Italian-Thai Development Public Company Limited
Profile
Dawei Deep Seaport & Industrial Estate Project

Financials / Stakeholders / Activities in Burma (Myanmar)¹

Last Update: Oct. 21, 2011

¹ The authors of this memorandum assume no responsibility for statements attributed to third parties, nor purport that the contents of such statements are true or accurate.
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I. Company Profile of Italian-Thai Development Public Company Limited (ITD)

A. General Information

1) Name
   • Italian-Thai Development Public Company Limited (referred to throughout as, “ITD”)

2) Country of Incorporation
   • Thailand
   • Registration Number: 0107537000939

3) Stock Exchange Listing
   • The Stock Exchange of Thailand (SET: ITD)
   • First Trade Date: Aug. 9, 1994
   • Historical stock trade price ranges
     - Last 10 years: http://hfgapps.hubb.com/asxtools/Charts.aspx?asxCod e=ITD&compare=comp_index&indices=0&pma1=0&pma2=0&volumeInd=9&vma=0&TimeFrame=M5

4) Company History
   • Founded: Aug. 15, 1958 (under the name “Italian-Thai Development Corporation Company Limited”), by Dr. Chaijudh Karnasuta (Thai) and Mr. Giorgio Berlingieri (Italian) with the objective of establishing a Thai construction company.
     - Initial registered capital: 2,000,000 Thai Baht (USD $95,279)
     - Mr. Giorgio Berlingieri passed away in December 1981, and since this time ITD has been run by all-Thai management led by the Karnasuta family members
   • Awarded the Royal Seal of The Garuda by His Majesty the King of Thailand: Dec. 23, 1985.
     - The Royal Seal of the Garuda is the highest and most honorable achievement under the Royal Patronage of His Majesty the King.
   • Registered as a Public Company Limited: Mar. 24, 1994
   • Listed on Stock Exchange of Thailand: Aug. 9, 1994
     - Registered Capital: 2,500,000,000 Thai Baht (USD $99,411,484)
   • Bankruptcy (result of 1997 financial crisis): ITD’s operations were conducted under a Business Reorganization Plan from September 4, 2001 to December 16, 2002
   • Paid-up capital (as of Oct. 19, 2011): 4,193,678,180 Thai Baht (USD $139,343,374)
   • ITD’s business operations are involved in 9 major categories (as of Dec. 31, 2010).
     - Buildings
     - Industrial Plants
     - Pipelines and Utility Works

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ii Paid-up capital is money that a company has received from the sale of its shares, and represents money that is not borrowed. A company that is fully paid-up has sold all available shares, and thus cannot increase its capital unless it borrows money through debt or is authorized to sell more shares. http://www.investopedia.com/terms/p/paidupcapital.asp#ixzz1egM9aTne
• Highways, Railways, Bridges, and Expressways
• Airports, Ports, and Marine Works
• Dams, Tunnels, and Power Plants
• Mining
• Steel Structures
• Telecommunications

• ITD works in many countries other than Thailand, for example: Cambodia, Laos, Burma, the Philippines, Indonesia, Vietnam, Malaysia, Bangladesh, India, United Arab Emirates, Madagascar, Taiwan. 

5) Principal Executive Office,iii and Subsidiary Offices in Rangoon and Dawei
• ITD Principal Executive Office:
  o 2034/132-161 Italthai Tower, New Petchburi Road, Bangkapi, Huaykwang, Bangkok 10310, Thailand, Phone: +66 (0) 2716-1600, Fax: +66 (0) 2716-1488, Email: cccs@itd.co.th
  o Corporate Service Department is responsible for disclosing information to the public. 
• Dawei Development Company Limited (“DDC”), Bangkok, Thailand Office
  o 43rd Floor, 2034/132-161 Italthai Tower, New Petchburi Road, Bangkapi, Huaykwang, Bangkok 10310, Thailand, Phone: +66 (0) 2716-1600, ext. 2000, Fax: +66 (0) 2716-1401, Email: ddc@itd.co.th
• DDC Rangoon Office
  o 6th Floor, Salomon Tower, 224/A, U Wisara Rd., Bahan Township, Rangoon, Burma, Phone: +951-535-421, Fax: +951-536-333 ext. 702
• DDC Dawei Site Office
  o Charkae Village, Nabule, Dawei District, Tanintharyi Division, Burma, Tel: +959-498-65344

6) Website
• Company Website: http://www.itd.co.th/en/index.php
• Stock Exchange of Thailand Listing:
• DDC website: www.daweidevelopment.com (note: as of Oct. 19, 2011 website under construction)

7) Fiscal Year-End
• December 31

8) Auditors
• Mr. Somckid Tiatragul certified auditor No.2785, Ms. Sumalee Chokdeeanant certified auditor No.3322, Grand Thornton Limited, 18th floor Capital Tower, All Seasons Place, 87/1

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iii Principal executive office implies headquarters/main office. Principal Executive Office is a legal term in the U.S. that subjects a company to the jurisdiction of the location where the company maintains its principal executive office. Bangkok is the main office/headquarters/principal executive office for ITD.

iv It is unclear which of the 3 DDC offices is the main office.
Wireless Road, Lumpini, Phatumwan, Bangkok 10330, Thailand, Phone: +66 (0) 2654-3330,
Fax: +66 (0) 2654-3339

9) ITD Legal Advisors
a) General Legal Advisors
- Weerawong, Chinnavat & Peangpanor, Ltd., 540 Mercury Tower, 22nd Floor, Ploenchit
Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok 10330, Thailand,
http://www.weerawongcp.com/, Phone: +66 (0) 2264 – 8000, Fax: +66 (0) 2657 - 2222
  Formerly the Bangkok office of White & Case LLP (until Nov. 19, 2009)
- Prior Legal Advisors: Sin Teck Lim (Counsel), White & Case, 50 Raffles Place #30-00,
Singapore Land Tower, Singapore 048623, Reg. No. 200010572Z, T: + 65 6347 1341, F: +
65 6225 6009, slim@whitecase.com

b) Dawei Project Legal Advisors
- Baker & McKenzie Company is the legal administrator for the Dawei Project.
- At the ITD road show in Bangkok on June 8, 2011, accountancy firm KPMG gave an
overview of the legal context for investment in Burma, including a list of restrictions on
foreign investment. However, no mention was made of Western sanctions on Burma, some
of which prohibit investment in the country.
  KPMG panel members: Ms. Yaowaluk Likitwattnanurak, Partner, KPMG Phoomchai
Business Advisor Limited, and Dr. Nimnual Piewthonggam, Manager, KPMG
Phoomchai Tax Limited.

B. Record Holders (Major Shareholders, as of Sept. 22, 2011)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Major Shareholders</th>
<th># Shares</th>
<th>% Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mr. Premchai Kannasutra</td>
<td>820,484,470</td>
<td>19.56%</td>
</tr>
<tr>
<td>2</td>
<td>Mrs. Nitjaporn Joranajitra</td>
<td>464,593,640</td>
<td>11.08%</td>
</tr>
<tr>
<td>3</td>
<td>Thai NVDR Company Limited</td>
<td>107,152,509</td>
<td>2.56%</td>
</tr>
<tr>
<td>4</td>
<td>NORTRUST NOMINEES LTD.</td>
<td>89,799,100</td>
<td>2.14%</td>
</tr>
<tr>
<td>5</td>
<td>STATE STREET BANK AND TRUST COMPANY</td>
<td>89,668,562</td>
<td>2.14%</td>
</tr>
<tr>
<td>6</td>
<td>STATE STREET BANK AND TRUST COMPANY FOR LONDON</td>
<td>59,147,970</td>
<td>1.41%</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Direk Winichabutr</td>
<td>54,000,000</td>
<td>1.29%</td>
</tr>
<tr>
<td>8</td>
<td>Mr. Taweechat Churangkul</td>
<td>45,500,000</td>
<td>1.08%</td>
</tr>
<tr>
<td>9</td>
<td>STATE STREET BANK AND TRUST COMPANY FOR AUSTRALIA</td>
<td>44,987,000</td>
<td>1.07%</td>
</tr>
<tr>
<td>10</td>
<td>Ms. Chyaporn Roenpittaya</td>
<td>44,088,000</td>
<td>1.05%</td>
</tr>
<tr>
<td>11</td>
<td>TFB FOR MFC-THAI FUND INVESTMENT PLAN</td>
<td>43,955,900</td>
<td>1.05%</td>
</tr>
<tr>
<td>12</td>
<td>Mr. Piyachai Kannasutra</td>
<td>41,591,750</td>
<td>0.99%</td>
</tr>
</tbody>
</table>

