

REPORT OF INDEPENDENT AUDITOR

To the shareholders of Italian-Thai Development Public Company Limited

I have audited the accompanying consolidated financial statements of Italian-Thai Development Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the separate financial statements of Italian-Thai Development Public Company Limited, which comprise the separate statement of financial position as at 31 December 2015, the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a reasonable basis for my qualified audit opinion.

Basis for Qualified Opinion

The consolidated financial statements as at 31 December 2015 include trade accounts receivable and un-billed work in progress of overseas subsidiary totalling Baht 626.56 million which represent a number of variation order claims recognized some years ago based on the terms and conditions implicit in the agreements. These claims are technical in nature and subject to arbitration tribunal. The subsidiary has assessed the realization of these claims based on information from the dispute resolution board, the arbitration tribunal, High Court orders and legal opinion from an independent counsel. During the year, such subsidiary concluded an agreement with the employer to accept the partial settlement of outstanding trade account receivable and un-billed work in progress. Therefore, the subsidiary has recognised loss on such agreement of Baht 663.26 million in the consolidated financial statements for the year ended 31 December 2015. In addition, the consolidated financial statements as at 31 December 2015 also include trade receivables and un-billed work in progress of overseas subsidiary of Baht 164.66 million and Baht 26.00 million, respectively. These amounts are presently under negotiation with the customers or subject matter litigation. I cannot assess the potential impact (if any) to such outstanding balance.

Qualified Opinion

In my opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position as at 31 December 2015 and the consolidated results of operations and cash flows for the year then ended of Italian-Thai Development Public Company Limited and its subsidiaries, and the separate financial position as at 31 December 2015 and its results of operations and cash flows for the year then ended of Italian-Thai Development Public Company Limited in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to following information :

- 1) As discussed in Note 3 to the financial statements, the Company has changed its accounting policies from the adoption of new financial reporting standards.
- 2) As discussed in Note 14 to the financial statements, the Company has land lease concessions and projects under development in the Dawei Special Economic Zone for which the Company had invested in the area development. This project depends on the cooperation of the governments of Thailand and Myanmar as the new concessionaires and promoter of the Dawei Project. The Company has the right to reimburse such amount, including other expenses which are under the negotiation with the Special Purpose Vehicle entity, after the completion of the due diligence work performed by the consultants of the two governments. On 5 August 2015, the Company signed concession agreements for initial phase of Dawei Project and the Supplemental Memorandum of Understanding to the Tripartite Memorandum between the Company, Dawei Special Economic Zone Management Committee and the Special Purpose Vehicle entity which included an agreement on the principle and process of reimbursement for the Company's previous investment.

- 3) As discussed in Note 15 to the financial statements, a subsidiary company has potash mining rights for which the application for potash mining concessions is in process. The Company's management believes that this project will be approved by the government and will become operational as planned in the near future.

My opinion is not qualified in respect of the matters above.

Mr. Teerasak Chuasrisakul

Certified Public Accountant

Registration No. 6624

Bangkok, Thailand

29 February 2016