

DEVELOPMENT RIGHTS VALUATION IN EMERGING MARKETS - YANGON, MYANMAR

Robert Khan & Co Pte Ltd, a leading firm with extensive emerging markets valuation expertise, was appointed by a Myanmar conglomerate to value the development rights (the development rights value is the amount that any purchaser in the open market would pay for the lease and rights to develop a piece of land) of land plots in two exclusive residential developments in Yangon, Myanmar recently. The conglomerate has various major business interests including banking & financial services, real estate development, construction, manufacturing, service industry and information technology in Myanmar and other parts of the world.

Myanmar - Yangon

Myanmar, formerly known as Burma, is the largest country on the mainland of Southeast Asia. Composed of seven states and seven divisions, Myanmar covers a total area of approximately 676,577 square kilometers. It has a population of about 60 million and is made up of about 135 ethnic groups.

Yangon (formerly known as Rangoon), the largest city in Myanmar, has been the capital since 1885. It is the transportation hub of the country and its commercial and industrial center. The present day Yangon covers over 350 square

kilometres and has a population of about 6 million.

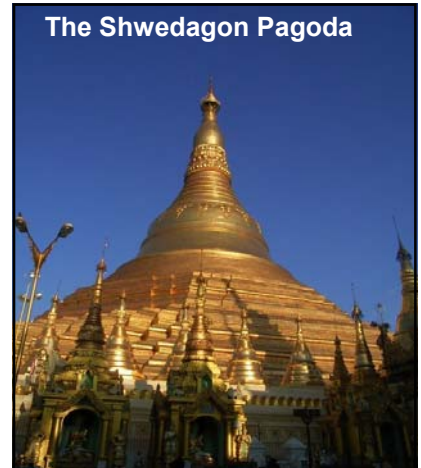
Yangon - First Impression

All foreigners require visa to enter Myanmar at Yangon. Our valuation team arrived in Yangon International Airport after a 4-hour flight from the Singapore Changi Airport. Clearing through the immigration and customs was smooth. Yangon City is about 30 minutes' drive from the airport. In Myanmar, men and women wore longyis (sarongs) and sandals. Western style dress was not a common sight. Unlike most other capital cities, there were hardly any skyscrapers, fast food restaurants nor shopping malls in Yangon. Nonetheless, with its old colonial British and religious buildings completing the cityscape, it exudes an old-world charm unique to the city. In our interaction with the people, we found them charming, friendly and eager to lend a helping hand. In Yangon, one could not possibly fail to notice the landmark, by which city planning is referenced to, the Shwedagon Pagoda. The 100 metres high golden stupa (where eight strands of Buddha's hair are housed) atop a 58 metres base could pretty much be seen in most parts of the city. Accordingly, the Pagoda sets the maximum building height of all other buildings in Yangon.

The Developments

The two exclusive residential developments are located some 9 miles from the centre of Yangon City and approximately 6 miles from the Shwedagon Pagoda.

The first residential project is developed by a public company incorporated in Myanmar. The 500 acres middle-class residential project comprises mainly single & double-storey detached houses and condominiums. The 2000-unit housing estate is a gated township with its own recreation center which houses a swimming pool, billiard room, mini putting green, tennis court, basketball court and

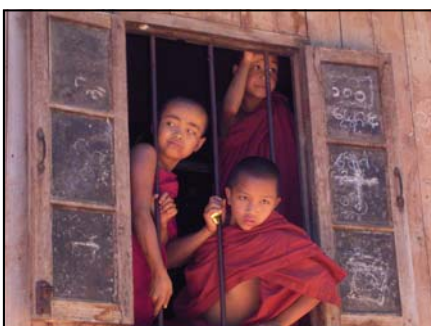


The Shwedagon Pagoda

market, shopping arcade and bank. In addition, the developer provides the residents with estate management services, security services and shuttle bus services to Yangon City. It is the first residential project in Myanmar to introduce these services in return for a maintenance fee borne by the residents.

The second residential development is the only "gated community" in Myanmar with its own independent utilities and international standards infrastructure and estate management services set in 652 acres of land integrated with a Gary Player designed 18-hole championship golf course with computerised irrigation. Further, it has a general hospital of international standard. This world-class residential development has a planned residential community for 800 families in detached houses, apartments and condominiums and an international school.

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Emerging Markets Opportunities

Emerging markets such as Myanmar, Vietnam, Indonesia, India and China present abundant opportunities for valuation services. In these countries, government are making efforts to modernize by introducing market oriented economic reforms in order to attract foreign investment and to permit nascent private sector expansion. As a result, capital flow has become more mobile and real estate and other business assets valuation is increasingly demanded for various purposes such as investment, privatization, mergers and acquisitions, joint ventures and restructuring.

However, these valuations require expertise to consider the risks profile and to source for the necessary information which may not be readily available.

In this exercise, the Robert Khan team, with its significant emerging markets valuation expertise, was able to find solutions to these issues. The conglomerate client was most delighted of our work and we relished the trust and confidence placed on us. On our part, we also cherished the experience of working in one of Asia's most charming cities. ◀



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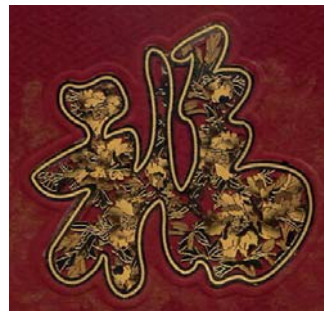
WEBSITE SURVEY

We are continually improving our Web site to make it as useful to you as possible. Please take a few moments to answer these questions about our site [please visit www.robertkhanco.com/survey.htm].

For each completed survey form that we received, **S\$3** will be donated to "Very Special Arts (VSA) Singapore".

VSA Singapore is a charity launched in September 1993 to provide people with disabilities with opportunities to access the arts for rehabilitation and social integration. VSA is a partially funded affiliate of the National Council of Social Service (NCSS). It is also a non-funded affiliate of Very Special Arts International [USA] and her network of organizations in more than 83 countries.

Thank you.



**Robert Khan & Colleagues wish you
A Happy & Prosperous New Year**

筒有为与同事祝您新年快乐, 万事如意!

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