Baker & McKenzie is a global law firm, with offices in Thailand. Not clear which office provided services for Ital-Thai, but likely Thailand office.
KPMG is a global network of professional firms providing Audit, Tax and Advisory services, with offices in Thailand. Not clear which office provided services related to the Dawei project for Ital-Thai, but likely Thailand office.
<table>
<thead>
<tr>
<th></th>
<th>Name</th>
<th>Board Position(s)</th>
<th>Management Position(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pol. Lt. Chatrachai Bunyakananta</td>
<td>Chairman, Independent Director, Chairman of the Audit Committee</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Mr. Premchai Karnasuta</td>
<td>Managing Director</td>
<td>President</td>
</tr>
<tr>
<td>3</td>
<td>Mrs. Nijaporn Charanachita</td>
<td>Director</td>
<td>Senior Executive Vice President</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Krisorn Jittorntrum</td>
<td>Independent Director, Audit Committee</td>
<td>Chairman of Risk Management Committee</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Pathai Chakornbundit</td>
<td>Director</td>
<td>Senior Executive Vice President, Vice Chairman of the Risk Management Committee</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Yuthachai Charanachita</td>
<td>Director</td>
<td>Risk Management Committee</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Tawathchai Suthiprapha</td>
<td>Director</td>
<td>Senior Executive Vice President</td>
</tr>
</tbody>
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C. Management Structure
ITD’s executive structure includes the Board of Directors, Audit Committee, Board of Management, and Risk Management Committee.  

1) Board of Directors (as of Oct. 12, 2011)
8 Mr. William Lee Zentgraf Independent Director, Audit Committee
9 Mr. Peeti Karnasuta Director

a) **Board of Directors Authority and Responsibility**

- The Board of Directors has the overall authority and responsibility to direct, manage and supervise the operations of ITD, all in accordance with the Law, the regulations of ITD and the resolutions of ITD’s Shareholders.
- Pursuant to the ITD’s regulations, the Board of Directors has the authority to decide upon and oversee the operations of ITD, except for the following assignments that shall only be executed with the consent of a meeting of ITD’s Shareholders:
  - Matters the Law stipulates shall only be performed upon the resolution of the Shareholders;
  - Certain business matters as stipulated by the Stock Exchange of Thailand; and
  - Buying or selling of assets having a value equal to or greater than fifty percent (50%) of the total value of the assets of ITD, as stipulated by the Stock Exchange of Thailand.

2) **Board of Management** (as of Dec. 31, 2010)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mr. Premchai Karnasuta</td>
<td>Director and President</td>
</tr>
<tr>
<td>2 Mrs. Nijaporn Charanachitta</td>
<td>Director and Senior Executive Vice President</td>
</tr>
<tr>
<td>3 Mr. Pathai Chakornbundit</td>
<td>Director and Senior Executive Vice President</td>
</tr>
<tr>
<td>4 Mr. Tawatchai Suthiprapha</td>
<td>Director and Senior Executive Vice President</td>
</tr>
<tr>
<td>5 Mr. Somchai Tumrongwang</td>
<td>Senior Executive Vice President</td>
</tr>
<tr>
<td>6 Mr. Tawee Changpetch</td>
<td>Executive Vice President</td>
</tr>
<tr>
<td>7 Mr. Anan Amarapala</td>
<td>Vice President (Marine)</td>
</tr>
<tr>
<td>8 Mr. Thanin Bumrungsap</td>
<td>Vice President (Project)</td>
</tr>
<tr>
<td>9 Dr. Nattawuth Udayasen</td>
<td>Vice President (Project)</td>
</tr>
<tr>
<td>10 Mr. Sompop Pinijchai</td>
<td>Vice President (Cost Engineering Analysis)</td>
</tr>
<tr>
<td>11 Mr. Chatichai Chutima</td>
<td>Vice President (Finance)</td>
</tr>
<tr>
<td>12 Mrs. Pienghatai Pongsuwan</td>
<td>Vice President (ITD Group of Company and Contract Administration)</td>
</tr>
</tbody>
</table>

a) **Board of Management Authority and Responsibility**

- Determine ultimate goals and operational direction of ITD to accord with the current and forecasted economic and market conditions.
- Determine policies and procedures for the operation of ITD.
- Determine the policy, consider and decide on the selection of relevant projects in which ITD should participate, tender, and execute.
- Consider and approve the appointment, transfer, and discharge of staff at division head level and above.
- Consider and approve the adjustment of salaries, wages, and remuneration, including consideration and recognition of employee meritorious service.
• Appoint a person or persons to act on behalf of the Board of Management for any assignment.
• Consider and approve expenditure on buying assets and other expenses of ITD.
• Review, consider, and comment on all matters related to ITD operations.
• Review, consider, and comment on all matters involving the performance of ITD’s various operating segments, and direct and control their management to ensure efficient, economical and well-timed operation, including compliance with all contractual obligations to clients.
• Undertake all ITD affairs not delegated to other ITD segments.
• Undertake all other matters as directed by the Board of Directors.

See Annex A, for biographies of ITD’s Board of Directors and Board of Management

3) Risk Management Committee (as of Dec. 31, 2010)\(^{37}\)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Dr. Krisorn Jittorntrum</td>
<td>Chairman of the Risk Management Committee</td>
</tr>
<tr>
<td>2  Mr. Pathai Chakornbundit</td>
<td>Vice Chairman of the Risk Management</td>
</tr>
<tr>
<td>3  Mr. Chatichai Chutima</td>
<td>Risk Management Committee</td>
</tr>
<tr>
<td>4  Mr. Sompop Pinijchai</td>
<td>Risk Management Committee</td>
</tr>
<tr>
<td>5  Mr. Yuthachai Charanachitta</td>
<td>Risk Management Committee</td>
</tr>
<tr>
<td>6  Ms. Penpan Riengthonglang</td>
<td>Risk Management Committee</td>
</tr>
<tr>
<td>7  Mr. Woravudh Hiranyapaisarnsakul</td>
<td>Risk Management Committee, Secretary of Risk Management Committee</td>
</tr>
</tbody>
</table>

a) Risk Management Committee Authority and Responsibility\(^{38}\)

• Review ITD’s risk management policy and framework, which covers all the major risks; namely financial risk, investment risk, operational risk, and corporate reputation risk, before proposing them to the Board of Directors for approval.
• **Setting appropriate risk management measures to support the decisions of the Board of Directors or the Management, especially the investment activities which may significantly affect the financial status of ITD or the risky investment that the Board of Directors provided to the Risk Management Committee for review.**
• Review ITD’s risk management policy and framework, which would cover all the major risks; namely financial risk, investment risk, operational risk, and corporate reputation risk, before proposing them to the Board of Directors for approval.
• Formulate risk management strategies and framework in compliance with ITD’s risk management policy. The Committee shall assess, monitor and control risk at the appropriate level.
• Monitor and ensure that risk management activities are in line with ITD’s policy and framework approved by the Board of Directors.
• Set risk measurement criteria and limit at the acceptable level.
• Set appropriate risk management measures for different situations.
• Review the sufficiency and effectiveness of risk management policy and system.
• Report regularly to the Board of Directors about the management, operation, risk status, changes and areas of improvement to keep risk management in line with ITD’s policy and strategy.
• Appoint a risk management working group if necessary and support the risk managing working group in terms of personnel, budget and other necessary resources under the scope of responsibilities of the working group.

