

U.S. Government Annual Report on Responsible Investment in Burma
Richard Wynn Naing Co. Development Group, Ltd. (RWNDG)
Public Report

Via Email (BurmaPublicReport@state.gov)

September 24, 2015, 2015

U.S. Department of State
2201 C Street, NW
Washington, DC 20520

RE: Report on Responsible Investment in Burma

To Whom It May Concern:

Richard Wynn Naing Development Group. (RWNDG) hereby submits the enclosed Report on Responsible Investment in Burma, pursuant to the U.S. Department of the Treasury, Office of Foreign Assets Control's Burmese Sanctions Regulations, as well as the U.S. Department of State's "Reporting Requirements on Responsible Investment in Burma" issued on May 23, 2013. Naing's operations in Burma principally relate to real estate development, as well as tourism and travel services.

If you have any questions regarding this matter, please contact RWNDG at rnaing@rwndg.com.

Sincerely,



Richard W. Naing
President

Richard Wynn Naing Development Group, Ltd.

BURMA — REPORT ON RESPONSIBLE INVESTMENT — PUBLIC REPORT

1. Name

Richard Wynn Naing Development Group, Ltd. (RWNDG)

2. Acknowledgement

By signing this public report below, RWNDG acknowledges that this report will be made public. RWNDG does not consider any information presented in this report (Items 1 through 8 below) to be exempt from public disclosure under the Freedom of Information Act Exemption 4. As such, no redactions have been made prior to submission.


Richard W. Naing - President

9-24-15
Date

3. Point of Contact

RWNDG
Richard W. Naing
200 E. Lexington St. Suite 1501
Baltimore, MD 21202
rnaing@rwndg.com

4. Overview of Operations in Burma

a. Name(s) of companies, including all subsidiaries, operating in Burma covered by this report:

This report covers RWNDG Investments in:

- Asian Vacation Travel & Tour Company Limited (AVTT) (Burma)
- Richard Wynn Naing Co., Ltd. (RWN) (Burma)
- Bay of Ngwe Saung Development Company Limited (BONS) (Burma)
- RWN Real Estate Company Limited (RRE) (Burma)

****Voluntary winding-up proceedings have been commenced in respect of RRE****

b. Nature of business in Burma

RWNDG, through its investments in the above Burma companies, is principally involved in the real estate development business, as well as tourism and travel services business, in Burma. Specifically, RRE, RWN, and BONS are in the real estate development business; whereas AVTT is in the tourism and travel services business.

c. Location(s) of operations in Burma

RRE	Room (4), Building (9/6), Yan Nyein Housing, Yankin TSP, Yangon
AVTT	Room (4), Building (9/6), Yan Nyein Housing, Yankin TSP, Yangon
RWN	Room (4), Building (9/6), Yan Nyein Housing, Yankin TSP, Yangon
BONS	Room (4), Building (9/6), Yan Nyein Housing, Yankin TSP, Yangon

Richard Wynn Naing Development Group, Ltd.

d. Approximate maximum number of employees in Burma during the reporting period (broken down by Burmese and non-Burmese employees).

RRE	0 employees in Burma – with 0 Burmese employees, and 0 non-Burmese employees
AVTT	2 employees in Burma – with 2 Burmese employees, and 0 non-Burmese employees
RWN	3 employees in Burma – with 3 Burmese employees, and 0 non-Burmese employees
BONS	2 employees in Burma – with 2 Burmese employees, and 0 non-Burmese employees

5. Human Rights, Workers Rights, Anti-Corruption, and Environmental Policies and Procedures

As far as practicable, RWNDG seeks to uphold internationally recognized guidelines and best practices in connection with conducting his business activities. Their business philosophy entails aspiring towards internationally recognized conventions that are relevant for his business scale and industry, such as the UN Universal Declaration of Human Rights as well as the International Labor Organization guidelines.

a. Due diligence policies and procedures

RWNDG will conduct background checks on each prospective individual or entity with whom he may do business with (e.g., landowner, investor, contractor, consultant, customer, business partner). Such counterparty background checks will typically focus on the following areas:

- potential involvement in human rights' abuses;
- management record on workers' rights;
- allegations of corruption;
- nature of any ties to the former Burmese junta regime; and
- involvement with sectors of concern (e.g., restricted mining or logging activities).

Background checks usually include conducting searches against the OFAC's list of Specially Designated Nationals and Blocked Persons, as well as other global databases (e.g., World-Check, Interpol, and the World Bank's Listing of Ineligible Firms & Individuals). Such searches are undertaken with a view towards ensuring compliance with U.S. and global sanctions, as well as to be apprised of any material negative publicity or areas of concern in respect of potential counterparties.

Given their current focus on real estate projects, RWNDG also investigates land ownership, and the status of any potential disputes over such land, to ensure that he is dealing with legitimate property representatives and unencumbered property. They also conduct checks to ensure there are no instances of forcible displacement of prior residents on any properties under evaluation.

b. Policies and procedures that address anti-corruption in Burma

Not applicable, because RWNDG does not have formal written policies/procedures in place.

