



Getting Ready for the 2015 Yangon Stock Exchange

Myanmar Business Forum

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The IPO Opportunity in Myanmar

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→ The Yangon Stock Exchange will create an opportunity for Myanmar companies to access equity capital markets in Myanmar and ASEAN

→ The 'opening up' of Myanmar has created keen interest in international investors who want to get a foothold in the country in anticipation of growth and development

→ Businesses should develop an 'IPO roadmap and test' to ensure IPO readiness and adequate preparation

→ KPMG's experience has highlighted critical preparation issues in relation to business valuation, group structure, accounting processes, internal controls and business performance

A strategic framework for IPO readiness

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1

Set your destination

Is IPO the right choice at this stage?

2

Formulate your 'equity growth story' & commitment

A strong equity story highlights the past success and future growth potential.

3

Conduct a pre-IPO readiness test

Find out which group structure, accounting standards, systems, processes and internal controls need to be changed.

4

Develop a proper business plan

Set a reasonable pace and business plan to ensure "business continuity" and "best use listing benefit".

5

Prepare to match requirements of regulator and investor

Prepare financial and related requirements to meet the criteria of both Stock Exchange and investors.

Benefits of an IPO

Benefits to the...

Company

- ✓ Access to long-term capital to fund growth and expansion
- ✓ Access to multiple financing opportunities
- ✓ Enhance the company's profile and reputation and confidence to stakeholders
- ✓ Build a positive public image
- ✓ Improve transparency and corporate governance
- ✓ Build a professionally-run organization

Shareholders

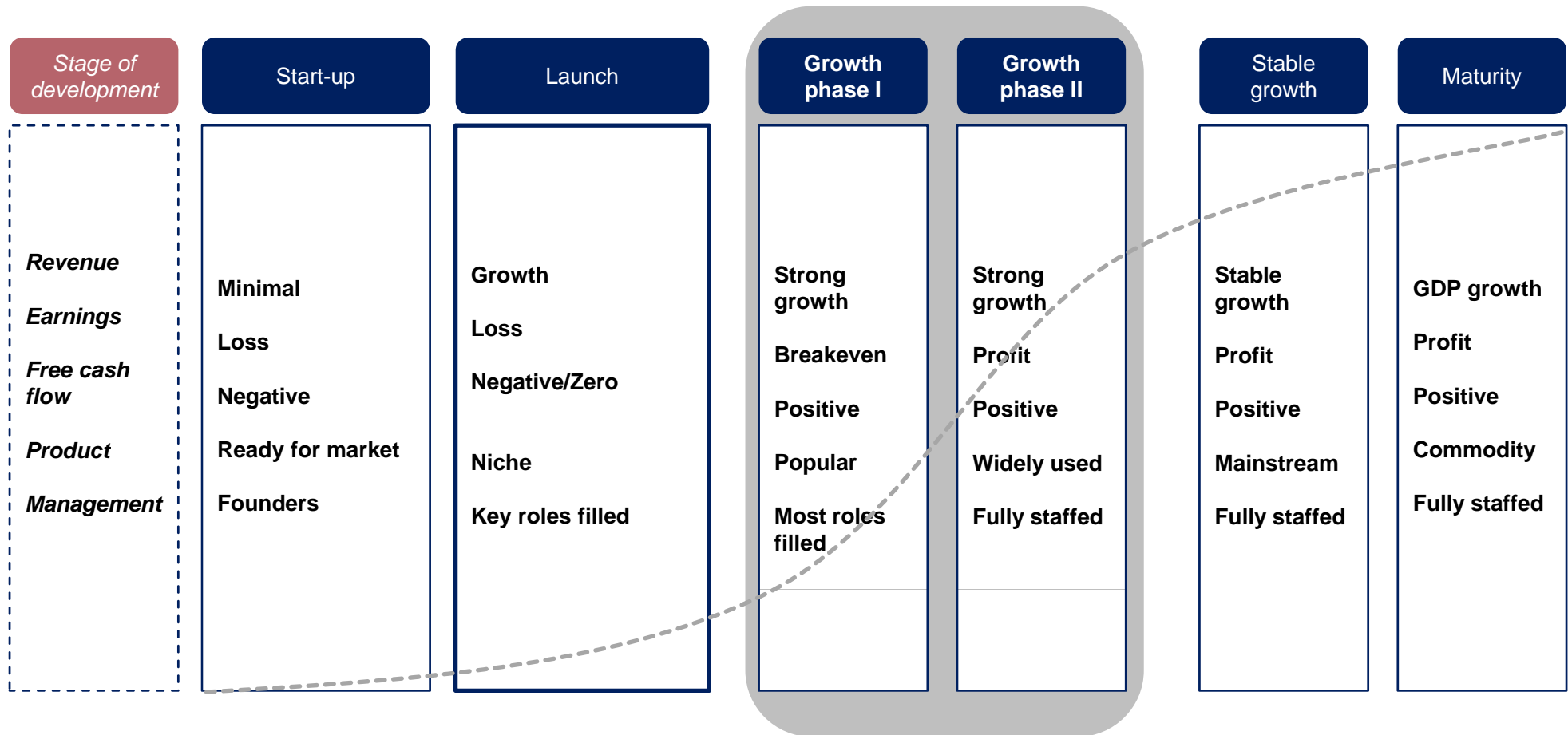
- ✓ Increase share liquidity and trading
- ✓ Diversify equity base to public shareholders
- ✓ Enhance fair value through public trading market
- ✓ Reduce borrowing guarantee /commitment of shareholders