4) Management (as of Dec. 31, 2010)\textsuperscript{39}

According to the definition of “executive” by the Office of the Securities and Exchange Commission of Thailand.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mr. Premchai Karnasuta</td>
<td>President</td>
</tr>
<tr>
<td>2 Mrs. Nijaporn Charanachitta</td>
<td>Director and Senior Executive Vice President</td>
</tr>
<tr>
<td>3 Mr. Pathai Chakornbundit</td>
<td>Director and Senior Executive Vice President</td>
</tr>
<tr>
<td>4 Mr. Tawatchai Suthiprapha</td>
<td>Director and Senior Executive Vice President</td>
</tr>
<tr>
<td>5 Mr. Somchai Tumrongwang</td>
<td>Executive Vice President</td>
</tr>
<tr>
<td>6 Mr. Chatichai Chutima</td>
<td>Vice President (Finance)</td>
</tr>
<tr>
<td>7 Ms. Kanchana Charoenyot</td>
<td>Vice President (Accounting)</td>
</tr>
</tbody>
</table>

D. Major Customers
1) ITD Business in Thailand\textsuperscript{40}

• 2010: 56.88% of construction service revenues were generated in Thailand
• ITD’s business is highly dependent on Thai public sector spending
  o 2010: Thai public sector customers accounted for 71.3% of construction revenues
  o 2009: Thai public sector customers accounted for 69.8% of construction revenues
• Major customers include:
  o Mahidol University
  o Electricity Generating Authority of Thailand (EGAT)
  o Airport Authority of India
  o Thai Department of Highway
  o Bangkok Metropolitan Administration
  o 2010 Construction Revenues: 24.1% of ITD’s construction revenue came from these companies in 2010, and constitute 42.7% of ITD’s backlog\textsuperscript{vii} as of Dec. 31, 2010
• Risk Factor (Dec. 31, 2010)
  o While published government plans for Thailand provide for increased government expenditure on capital infrastructure projects, any significant budgetary reductions by the Thai government would adversely impact the amount of new public sector construction contracts awarded and either this, or any disruption of our relationship with the Government for any reason, would also materially adversely affect our business, financial condition, results of operations, prospects and returns of investors (emphasis added).

\textsuperscript{vii} Backlog represents ITD’s estimate of the contract value of work that remains to be completed at any given time under ITD’s executed project contracts. The contract value of a project represents the amount that ITD expect to receive under the terms of the contract if the contract is performed in accordance its terms, Italian-Thai Development Public Company Limited, Annual Report 2010, at 38, available at \url{http://www.itd.co.th/files/annual/en/ar_itd_e2010.pdf}. 
• Any economic recession or other deterioration in Thailand’s economy, or decline in business, industrial, manufacturing or financial activity in Thailand, could adversely affect our business financial condition, results of operations and prospects.

Market Share in Thailand
• Dec. 31, 2010: Compared with other contractors listed on the Stock Exchange of Thailand, ITD had 43.6% of the market share.\(^{41}\)

2) ITD Business Outside of Thailand
• ITD works in many countries other than Thailand, for example: Cambodia, Laos, Burma, the Philippines, Indonesia, Vietnam, Malaysia, Bangladesh, India, United Arab Emirates, Madagascar, Taiwan.\(^{42}\)

E. Market Share\(^ {43}\)
• ITD is the largest civil engineering and construction firm listed on the Stock Exchange of Thailand (SET) as measured by total revenues of construction companies listed on the SET.
• ITD’s market share of the total construction industry revenues was
  o 2010: 43.56%
  o 2009: 41.41%

F. Financing History\(^ {\text{viii}}\)

Media reports and ITD’s own financial filings indicate the company is not in a secure financial position, and the Dawei project appears to carry a number of significant risks. Forbes reported that last year: \(^ {44}\) the company reported only $10 million profit after two years of heavy losses, but this was on reduced turnover of $1.3 billion and operating margins of less than 5%. Minus asset sales worth $69 million, ITD would have ended in the red again. Even with these divestments, it still has a debt-to-equity ratio of 3.3, much higher than its industry peers. This poses a challenge to Siam Commercial Bank, ITD's financial advisor, which is trying to put together an international consortium for Dawei. U.S. and European sanctions on Burma and the political impossibility of securing World Bank loans put the onus on securing Asian public and private investors, who will need assurances that ITD, as concessionaire, isn't tapped out. "For it to work ITD needs to show its [capital] strength," says Sopon Asawanuchit, executive vice president for Siam Commercial. In May Thailand's TRIS Rating downgraded ITD's local-currency bonds, saying operating performance had been weaker than expected and citing high development costs on large projects. "The downgrade also reflects the company's relatively high

\(^{\text{viii}}\) If advocacy will be conducted with investors or financial institutions, a more detailed financial review should be conducted to include the topics discussed in this memo, as well as: restricted deposits with banks, current investments, promissory notes, trade accounts receivable, financial lease receivables, debentures, Potash Mining Right, etc.
leverage due mainly to its aggressive investment outlays over the past several years," it said.

1) **Loans**\(^{ix}\)
- ITD has not been able to maintain some financial ratios as stipulated in loan agreements\(^{x}\) with two banks.\(^{45}\)
- ITD negotiated with these banks to waive the covenant of such financial ratios, and obtained letters of waiver for the covenants from the two banks\(^{xi}\) dated Aug. 10, 2011 and Aug. 15, 2011 granting to relieve to all covenant conditions under loan agreements for the six-month period ended June 30, 2011.\(^{46}\)

2) **Surety Bonds**\(^{xii}\) and **Contingent Liabilities Under Guarantees Issued to Financial Institutions**

**Risk Factor:** ITD has significant\(^{xiii}\) contingent liabilities that could materialize, which, if they materialize, could materially and adversely affect ITD’s business, financial condition, results of operations and prospects.
- Surety Bonds: ITD has significant contingent liabilities that could arise under the surety bonds that ITD procures for construction projects, under the terms of ITD’s guarantees for its subsidiaries, and under the terms of certain construction projects.
- Contingent liabilities under surety bonds as of December 31, 2009 and 2010\(^{xiv}\):
  - 2010: THB25,883,000,000 (US$862,766,667)
  - 2009: THB24,690,000,000 (US$739,997,003)
- A call on some of these bonds by a project owner would result in the financial institutions providing the bonds claiming the amounts paid under the bonds from ITD.
- Guarantees Issued to financial institutions: ITD has significant contingent liabilities that could arise under guarantees issued to financial institution to secure credit facilities granted by those financial institutions to ITD subsidiaries, associated companies and joint ventures.
- Contingent liabilities under guarantees issued to financial institutions as of December 31, 2009 and 2010:
  - 2010: THB7,818,000,000 (US$260,600,000)
  - 2009: THB8,160,000,000 (US$244,567,661)
- A claim on some of these guarantees by a financial institution could subject ITD to liabilities under the guarantees.

\(^{ix}\) All debts figures herein reflect the value of the debt on the date of reporting, not present value.

\(^{x}\) *Unknown factors leading to inability to maintain these financial ratios – more research and financial expertise needed.*

\(^{xi}\) *Bank names not listed in source: ITD Q2 Financials. Further research on Thai banks needed.*

\(^{xii}\) *A Surety Bond is three-party agreement that legally binds together a principal (Ital-Thai) who needs the bond, an obligee who requires the bond and a surety company that sells the bond. The bond guarantees the principal will act in accordance with certain laws. If the principal fails to perform in this manner, the bond will cover resulting damages or losses. Surety bonds provide financial guarantees that contracts and other business deals will be completed according to mutual terms. Surety bonds protect consumers and government entities from fraud and malpractice. When a principal breaks a bond’s terms, the harmed party can make a claim on the bond to recover losses.*

\(^{xiii}\) *Listed as “significant” in ITD’s 2010 Annual Report.*

\(^{xiv}\) *Values at date of conversion: Converted with historical exchange rates 34.720THB:1USD (Dec. 31, 2008), 33.365THB:1USD (Dec. 31, 2009), and 33.00THB:1USD (Dec. 31, 2010).*
• These factors may adversely affect ITD’s liquidity, which could materially and adversely affect ITD’s business, financial condition, results of operations, prospects and returns of investors.

