona Hotel Yangon to Spring Blossom Ventures, a company registered in Singapore, for US\$57.4 million. Some privately

owned hotels in major cities like Yangon and Mandalay have managed to survive because they mainly cater to domestic travelers and have been able to adjust by targeting local holidays. Many tour companies have shut down, and others are not renewing their licenses because they have no business. According to the Myanmar Tourism Federation, there are over 1,900 hotels with 80,000 rooms across Myanmar. Hundreds of hotels in Myanmar's most popular destinations, like Yangon, Mandalay, Bagan, Chaungtha, Ngwesaung, and Shan State, are reportedly in the process of being put up for sale. Among them are four-star hotels. Apart from a significant decline in the number of foreign travelers, unremitting power outages and inflation have also taken a toll on hoteliers. Myanmar received over 3.5 million foreign visitors in 2018, and nearly 4.4 million foreign visitors in 2019. However, the number of foreign tourists visiting Myanmar last year fell to the thousands.

Learnt from: The Irrawaddy News (June 22, 2023)