Creditors

- ✓ Improve capital structure
- ✓ Boost transparency and better corporate governance by Audit committee, Stock Exchange regulations
- ✓ Improve credit position / rating

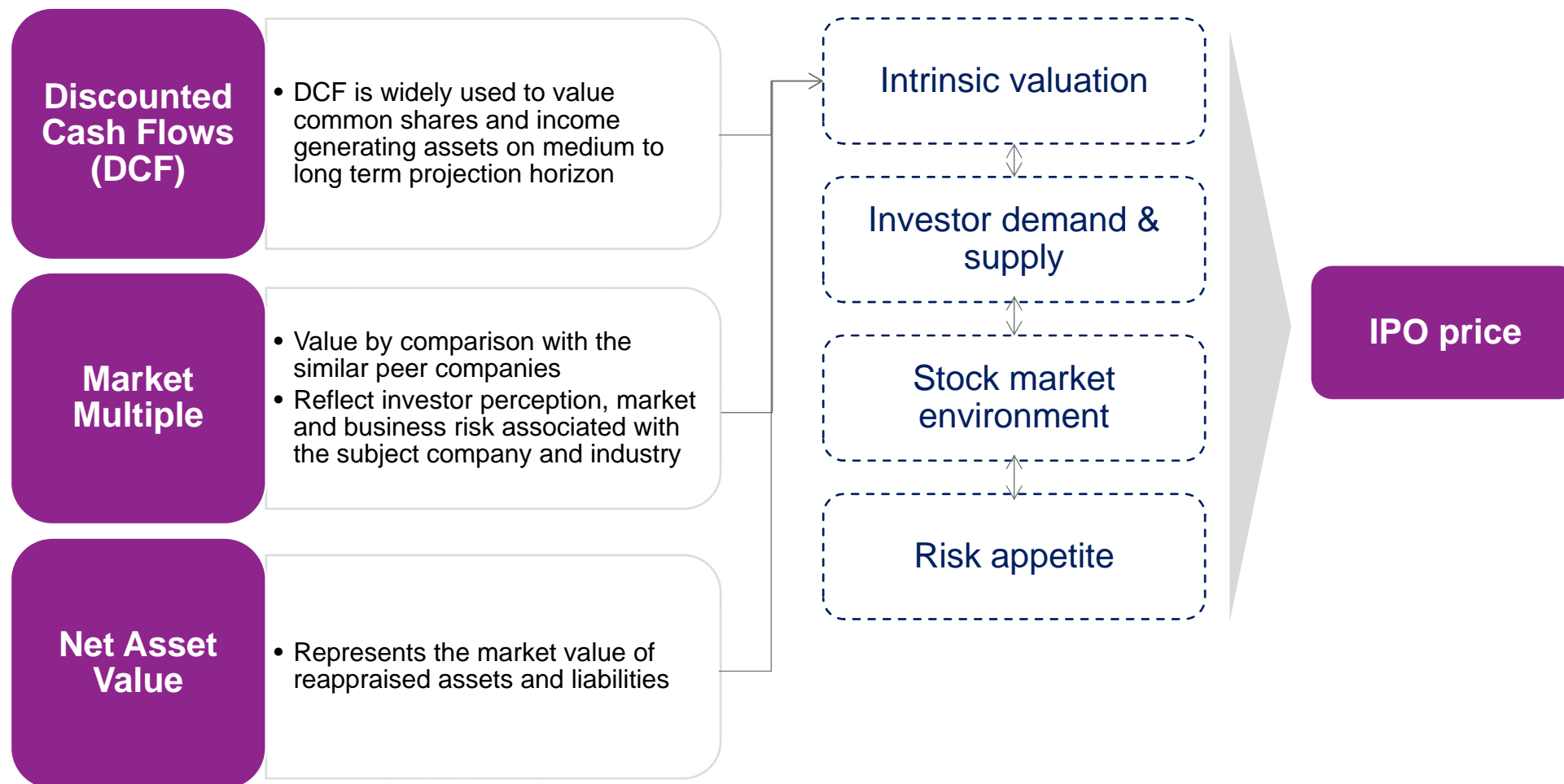
IPO vs. Development stage

Optimal IPO timing through the business lifecycle is critical...



