



IGE - SIN PHYU SHIN COMPANY LIMITED

Incorporated in the Republic of the Union of Myanmar
Company Registration Number: 108753439

No.16, Mya Street, Myanma Gon Yaung Estate, Tarmwe Township, Yangon, Myanmar

Telephone: +95 1 430553,430554,430667,430668,430669

Fax: +95 1 430699

To Whom It May Concern

We are writing to you as we note that IGE Sin Phyu Shin Company Limited is listed in Justice for Myanmar's recent Excel spreadsheet as a 'Significant Business Associate' of the Myanmar military.

IGE Sin Phyu Shin Company Limited is a private local company which formed and took a minority shareholding in a joint venture company called Posco International Amara Company (the "Company") in order to develop the LOTTE Project (the "Project"). IGE Sin Phyu Shin Co Ltd does not have economic or commercial ties with the military and is committed to transparency. Its beneficial owner is IGE (International Group of Entrepreneur) majority share owned by Ne Aung.

IGE Sin Phyu Shin has been included in your list on the grounds that it is a 'Developer of LOTTE Hotel real estate project on land leased by the Myanmar military under BOT agreement'. We are therefore writing to set out the background to this BOT agreement, and the rental agreement.

In 2012, the Ministry of Defense (MoD), on behalf of the Government of Myanmar, held an open public tender to develop facilities on 12 plots of including the one known as Sin Phyu Shin Yeik Thar Housing for military officers, where the LOTTE Project now stands. The Company was selected as the winning bidder among 7 bidders for Sin Phyu Shin following a fair competition with proper selection criteria based on land rental fees and land premium.

Since the Government of Myanmar was represented by the MoD, the land rental fee is paid via the MoD account by the Company according to the BOT-LLA (Built-Operate-Transfer with Land Lease Agreement). In accordance with the Union Budget Law FY 2020-21 of 28 August 2020 (Law 17/2020), Chapter 1, Art.2 requires all Union Ministries and Departments, including the Ministry of Defense to remit all income to the Union Budget Account, and only to draw their spending only from the Union Budget Account¹. Therefore, the rental fees received by the MoD for the Project cannot be retained for direct use by the MoD.



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In view of above, we request you remove IGE Sin Phyu Shin Company Limited from the list of 'Significant Business Associates' of the military.

Your Sincerely,

Thazin Aung

Managing Director

Date : 26th February, 2021

¹ Law 17/2020 Section 2. The President of the Union, the Union Government, the Pyidaungsu Hluttaw, the Pyithu Hluttaw, the Amyotha Hluttaw, the Supreme Court of the Union, the Constitutional Tribunal of the Union, the Union Election Commission, the Attorney General of the Union, the Auditor General of the Union, the Union Civil Services Board, the Union Ministries and the Departments shall carry out their functions with the Union Budget Programme. All receipts from carrying out such functions shall be credited to the Union Budget and all expenditures payable shall be debited from the Union Budget.'