



ROWSLEY & VIETNAM'S HOANG ANH GIA LAI IN PROPOSED JV TO DEVELOP & MANAGE US\$550 MILLION YANGON PROJECT

- *Rowsley will invest US\$275 million for 50% stake in one of the largest mixed-use developments in Yangon*
- *HAGL will make further investments and will undertake construction of the entire project*
- *HAGL Myanmar Centre to have four office blocks, a five-star hotel, retail mall and apartments*

Singapore, 12 February 2015 – Rowsley Ltd., a Singapore real estate developer and architectural and engineering consultancy firm, and Vietnam's Hoang Anh Gia Lai Joint Stock Company (HAGL) today announced a proposed deal for a mixed-use development valued at US\$550 million in Yangon, Myanmar.

Under a Heads of Terms Agreement signed today, Rowsley will invest US\$275 million for a 50% stake in a company that wholly owns HAGL Myanmar Centre, one of the country's largest integrated projects with four office blocks, a five-star hotel, a retail mall, serviced apartments and residential apartments. HAGL will make further investments and will undertake the construction of the entire project.

The detailed terms and conditions for the joint venture are to be agreed in due course and shall be subject to, amongst other things, due diligence and all requisite regulatory approvals.

Spread over more than 73,000 sq metres (sqm) of land located in a prime neighbourhood next to Inya Lake in Yangon, HAGL Myanmar Centre has a land lease term of 50 years plus an option for another 10+10 years and a project value of US\$550 million on completion. It will have a total net gross floor area of almost 640,000 sqm when fully completed in 2018, comprising



both commercial and residential components. It is located 11 kilometres from the airport and seven kilometres from the downtown area and surrounded by embassies, schools, affluent residential areas and government offices.

The first phase of the development includes two office tower blocks with a net lettable area of about 81,000 sqm, a retail mall of about 39,000 sqm and a 400-room five-star hotel, and is expected to be completed by end 2015. Construction of the first phase started about two years ago and the second phase, comprising another two office blocks with net lettable area of about 94,000 sqm, and more than 1,000 service and residential apartment units, is expected to start in early 2016.

Rowsley Chief Executive Officer Lock Wai Han said: “We are delighted to participate in this investment with HAGL. The HAGL Myanmar Centre will be a major landmark in Yangon when completed as it is the largest and first modern integrated development in the country.

“Myanmar has seen rapid developments in the last few years and is without a doubt Asia’s rising star. Yangon currently faces a severe shortage of top grade office space, hotels and modern malls. The first phase of HAGL Myanmar Centre will be operational in 2015 and will immediately address the acute shortage of real estate in all these asset classes.”

After the US lifted the bulk of its economic sanctions in 2012, Myanmar has enjoyed strong foreign investment interest and improved business confidence. A McKinsey Global Institute report estimated that the country will need total infrastructure and real estate investment of US\$320 billion between 2010 and 2030.

The investment will be Rowsley’s first real estate deal after its Iskandar development project since its transition from an investment holding company to a major integrated real estate group with investment, development,



planning, architectural and engineering capabilities. The Group is dedicated to developing sustainable communities in high growth markets in Asia and around the world through the provision of quality homes that meet the aspirations of home buyers, as well as environmentally friendly, state-of-the-art commercial buildings.

Rowsley and HAGL Land will initially both hold 50% stakes in the joint venture, with Rowsley having the option to increase its interest in the joint venture in the future.

"Rowsley, with the participation of RSP, will play key roles in the detailed design and development of both phases of the development and undertake the lead in asset planning and managing the completed development," said Mr Lock.

The Group intends to fund the investment through a mix of debt, equity and bank borrowings.

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For media queries, please contact:

Catherine Ong Associates

Catherine Ong

Tel: (65) 6327 6088

Email: cath@catherineong.com

Doreen Siow

Tel: (65) 6327 6084

Email: doreen@catherineong.com