Determining the IPO listing price

Key valuation methodologies

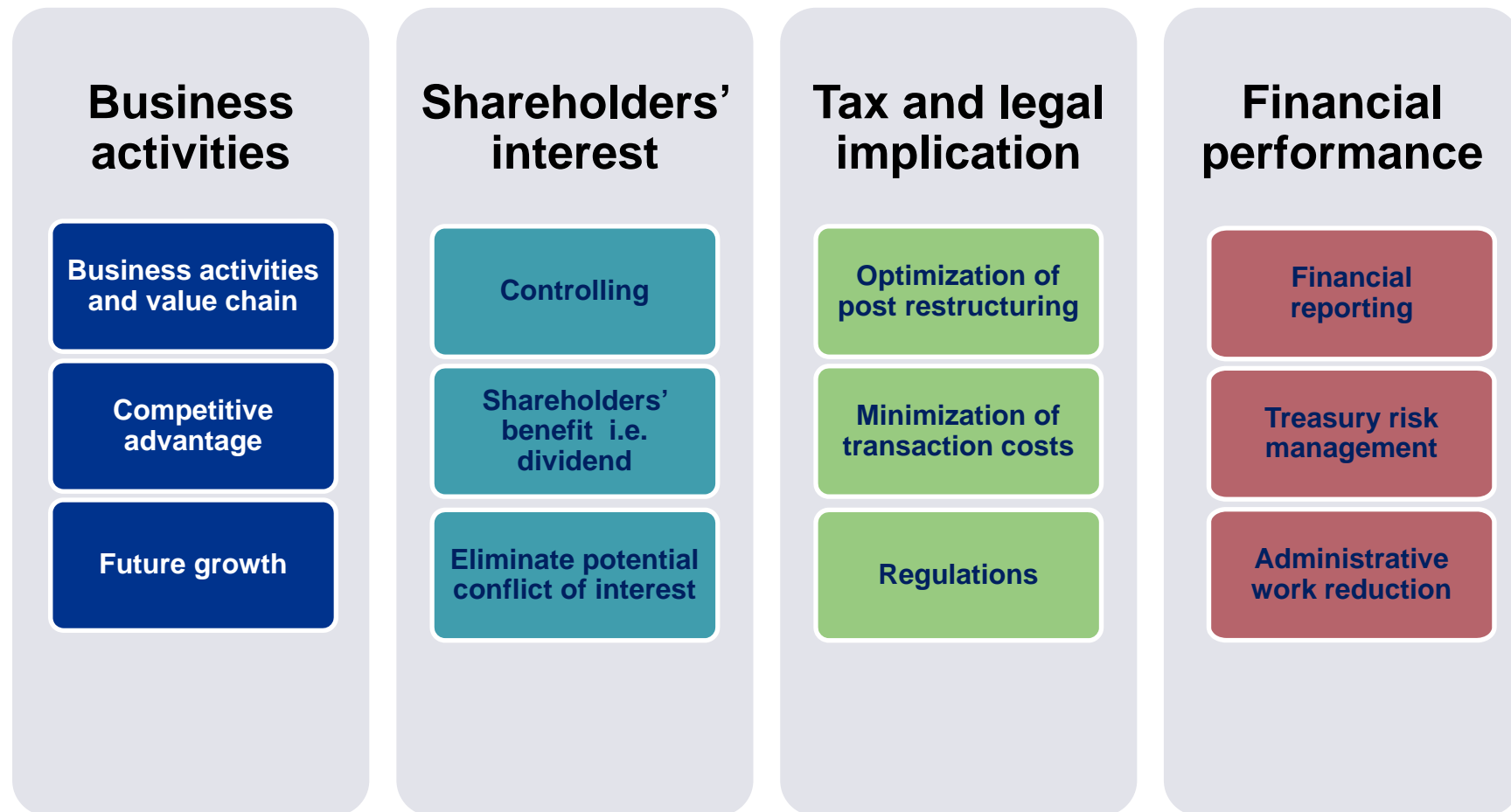


Pre-IPO readiness test



Group business structure for IPO

Enhance your company's competitiveness, internal operating efficiency and valuation, whilst eliminating potential conflicts of interest.





“To be accepted internationally, it is essential for a company to comply with the international accounting standard”

- ➔ Consolidate and Cash Flows
- ➔ Quarterly Financial Statement
- ➔ Year-end Financial Statement
- ➔ Audit committee

The pillars of good corporate governance

- Alignment of business strategy and organization's mission & vision
- Alignment of the business strategy and the organization's capability

- Robust processes to facilitate timely communication of information
- Accuracy of information provided for strategic decision making



- Appropriateness of performance indicators in place to evaluate the desired results
- Adequacy of processes and systems measure and monitor results

- Appropriateness of identification and management of key risks
- Availability of processes to translate strategy into action



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KPMG Advisory (Myanmar) Limited

Suite No. 03-05/06/07
Union Business Centre (UBC)
Nat Mauk Road, Bo Cho Quarter,
Bahan Township,
Yangon, Myanmar

Phone: (95) 1 860 3361 - 63
Fax: (95) 1 860 3364

Fuji Yasuhide

Email: fujii@kpmg.co.th

Tanate Kasemsarn

Email: tanate@kpmg.co.th

Term Techsarin

Email: term@kpmg.co.th

Wirat Sirikajornkij

Email: wirat@kpmg.co.th

Myo Aung Lwin

Email: mlwin@kpmg.co.th