3) **Short-term Debt**

- ITD’s short-term debt consists of
  o General working capital; and
  o Project specific loans in Thailand and Internationally.
- It is ITD’s practice to advance funds to its joint ventures for working capital. ITD’s short-term debt is incurred at the parent company (ITD) and branch levels outside of Thailand.
- Outstanding bank overdrafts and loans from financial institutions
  o ITD, on a consolidated basis
    ▪ 2010: THB8,395,000,000 (US$279,833,332)
    ▪ 2009: THB9,144,000,000 (US$274,059,642)
  o ITD on a stand-alone basis
    ▪ 2010: THB3,480,000,000 (US$116,000,000)
    ▪ 2009: THB4,527,000,000 (US$135,681,103)
  o This kind of project tied debt will normally be repaid as the projects progress, with full repayment being achieved at project completion.

4) **Long-term Debt**

- ITD’s long-term debt consists of
  o Long-term foreign loans for equipment purchases, project finance and working capital; and
  o Long-term Thai Baht loans for purchasing equipment and project financing and working capital.
- ITD uses long-term loans for supporting ITD’s long term projects.
- Outstanding long-term loans
  o 2010: THB13,013,000,000 (US$433,766,666)
  o 2009: THB14,244,000,000 (US$426,914,431)

5) **Financial Analyst Coverage** (statements attributed to analysts)

a) **ITD Interaction with Financial Analysts and Investors**
- ITD President Karnasuta rarely gives interviews, and has a reputation for ignoring investors and analysts. “We’re all in the dark when it comes to ITD,” says an equity analyst. A complex conglomerate structure, with 45 subsidiaries and joint ventures, adds to the challenge.

b) **Weak Balance Sheet**
- June 9, 2011: If ITD can execute [the Dawei] project successfully it will have a definitive place in Burma’s economic development history, in our view. However, the project could not have come at the worst time for ITD (emphasis added). Its balance sheet is stretched, net Debt/Equity Ratio of 2.2x, on THB24,000,000,000 (US$781,871,017) gross debt at the end of the First Quarter of 2011, we estimate. The current THB50,000,000,000 (US$1,628,897,953) order book (ITD only) yields low operating profit margin partly because
of pre-opex on Dawei and this puts its interest cover at 0.9x. Currently, ITD is reliant on the commercial banks for support.51

c) Weak profit outlook
- June 9, 2011: Management guides that fiscal year 2011 net profit will be lower than fiscal year 2010 due to expenses on DDC (ITD subsidiary for Dawei Project). In fiscal year 2010, ITD had THB1.4B (US$45,609,143) operating losses and THB298,000,000 (US$9,708,232) reported profits mainly from sale of investments. For 2011, we project THB1.3B (US$42,351,347) losses. Thus, if ITD is looking for profit in fiscal year 2011 it would have to come from gains from asset sales. Earmarked for sale this year is the 15% of its 90% stake in an inactive Potash Mine, whose deposit is valued by ITD at US$800,000,000. Bangkok Bank is the financial adviser of the sale.52
- Nov. 23, 2010: Losses from pre-development costs of Dawei Project
  - In the Third Quarter 2010, ITD lost THB73,000,000 (US$2,378,191) at the gross level as pre-development costs of the Dawei Project added the strain of low margin backlog, 2% by our estimate, and topline shrinking by 13% year over year.53
  - We understand that creating a holding company (DDC) significantly lowers the investment direct from ITD’s pocket. However, we have a major doubt whether partners at the holding company level can be found. And while waiting for the partners to emerge, ITD has to carry on with the execution of the plan with its own funding because stalling would significantly reduce the attractiveness of the project, in our view. Thus, DDC could continue to be a cash drain on ITD (emphasis added).54

d) Political Bump
- Bualuang Securities, Chaiyatorn Sricharoen (Analyst)
  - July 5, 2011: “ITD is expected to gain a windfall from the election in terms of the government’s support of its projects in Dawei [Burma],” said Chaiyatorn Sricharoen, an analyst at Bualuang Securities.55
- After Pheu Thai won the July 3, 2011 Thai elections, ITD stock price rose the next day by 30% on expectations that the new government will invest more in infrastructure. Prime Minister Yingluck Shinawatra, is the younger sister of former Prime Minister Thaksin Shinawatra, who kept ITD well fed during his five years in office.56

e) Dawei Not So Similar to Map Ta Phut
- In the press, The Nation and the Bangkok Post, since the signing of the DDP agreement, we observed optimism on the project citing that DDP could be the equivalent of the Map Ta Phut Initiative of Thailand implemented in the late 1980 to early 1990s. On the surface, it appears to be so. If executed as planned, DDP will transform the Burmese economy and make the country an ASEAN player in the next decade, we think. However, we note one crucial difference between the two: the Map Ta Phut was an initiative by the Thai government endorsed by various supporting agencies and executed with the participation of the quasi-state agencies like the Crown Property Bureau’s Siam Cement Group and the Petroleum...
Authority of Thailand. The DDP is a Thai private sector initiative granted a 60-year concession under the BOT scheme by a Burmese State Agency.\textsuperscript{57-58}

G. Financial Information

1) Net Profit/Income After Tax (ITD only)\textsuperscript{58}
   - 2010: THB633,000,000 (US$21,100,000)
   - 2009: THB -1,641,000 (US$ -49,183)
   - 2008: THB -2,450,000 (US$ -70,065)

2) Net Profit, Consolidated Financials\textsuperscript{59}
   Includes financials of direct subsidiaries, indirect subsidiaries, and jointly controlled joint ventures (proportionately consolidated)
   - 2010: THB298,000,000 (US$9,933,332)
   - 2009: THB -1,774,000 (US$ -53,169)
   - 2008: THB -2,656,000 (US$ -76,498)

3) Dividend Policy\textsuperscript{60}
   - ITD’s Board of Directors’ policy is to pay dividends to ITD’s shareholders every year in the amount of at least 40% of net profit after provision for taxes, provided that such payment of any declared dividend will not impact ITD’s on-going operations.

H. Litigation, Contingent Liabilities, Risk Factors

1) Litigation and Contingent Liabilities
   - In 1997, ITD and seven other parties were jointly sued for compensation totaling approximately THB654,890,000 (US$21,334,980). On Dec. 30, 2005, Thailand’s Court of First Instance ordered the defendant to pay for damages amounting to THB440,030,000 (US$14,335,279), plus interest at the rate of 7.50% per year from June 11, 1992 to the payment date. On March 17, 2006, ITD submitted an appeal and a petition to stay execution of the court order arguing that the plaintiffs did not file the claims with the Bankruptcy Court within the prescribed period. The Appeal Court had issued a verdict in favor of ITD (co-defendant) whereby ITD has no responsibility to the plaintiff. Currently, this case is in the process of consideration to submit the petition by plaintiff. ITD believes that there will be no damage from such case. ITD therefore has not set up any provision in its accounts.\textsuperscript{61}
   - Since 2000, certain ITD customers have taken legal actions against ITD, subsidiary companies, and joint ventures for breaches of service agreements, claiming compensation totaling approximately THB361,250,000 (US$11,768,788). The cases are currently pending for judgment from the Civil Courts for the claims of THB262,420,000 (US$8,549,108), and pending for the judgement of arbitrator of THB98,830,000 (US$3,219,680). ITD Management is of the opinion that such lawsuits are a normal part of businesses and some are brought without proper justification grounds, and believes that no material liabilities will be

\textsuperscript{xvi} Additional research comparing Map Ta Phut to Dawei as a “lessons learned” document for the community in Tavoy would provided considerable added-value to project stakeholders.
incurred as a result of those lawsuits. Therefore, ITD has not set provision for those in the accounts. 62