Notwithstanding, RWNDG is committed to adhering to applicable laws and regulations on anti-corruption and corporate governance. While there are no formal written policies/procedures in place relating to anti-corruption, extensive due diligence is conducted on the counterparties prior to any investments in Burma.

c. Policies and procedures that address community stakeholder engagement in Burma

RWNDG has a broad network across civil society in Myanmar, and regularly engages with prominent local representatives for feedback and guidance regarding his current and future operational plans.

Richard Wynn Naing Development Group, Ltd.

On any prospective real estate transaction, RWNDG also conducts an investigation to ensure that there are no outstanding disputes or potential claims regarding the land or property in question. In addition to its local network, they work with the Myanmar office of a prominent regional law firm to conduct such reviews.

d. Policies and procedures that address hearing grievances from employees and local communities, including whether grievance processes provide access to remedies, and how employees and local communities in Burma are made aware of said processes

RWNDG has an open-door policy for all employees, consultants, and business partners and local communities to discuss any matter in relation to his ESG policy (including human rights, land acquisition, anti-corruption, environmental policies), in confidence.

Communication can be received by RWNDG in person or in writing. The contact details of RWN's Burma entities will be displayed at project sites. Members of RWN's Burma entities, accompanied by translators, will also visit project sites on a regular basis and are available to discuss any issues with contractors, consultants, and local community representatives. RWNDG has the ability to receive communication and to respond in English and Myanmar language (Burmese).

Sexual harassment is strictly prohibited in RWNDG's Burma entities. Any employee who believes that he or she has been the victim of sexual harassment is strongly urged to report such conduct immediately to his or her supervisor. All information will be held strictly in confidence and will be disclosed only on a need to know basis for the purposes of investigating and resolving the claim. RWNDG's Burma entities will immediately investigate all complaints of sexual harassment and take appropriate disciplinary action against the perpetrator, including verbal warning, suspension, probation or discharge.

e. Global corporate social responsibility policies, including those that address human rights, sustainability, worker rights, anti-corruption, and/or the environment

RWNDG adheres to an equal employment opportunity policy for all employees without regard to race, color, religion, gender, national origin, age, disability, marital status, or status as a covered veteran in accordance with applicable international, U.S. federal and state laws, as well as the local laws in Burma. In addition, RWNDG has developed and maintained a written Affirmative Action Plan, which provides for the recruitment and advancement of minorities, women, disabled, and veterans in his work force. RWN complies with applicable state and local laws governing non-discrimination in employment in every location in which he has facilities. RWNDG expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender, sexual orientation, national origin, age, disability, or veteran status. They apply the same strict guidelines in his interactions with his contractors, consultants, and business partners.

They pay particular attention towards ensuring that none of his consultants or contractors is involved in, or employs on his projects, or elsewhere, any child or forced labor. Their due diligence on potential business partners pays particular attention to this area. The child labor policy is consistent with the International Labour Organization standards as well as Burma law.

f. Whether and the extent to which the policies and procedures described in Question 5.a through 5.d, and their purpose, are communicated to related entities in Burma, including but not limited to subsidiaries, subcontractors, and other business partners.

The policies and procedures described in Questions 5.a through 5.d, as well as their underlying rationale, are communicated to all employees and consultants of Naing.

Where relevant (e.g. due diligence requirements for selection, anti-corruption policy), these policies and procedures are also communicated to subcontractors and business partners and in such cases,

Richard Wynn Naing Development Group, Ltd.

acknowledgement of his policies is a requirement for selection or partnership.

6. Arrangements with Security Service Providers

Not applicable. Neither RWNDG nor the Burma entities listed in Question 4.a employ any third party security service providers.

7. Property Acquisition

Through RWNDG's investment in BONS, a one-third interest in 19.6 acres of undeveloped land in Ngwe Saung Township, Burma was acquired. The total acquisition price for the land was \$1,000,000. [Notwithstanding that the value of RWNDG's indirect one-third interest in such land may conceivably fall short of the US\$500,000 threshold, RWNDG would like to include this property acquisition in this report in the interests of full and fair disclosure.] To the best of RWNDG's knowledge, no dislocation or involuntary resettlement issues have arisen in relation to the foregoing acquisition.

The current development plan is to build a hotel, restaurant, and resort condominiums on the above land. This development is expected to provide employment for up to 400 Burmese citizens. The plan is currently on hold, pending the orderly outcome of the national elections that have been scheduled to take place on November 8, 2015.

8. Transparency:

Report total payments made by submitter or on its behalf valued over \$10,000 during the reporting year to each Government of Burma entity and/or any sub-national or administrative governmental entity or non-state group that possesses or claims to possess governmental authority over the submitter's new investment activities in Burma. Payments to each entity should be reported by each separate payment type, including but not limited to, royalties, tax obligations, production-sharing arrangements, and fees. If the submitter's aggregate payments to a particular entity during the reporting year are valued at less than \$10,000, there is no need to report on payments to that entity. If no aggregate payments are valued over \$10,000, indicate by "none," "not applicable," or another appropriate response. This reporting requirement is in addition to any other legally required reporting on payments made to government entities.

Not applicable. RWNDG is not aware of any such payments that exceed the \$10,000 threshold.