**Independent Auditor's Report**

To the Shareholders of Richy Place 2002 Public Company Limited

**Opinion**

I have audited the financial statements of Richy Place 2002 Public Company Limited and its subsidiary, which comprise the consolidated and separate statements of financial position and as at December 31, 2017, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Richy Place 2002 Public Company Limited and its subsidiary and Richy Place 2002 Public Company Limited as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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**Consideration of allowance for doubtful belong to deposit receivable for WORA’s project and estimate obligation of lawsuit**

The Company has deposit of the purchase and sales agreement with non - related company since 2015, then the Company has cancelled the contract and filed a lawsuit against the seller in relation to refund the deposit with interest rate 7.50% per annum and the seller has against to Civil Court, the seller claim that they followed by the contract they did not breach agreement, once the buyer breach agreement the seller can cancel the contract and keep all the deposit that buyer provided

And the seller has not to refund amends by buyer’s request. Furthermore seller has filed a lawsuit against for the amends from buyer that buyer breach the agreement amount of Baht 144.20 million with interest rate 7.50% per annum. The Company has not estimated obligated that might occur from this case in the financial statement. Currently the case is under consideration at court. The consideration of allowance for doubtful of this deposit and the estimation obligation might occur if the Company loses the lawsuit will have significant for auditing. Because amount of deposit account as December 31, 2017, is of Baht 145 million that have a significant with consolidated financial statement, was calculated to 2.39% of total assets that not sure that the Company would receive back and not sure about the damage that may happen from this case.  
The method of my auditing including consideration financial position and the expect amount will be received from seller for that deposit; require the lawyer confirmation’s opinion, and lawyer consultation of audit firm.

**Inventory (Cost of property developing for sale) and allowance for decreasing of inventory valuation**

The consideration of property developing cost is the significant judgmental which effects to inventory valuation in statement of financial position and gain recognition when occur the sale transactions. Moreover, the net realizable value of inventory requires management to make subjective judgement and estimates. It’s the significant to auditing because of as at December 31, 2017, inventory amounting to Baht of 5,613.96 million, by 92.60% of total assets, so I focused on this area.

The audit procedure are included test of transaction cost increasing by check with accounting evident such as invoices, interest capitalized, evaluate and test sale pricing and discount, subsequence sale and discount, and also site survey to ensured that inventory physical are not abandoned and continuing construction.

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**Other**

The financial statements of Richy Place 2002 Public Company Limited, which comprise statements of financial position and as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders’ equity and cash flows for the year ended December 31, 2016, which have been presented her with for comparative purposes were audited by another auditor in my firm, whose report dated on February 28, 2017 expressed an unqualified opinion.

**Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor’s report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor’s report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

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**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

* Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit 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 Group’s internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
* Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
* Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Mr. Jadesada Hungsapruek

(Mr. Jadesada Hungsapruek)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

Bangkok

February 27, 2018

**RICHY PLACE 2002 PUBLIC COMPANY LIMITED**

**AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

**AND INDEPENDENT AUDITOR’S REPORT**