- Trade accounts receivable as at June 30, 2011 and Dec. 31, 2010 include variation order claims of THB214,730,000 (US$6,995,465) and THB262,090,000 (US$8,538,357), respectively, for which income had been recognized in the earlier years, which has been disputed by the customer. Of these claims, the arbitrator had issued a verdict in favor of the ITD subsidiary company of THB68,920,000 (US$2,245,272) and THB104,830,000 (US$3,415,147), respectively. However, these have still been disputed by the customer. Trade accounts receivable of such ITD subsidiary company as at June 30, 2011 and Dec. 31, 2010 also include THB210,320,000 (US$6,851,796) and THB226,830,000 (US$7,389,658), respectively, billed for work done which has not been certified by the customer beyond the normal period of certification. Considering the nature of the ITD subsidiary company’s business, ITD Management is unable to determine the age of such bills. Currently, the ITD subsidiary company is rectifying the situation to make the full collection and therefore has not set up any provision for non collection in the financial statements. 63

2) Risk Factors Related to Liability Claims
ITD projects Expose ITD to Potential Liability Claims 64

- ITD constructs many projects where design, construction or systems failures can result in substantial hazards or property damages to third parties. The mistakes of such projects subsequent to their completion can result in similar hazards and damages or environmental impacts and pollution in noise, dust, smoke spreading, collapse or crack of nearby buildings during construction or after construction. Lawsuits asserting claims against ITD arising from any of these occurrences could include large claims or subject ITD to significant regulatory penalties. Although ITD maintains insurance policies with coverage to the extent and in amounts ITD believes are prudent to protect ITD from these potential claims, ITD cannot assure if the insurance coverage will be sufficient or the conditions in the insurance policy will cover all circumstances or against all damages to which ITD may be liable. A successful claim against ITD or any ITD subsidiaries, associated companies or joint ventures could result in significant liabilities for ITD and could have a material adverse effect on ITD’s business, financial condition, results of operations, prospects and returns of investors.

f) ITD’s Participation in Joint Ventures Exposes ITD to Liability for Failures of ITD’s Joint Venture Partners 65

- ITD sometimes enters into joint venture arrangements with outside partners on a joint and several basis so that ITD can jointly bid on and execute a particular project when ITD requires specialized experience or technology, when ITD wants to upgrade its bidding eligibility or when ITD wants to reduce its financial or operational risk with respect to such projects. Success on these joint venture projects depends in large part on ITD’s ability to operate effectively with its joint venture partners and on whether the joint venture partners perform their contractual obligations. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions, ITD could be required to make additional investments and provide additional services to make up for its partner’s shortfall. In addition, if the owner of a project is entitled to damages or penalties under a joint venture contract for any reason, ITD could be required to bear its joint ventures’ share of the damages or penalties if the joint venture partner fails to pay its share. Furthermore, if
ITD is unable to adequately address its partner’s performance issues, the project owner may terminate the project, which could result in legal liability to ITD, harm ITD’s reputation and reduce ITD’s profit on a project, which could materially and adversely affect ITD’s business, financial condition, results of operations, prospects and returns of investors.

I. ITD Subsidiaries, Connected Companies, Related Companies Relevant to Dawei Project
1) ITD Subsidiary Relevant to Dawei Project:
   a) Dawei Development Company Limited (DDC)
      • ITD Relationship: indirect subsidiary company
      • % held by ITD: 75% (as of June 30, 2011)
      o ITD President Karnasuta insists on ITD retaining 51% ownership of DDC, but it will be difficult for ITD to do this because ITD is not strong financially
      • Established/Registration Date:
      • Registration Country: British Virgin Islands
      o However, DDC may also be registered in Burma
      • Registered capital: 500,000,000 Thai Baht (USD $16,423,004)
      • Management:
      o ITD Project Manager Somchet Thinaphong (also Managing Director for DDC)
      ▪ Note: also helped devise the master plan for Map Ta Phut in Thailand

2) ITD Related or Connected Companies Relevant to Dawei Project:
   List of Projects in Burma other than the Dawei Deep Seaport
   a) Saraburi Coal Co., Ltd.
      • ITD relationship: connected company, related party.
      • % held by ITD: Not publically available
      • Established: 1998 (likely Thailand)
      • Registration Date (Hong Kong): April 29, 2010
      • Registration Number (Hong Kong): 1450857
      • Website: http://www.sbcc.co.th/index.html
      • Address: 2034/132-161 Italthai tower fl.34 Bangkapi, Huaykwang, Bangkok 10320
      • Email: Sales@sbcc.co.th
      • Tel: +66-2-716-0749, +66-2-716-0750
      • Fax: +66-2-716-0751
      • Nature of Business: Coal trading, coal and other mineral mining.
      ▪ Provided exploration of tin and felspar in Dawei, Burma.
      ▪ In April 1998, Saraburi Coal Co., Ltd. signed an agreement with the Burmese government to explore and develop the site near Thai-Burma border. Since then, the Saraburi Coal Co., Ltd. has held a coal concession right in the Maw Taung Coal Reserve (Tanintharyi Division, Burma). Saraburi Coal Co., Ltd.’s main product is coal reserves from Maw Taung Coal Resource, which covers more than 8,000 hectares. Its coal deposit lays approximately 25km west of Thai-Burma border near Prachuabkirikhan Province. The coal reserves occur in two principal seams with 10 meters total thickness. The most recent exploration results confirm the coal reserve of 10 million tons.
Exploration works are ongoing in other parts of the concession that will be in time to increase the coal reserves of the mine.  

J. List of Projects in Burma other than the Dawei Project

1) Coal Mining
   a) Mong Kok, eastern Shan State, Burma
      • Saraburi Coal International Co., Ltd.: ITD connected company/related party
      • As of 2010, Resource and Environment Myanmar Ltd. started to conduct an Environmental, Social and Health Impact Assessment for the Mong Kok Coal-fired Power Plant (with TEAM Consultant, Thailand) (Italian Thai Power Co. Ltd.)
   b) Maw Taung
      • Saraburi Coal Co., Ltd: ITD connected company/related party

2) Hydroelectric Project
   • ITD and Windfall Energy Services Ltd. of Singapore signed a Memorandum of Understanding with the Burmese government on October 9, 2008 to build the 600 megawatt hydroelectric project on the Tenasserim River, identified as the Tanintharyi Hydropower Project.
      o As of 2010, Resource and Environment Myanmar Ltd. proposed to conduct an EIA of the Tanintharyi Hydropower Project (Italian Thai Development - Dept. of Hydropower Implementation, Myanmar)
      o As of 2010, Resource and Environment Myanmar Ltd. started to conduct a Geotechnical Site Investigation and Seismic Survey of the Tanintharyi Hydropower Project (Italian Thai Development - Dept. of Hydropower Implementation, Myanmar)

K. Corporate Social Responsibility and Corporate Governance Guidelines

1) Corporate Governance Philosophy
   • ITD adheres to six principles of Good Corporate Governance Philosophy:
      o 1) Responsibility
      o 2) Accountability
      o 3) Fairness and Integrity
      o 4) Transparency
      o 5) Creation of Long-term Value to all Stakeholders
      o 6) Promotion of Best Practices
   • ITD shall adhere to this Corporate Governance Philosophy in all of its domestic and abroad operations, and shall operate in accordance with the law and local culture of the country in which ITD operates.

2) Policy Statement of Good Corporate Governance
   • ITD shall implement the policy of stakeholders’ treatment and corporate social responsibility.
• Board of Directors’ meetings: Maintain consistent quarterly Board of Directors’ meetings at least once for each quarter to follow and monitor the results of ITD’s business operations and other related issues, all directors should attend all Board of Directors’ meetings.

3) Policy on Stakeholders Treatment
• Public: ITD will not do any actions which damage societies, natural resources, and environments. In addition, ITD will try to look for opportunities to support creative activities for communities and build up the spirit of social responsibility by all employees at all levels on continuous and sincere basis. Moreover, ITD will strictly follow or oversee compliance with the intent of laws and rules issued by supervising authorities.
• ITD will disclose the information relating to the stakeholder treatment in Form 56-1, Annual Report, and website. It also provides the communication channel with the stakeholder in order to exchange an opinion.

