

To Whom It May Concern

Subject: Myanmar Awba Industries Company Limited left Ngwe Pin Lae Industrial Zone

Myanmar Awba Industry Company Limited (MAIC) has moved the operations in Ngwe Pin Lae Industrial Zone, managed by MEHL to Shwe Lin Ban Sethmu Myo Industrial Zone.

Background

On 4 February 2021, Justice for Myanmar (JFM) disclosed a list of companies with alleged military connections. MAIC was listed as a 'Significant Business Associate'.

On 13 February 2021, Myanmar Awba Industries Company shared its response to JFM and explained that:

- One of MAIC's fertilizer factories/ warehouses was located at Ngwe Pin Lae Industrial Zone, for which MEHL was responsible for maintenance, waste management and security.
- As a tenant of the Zone, the factory had to pay an annual fee of US\$ 460 – less than \$40 a month – to MEHL for these services.
- MAIC was in the process of leaving the Ngwe Pin Lae Industrial Zone.

Update

On 7 May 2021, the Myanmar Investment Commission amended the Permit Ma Na Tha-848/2012 and approved the new location of MAIC at Shwe Lin Ban Sethmu Myo Industrial Zone, Hlaing Tharyar township, Yangon, on land owned by the Department of Urban and Housing Development.

As a result:

- Since May 2021, MAIC has not paid any fee to MEHL.
- In June 2021, MAIC started its operation in Shwe Lin Ban Sethmu Myo Industrial Zone.
- As the owner of the land in the Ngwe Pin Lae Industrial Zone, U Thadoe Hein pays the annual fees to MEHL in a personal capacity. As noted by EuroCham Myanmar in January 2022, "running the industrial zone is unlikely to represent a material revenue stream for MEHL and may even be loss-making"¹.
- U Thadoe Hein is now looking to sell this asset as soon as reasonably possible, given the current circumstances. However, "there are currently no buyers for the plots in the zone, due to the economic and political situation in Myanmar, and the reputation risk of the link to MEHL."²

These decisions reflect MAIC's and MAIC's shareholders' willingness to conduct their business responsibly.

If you have any questions, please do not hesitate to contact us at

thadoehein@awba-group.com
rajesh.malhotra@awba-group.com
corporatecommunication@awba-group.com

Yours sincerely,



Thadoe Hein
Group Chairman and Chief Executive Officer
Dated: March 10, 2022

¹ EuroCham Myanmar, [Myanmar Garment Sector Factsheet](#), January 2022, page 11

² *Ibid.* page 12.