4) Code of Ethical Conduct
• Executives to Employees
  o To keep the working environment safe for employees’ life and property.
  o To strictly follow the laws and regulations which relate to employees
  o To treat employees politely and with respect as to his/her individuality and humanity.
  o To encourage employees to observe the highest code of ethics and conduct and to promote ethical behavior throughout the organization.
  o To give opportunities to employees to report illegal deeds within the organization.
• Executive to the Public
  o Not to do anything which damage natural resources and the environment
  o To strictly follow or oversee compliance with the intent of laws and rules issued by supervising authorities.
  o Not to help or support or condone actions which avoid compliance with the applicable laws or regulations.
  o To cooperate with the supervising authorities and report to them any violation or non-compliance of any applicable laws and regulations.
• Compliance Rules for Employees
  o To perform their duties with honesty and perseverance.
  o To inform relevant authorities if the company has committed any misconduct.

5) Policy on Occupational Safety, Health and Working Environment
• The Company shall support and promote the improvement of working environment and working with safety and healthy.
• The management shall supervise occupational safety, health, and working environment of the subordinates according to related Company’s regulation.
• The Company shall support and promote safety campaign for maximum effectiveness of an application of the policy in practice.
• The Company shall monitor and evaluate an application of the policy on occupational safety, health, and working environment for efficient and effectiveness according to legal requirements.

6) Policy on Corporate Social Responsibility
• The Community Development
  o ITD will establish the activities which can strengthen the community for example the education support, human resource development, employment creation, and other development project.

• The Environmental Concern
  o The people nowadays concern for the environment. The operation with suitable environmental impact protection system can help ITD timely complete the project. ITD, therefore, shall set the environmental impact protection system comply with laws and regulation and participate in environmental activities with other part of society.

7) Environmental Protection
• Role of the General Public (as a stakeholder):
  o ITD emphasizes occupational safety, health and working environment management to protect the community and the environment from negative effects of construction activity. ITD’s construction units therefore, have to control and take care of their working environment; for example the prevention of oil leakage into soil and water, waste water treatment, bad-smelling odor control, vibration control, dust prevention, garbage disposal and an energy saving campaign.

• Example of environmental protection on other ITD projects
  o ITD has strictly complied with environmental protection requirements of Environment Impact Assessment Reports and has managed to mitigate impacts to the communities located near the construction sites, such as the Baan Aue-Arthorn Ramintra project which has a water-quality monitoring program.
  o All projects have implemented the air pollution and noise pollution monitoring and controlling programs, recycle, and reuse programs.
  o Many projects have applied the standard technology to prevent pollution and to lessen the impacts, for example, the gas pipeline installation project from Navakakorn to Rangsit has used noise barriers which are effective tools to lessen noise pollution, used Geotextile to filter water from Hydro Static Test before discharge and had in place effective procedures to prevent oil leakage.

8) Complaint Mechanism
• If a community that is adversely affected by ITD’s construction activities makes a complaint to ITD, ITD representatives are required to investigate the facts, solve the problems, and explain to the community so they can understand the situation as soon as possible. (emphasis added)

II. ITD Subsidiaries, Connected Companies, Related Companies Relevant to Burma

A. ITD Subsidiaries Relevant to Burma
1) Myanmar ITD Co., Ltd.
• ITD relationship: overseas subsidiary company
• % held by ITD: 99.99%
• Tel: +95-1-525-970 (note: same number as Ayeyarwady Multitrade Co., Ltd. – see below)
• Fax:
• Nature of Business: Service Agent for ITD. Service agent for Myanmar companies.

B. ITD Related or Connected Companies Relevant to Burma
1) Saraburi Coal International Co., Ltd.
   • ITD relationship: connected company, related party
   • % held by ITD:
   • Address:
   • Tel:
   • Fax:
   • Established/Registration Date: April 29, 2010
   • Registration Country: Hong Kong
   • Registration Number: 1450860
   • Type of company: Local Limited Company, Private company
   • Nature of Business: Holding Company. ITD provided the coal exploration services for Mong Kok coal project in Shan State, Burma with 30-60 days of credit term. ITD employed Saraburi Coal International Co., Ltd. to be ITD’s consultant for the investment in Burma

2) Ayeyarwady Multitrade Co., Ltd.
   • ITD relationship: indirect overseas subsidiary
   • % held by ITD (as of December 31, 2010): 99.99%
   • Address: No.653/A, Myakantha Lane 2.5 1/2 Mile, KAMARYUT, Yangon
   • Tel: +95-1-525-970 (note: same number as Myanmar ITD Co., Ltd.)
   • Fax:
   • Nature of Business: N/A
   • Country of Incorporation: Burma

III. Dawei Deep Seaport Project Details

A. Key Stakeholders/Major Players
1) Burma
a) Ministries
   • Myanmar Port Authority
     ○ All the seaports of Myanmar are administered by the Myanmar Port Authority (MPA) under the management of the Ministry of Transport.
     ○ Managing Director: Thein Htay
     ○ May 19, 2008: Memorandum of Understanding (MOU) signed between the Government of the Kingdom of Thailand (Minister of Foreign Affairs of Thailand), and the Government of Burma (Minister of Foreign Affairs of Burma), on implementation of Dawei deep seaport, industrial zone and road and rail link to Thailand
     ○ June 12, 2008: Memorandum of Understanding between the Myanmar Port Authority, Ministry of Transport and ITD granting ITD the sole right to develop, implement, and operate the Dawei deep seaport and industrial estate project on a build operate transfer (BOT) basis.
November 2, 2010: Framework Agreement signed in Nay Pyi Taw, between Myanma Port Authority, Ministry of Transport represented by U Thein Htay, and Italian-Thai Development Public Company Limited represented by Managing Director for the development of the Dawei deep seaport, industrial estate, and road and rail link to Thailand on a build operate transfer (BOT) basis.  
- State Peace and Development Council Thiha Thura U Tin Aung Myint Oo attended the ceremony to sign the Framework Agreement in Nay Pyi Taw.
- Also present on the occasion were Minister for National Planning and Economic Development U Soe Tha, Minister for Transport U Thein Swe, Minister for Finance and Revenue U Hla Tun, Attorney-General U Aye Maung, deputy ministers, the deputy attorney-general, departmental heads, the chairman of Italian-Thai Development Public Co Ltd and party of Thailand, Thai Ambassador Mr. Apirath Vienravi and senior officers.

As of Nov. 23, 2010, the Myanma Port Authority and government do not play a part in the financing or project development. ITD management says that they (MPA) have not set any conditions except to be given 20% “free” stake in the deep seaport: and for the rest of the operating activities, revenue sharing basis at low ratio.

b) Officials
- Khin Maung Swe, Burmese official in charge of Dawei Project
- Dawei Governor U Nay Dhun conducted a site visit

c) Companies and Top Personnel
- Max Myanmar
  - Allegedly involved in land confiscation
  - Business sources in Rangoon said Zaw Zaw’s Max Myanmar Group of Companies got a green light from the military junta/has been granted major construction work on the Dawei deep seaport and industrial area because he is a favored business associate of junta head Snr-Gen Than Shwe and a handful of other top generals.
    - Reporters in Rangoon tried to write articles on the naming of the Max Myanmar Group of Companies, but the Burmese censorship board, the Press Scrutiny and Registration Division (PSRD), rejected the articles, according to Rangoon journalists.
- Yuzana Group
  - Led by: Htay Myint
  - Yuzana Group may be involved in the construction of the road from Dawei, Burma to Mae Ta Mee Burma/Pu Nam Ron, Kanchanaburi Province, Thailand

2) Thailand
a) Ministries
- Ministry of Finance
  - Permanent Secretary: Mr. Areepong Bhoocha-oom

Additional research into MPA participation needed (have they taken 20% stake? Is this offset in some way? What does low ratio mean?)
Panel member for a “Dawei Project” Seminar on June 8, 2011 at the Mandarin Oriental Hotel, Bangkok. Subject: Role of Thai government and the regional impact of the Dawei Project in the ASEAN Economic Community.

According to the Permanent Secretary, the Thai and Burmese governments agreed to resolve double taxation issues to support investments in the Dawei Project.111

- National Economic and Social Development Board
  - Secretary-General: Mr. Arkhom Termpitayapaisith112
    - Panel member for a “Dawei Project” Seminar on June 8, 2011 at the Mandarin Oriental Hotel, Bangkok. Subject: Role of Thai government and the regional impact of the Dawei Project in the ASEAN Economic Community.
    - According to the Secretary-General, The Thai government has budgeted THB55B (US$1,806,530,443) to support the project to connect the Eastern Seaboard with Burma, including THB30B (US$985,380,241) for a highway and THB25B (US$821,150,201) for rail extensions.113

- Ministry of Commerce
  - Deputy Minister of Commerce: Alongkorn Ponlaboot
    - Deputy Minister of Commerce has visited Burma several times since early 2010 to negotiate with Burmese authorities on increasing border trade between Thailand and Burma at checkpoints in Kanchanaburi, as well as on resuming the Tavoy-Kanchanaburi highway project.115

- Thailand Board of Investment
  - Thailand Board of Investment conduct a site visit of the Dawei Project (before Oct. 2009)116

b) Officials

- The Thai government (in general)
  - The Thai government, for its part, is highly supportive of the project. It has been under consideration since the late 1990s, and all Thai governments, before and after the 2006 military coup, have supported it - a rare example of unanimity across Thailand’s fractured political landscape.117

- Prime Minister Yingluck Shinawatra
  - Oct. 5, 2011: Thai PM Yingluck made her first visit to Burma and asked Burma to support development of the Dawei deep seaport, industrial estate and the road linking Tavoy and Kanchanaburi118
    - Yingluck met with almost all top-level government officials, including President U Thein Sein, the Vice Presidents, Ministers for Home Affairs, Defense, Foreign Affairs, Construction, President’s Office, National Planning and Economic Development, Transport, Energy and Commerce
    - Foreign Affairs Mr. Surapong Tovichakchaikul accompanied Yingluck119
  - According to Kraiak Choonhaven, Chairman of ASEAN Inter-Parliamentary Myanmar Caucus, Yingluck’s government will give first priority to the welfare of Thai business interests, and their policies will not strongly favor the Burmese people – sometimes they even refuse to listen to news.120
After Pheu Thai won the July 3, 2011 Thai elections, ITD stock price rose the next day by 30% on expectations that the new government will invest more in infrastructure. PM Yingluck Shinawatra, is the younger sister of former PM Thaksin Shinawatra, who, media reports indicated, kept ITD “well fed” during his five years in office.121

- Former Democrat Party MP: Kraisak Choonhavan122 comments on PM Yingluck Shinawatra government’s Burma policy
  - Oct. 5, 2011: at the time of Yingluck’s first visit to Burma, Former Democrat Party MP and vocal critic of Burma’s military rulers, said, “I do not think the current Thai government cares or even knows about human rights violations in the ethnic areas of Burma.”
    - “I fear the trip will be all about re-establishing the scandalous style of Thaksin’s relations with the regime,” said Kraisak, referring to allegations that former Thai PM Thaksin Shinawatra—Yingluck’s brother—forged inappropriate commercial links with the Burmese military rulers.

- Thaksin Shinawatra
  - ITD President Karnasuta boasts that he advised Thaksin on doing business in Africa, where Thaksin has invested in gold mines.123
  - In 2004, the SPDC failed to respond to several requests by then PM Thaksin to meet with Senior General Than Shwe. PM Thaksin made at least two official requests that were ignored. According to Kallayana Vipattipumiprates, a political counsel at the Thai Embassy in Burma, PM Thaksin wanted to advance the Dawei Project, and other bilateral issues.124

- Governor of Kanchanaburi Province, Thailand: Mr. Remgsak Mahavinitchaimontri125
  - Head of Thai delegation for business meeting between Burmese and Thai entrepreneurs held at the Head Office of Union of Myanmar Chamber of Commerce and Industry on May 14, 2010. He discussed how the highway and railroad will improve the already existing economic connections between Dawei and four provinces in Thailand.

- Thai Ambassador to Burma H.E. Aphirat Wieanrawee
  - Sept. 2011: Thai Ambassador to Burma H.E. Aphirat Wieanrawee arranged a meeting for leading Thai entrepreneurs from various industries to exchange business ideas with their Burmese counterparts.126
    - Burmese investors encouraged Thailand to promote the Dawei Project and business opportunities at the Singkorn Checkpoint.127
    - Burmese investors suggested that the private sector from both countries should meet every three months to discuss trading issues and raise the matters to their respective government accordingly.128
  - Thai Ambassador conducted a site visit of the Dawei Project (before Oct. 2009).129

- Mae Hong Son Chamber of Commerce
  - Chairperson Supoj Klinpraneed
    - Attended Sept. 2011 meeting arranged by Thai Ambassador to Burma H.E. Aphirat Wieanrawee

- Industry Minister Wanna Rat Chanukul130
  - The local petrochemical industry will need to expand into Burma’s Dawei area, as Thailand has little room for such new investment [likely as a result of regulations and civil society opposition]

c) Companies and Top Personnel

Italian-Thai Development Public Company Limited (“ITD”)
- ITD Project Manager Somchet Thinaphong (also Managing Director for DDC)
  - Somchet Thinaphong, who helped devise the master plan for Map Ta Phut in Thailand, is the managing director of DDC, which is to oversee the project.\(^\text{131}\)
  - Says the Dawei Project could create up to 100,000 jobs. “It will lift employment and education very much -- think about Thailand 30 years ago,” he said, adding that the Myanmar government sees the project as a link to the outside world.\(^\text{132}\)
- ITD Project Manager Mr. Surin Vichian\(^\text{133}\)
  - You have to think of Myanmar as Thailand 50 years ago,” said Surin Vichian, the project manager in charge of engineering. “There’s nothing in the country but wilderness and cheap labor.”\(^\text{134}\)
- ITD President Premchai Karnasuta\(^\text{135}\)
  - ITD President Premchai Karnasuta said ITD is interested in investing in both the infrastructure and industrial activity that will take place at the Dawei site, such as a power plant and cement, paper and steel plants.\(^\text{136}\)
  - Premchai Karnasuta is No. 35 on the Thai Rich List with $240 million. His younger sister, Nijaporn Charanachitta, a director of ITD and chairman of the Oriental Hotel, places at No. 31 including $260 million ITD’s shares.\(^\text{137}\)
  - Premchai Karnasuta has a M.B.A. from the University of Southern California and an M.S. in mining engineering from Colorado School of Mines.\(^\text{138}\)
- ITD Vice President of Marine Division: Anan Amarapala:
  - “Japanese, Korean and Chinese companies have been flying in nonstop to meet us,” he said in an interview.\(^\text{139}\)

Dawei Development Company Limited (“DDC”)
- ITD President Premchai Karnasuta: DDC will hold 10-30% in both the infrastructure and industries in Dawei, with the rest being held as an overall majority stake by strategic partners,” he said.\(^\text{140}\)

PTT\(^\text{141}\)
- PTT wants to co-invest with ITD in a 3,000 MW coal-fired power plant supplying Burma’s Dawei deep seaport and industrial estate.
  - Investment Value: expected to be as high as US$4B (THB120B).
  - The coal-fired power plant will generate electricity for sale to the Dawei industrial estate and to Electricity Generating Authority of Thailand (EGAT)
    - ITD and EGAT are negotiating a Power Purchase Agreement for the coal-fired plant (as of Sept. 19, 2011).
  - If PTT’s plan to invest in the Dawei Project becomes reality, it will likely invest in a related coal-mining project, as the plant will need many millions of tons of coal per year to generate electricity.

\(^\text{xviii}\) See Annex A, for biographies of ITD’s Board of Directors and Board of Management
PTT company advisor Chainoi Puankosoom (also vice-chairman of the Federation of Thai Industries) (June 26, 2011):
  - Investment risks are normal, but I think the private sector needs some kind of guarantee that their investments in Dawei are secure.\textsuperscript{142}

d) Other Thai Companies that may invest in the Dawei Project:
- Ratchaburi Electricity Generating Holding and Electricity Generating Plc.\textsuperscript{143}
- SCG: The Siam Cement Group\textsuperscript{144}
  - Sept. 26, 2011: SCG is setting up shop in Tavoy\textsuperscript{145}
  - Managing Director Kalin Sarasin (July 2011)\textsuperscript{146}
    - Thailand’s top industrial conglomerate currently exports products including cement, tiles and roofing materials to Burma. It aims to open an office in Dawei in the coming years, Managing Director Kalin Sarasin said.
    - The Dawei Project will also drive demand for building materials in neighboring countries, while Thai products could be shipped via the Thai border with Burma in Kanchanaburi to a deep seaport in Dawei for export to bigger markets such as India and Bangladesh.
- Bank of Thailand\textsuperscript{147}
- EGCO
- EGAT
- Hemaraj Land and Development Public Company Limited\textsuperscript{148}
  - Sawasdi Horrungruang, the founder of Hemaraj, said the company is looking at the potential of investing in industrial estates in Burma’s Dawei area, which is in the pre-study process for risk assessment. “[Dawei] is okay in terms of geography and economic potential, but it’s a sensitive area,” he said.
e) Industry Groups, Academics
- Thai Federation on Logistics
  - President and Chairman: Krirkkla Sonthimas (starting in 2003)
    - “The government [of Thailand] should create its own main port as a western gateway even in the far future, as well as the southern seaboard industrial zone,” “Eventually, we must breathe by using our own nose,” he said.\textsuperscript{149}
- Thammasat Business School
  - Associate Professor and Director: Ruth Banomyong
    - “If we believe in the success of regional cooperation, saying that Asean will become a single market in 2020, Tavoy in Burma can act as an alternative main port and gateway towards western markets such as India, the Middle East and Bimstec countries.”\textsuperscript{150}
- Federation of Thai Industries
  - Vice Chairman: Tanit Sorat
    - “Myanmar still ignores environmental issues,” – lack of regulation is a key advantage of Dawei. “Dawei is the world’s solution for industry that affects the environment, heavy industry and the industry that is banned in other countries.”\textsuperscript{151}
The shipping route passing the Malacca Strait is now congested. In 10 years, there might be a change in the marine transport model from “land to sea” or “sea to land” to “sea-land bridge” – another choice for economies-of-scale logistics. “Thailand needs to have a master plan and also an action plan in regard to using and keeping benefits from marine-related transport,” he said. 

“What Dawei is a good project but so far nothing has become clear about this project in the neighboring country including the sources of financing,” Tanit Sorat: Vice-chairman of Federation of Thai Industries, head of Federation of Thai Industries’ Logistics Industry Club.

f) Banks

- Siam Commercial Bank
  - Financial Adviser and lead manager for loan syndication for the Dawei Project
  - Executive Vice President Siam Commercial Bank, Sopon Asawanuchit:
    - For ITD to attract Asian public and private investors, ITD will need to assure that it is has sufficient capital strength. (Aug. 30, 2011)
    - Investors are waiting for clarification on how the Dawei SEZ will operate. “There are still some challenges in terms of rules and regulations from the Myanmar side,” he says. For example: “Dawei’s SEZ status allows international investors to import and export capital. But Burma’s Banking Law says foreign banks can’t operate outside Rangoon. It will be up to Karnasuta to square that circle and others so that companies will commit to building the power station, steel mill and petrochemical plants envisaged by ITD.”

- Kasikorn

  - Note: One of the largest Thai banks, Kasikorn, said it would not offer financing for projects in Myanmar because of “political risk.”

3) Japan

a) ITD Japan Road Show (June 15-18, 2011)

- ITD held a road show (meetings to attract investment) in Tokyo, Japan for the Dawei Project on June 15-18, 2011
  - Objective: To approach and directly inform potential Japanese investors and Japan’s key business sectors about the Dawei Project.
  - Participants: Successfully welcomed 300 participants, including meetings with government authorities to increase interest and raise awareness of the Dawei Project and to seek mutual cooperation.
  - Road show was coordinated and hosted by Japan External Trade Organization (JETRO)
    - JETRO is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO’s core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential.

- Sept. 2011: Nippon Keidanren (Japan Business Federation): a powerful business lobby plans to visit Burma to explore investment opportunities.
Chairman of Nippon Keidanren, Hiromasa Yonekura (also Chairman of Sumitomo Chemical)\textsuperscript{161}
\begin{itemize}
\item Feb. 2011: “We're thinking about how Japan can contribute to the Dawei project. We will try to establish the bond market and stimulate the flow of money into this area.”
\item Japan is interested in developing the port, roads, infrastructure and even the upstream steel project as part of its policy to promote the Greater Mekong Subregion. It will seek cooperation from Thai companies, as the countries have had a long history together,” Yonekura said.
\item Yonekura had not yet negotiated with the Burmese government about participating in the Dawei Project.
\end{itemize}

b) Ministries, Officials, Banks
\begin{itemize}
\item During the ITD road show in Tokyo, Japan for the Dawei Project on June 15-18, 2011, ITD President Mr. Premchai Karnasuta met with:\textsuperscript{162}
  \begin{itemize}
  \item Ministry of Economic, Trade, and Investment
  \item Ministry of Foreign Affairs
  \item Japan Bank for International Cooperation
  \item Thai Ambassador to Japan Virasakdi Futrakul
  \end{itemize}
\end{itemize}

B. Timing / Schedule
1) Start Date
\begin{itemize}
\item Early 2011
  \begin{itemize}
  \item Upon approval by the Burmese Government, the Port (1\textsuperscript{st} Phase) and road link will begin construction by early 2012, and expect to complete within 4 years.\textsuperscript{163}
    \begin{itemize}
    \item Access Road 90\% complete (as of June 2011)\textsuperscript{164}
    \end{itemize}
  \item The project will start construction next year [in 2012], now that ITD has invested about THB500,000,000 (US$16,288,980) to develop basic infrastructure such as roads and feasibility studies.\textsuperscript{165}
  \item As of Aug. 2011, 70 Thai workers and 123 workers from Burma were working in the project area.\textsuperscript{166}
  \end{itemize}
\end{itemize}
\item 3 phases: \textsuperscript{167}
  \begin{itemize}
  \item Phase 1: highway and rail link
  \item Phase 2: deep seaport
  \item Phase 3: industrial estate
  \end{itemize}

2) Expected Completion Date
\begin{itemize}
\item 4-lane highway: 2013\textsuperscript{168}
  \begin{itemize}
  \item from Dawei, Burma to Mae Ta Mee Burma/Pu Nam Ron, Kanchanaburi Province, Thailand
  \end{itemize}
\item Basic Infrastructure: 2016\textsuperscript{169}
  \begin{itemize}
  \item Includes: deep seaports, highway and rail links to Thailand, hydro and coal-fired power plants, water supply and water treatment center
  \end{itemize}
\item Time frame is not clear, but the basic development is expected to last for 10 years.\textsuperscript{170}
\end{itemize}
C. Agreements Signed
1) May 19, 2008 Memorandum of Understanding
   - Memorandum of Understanding between the Government of the Kingdom of Thailand and the Government of the Union of Myanmar on the Development of Dawei Deep Seaport and Road Link to Bangkok

2) June 12, 2008 Memorandum of Understanding
   - Memorandum of Understanding between the Myanmar Port Authority, Ministry of Transport and ITD
     - Granting ITD the sole right to develop, implement, and operate the Dawei deep seaport and industrial estate project on a build operate transfer (BOT) basis.

3) Nov. 2, 2010 Framework Agreement
   - Framework Agreement between Myanma Port Authority, Ministry of Transport, and ITD for the development of the Dawei deep seaport, industrial estate, and road and rail link to Thailand on a build operate transfer (BOT) basis.
     - Agreement valid for 60 years with renewal option to be agreed upon in the future.
     - The development period will be arranged by phases depending on project activities.
     - ITD has commitments as follows:
       - ITD shall be entitled to the right to develop, implement and operate the project, port, industrial estates, utilities, logistics, toll road, housing, commercial business, resort and recreation center.
       - Industrial Estates, (including Electricity and Utilities Service Business, Logistics Service, Road and Toll Highway, Oil and Gas Exporting Business) shall be entitled to a land lease period of 30 years which is extendable for the highest period of 75 years for each industry as specified in the agreement. After the period, the extension period of the land lease is subject to approval from the Burmese Government after reviewing the continuous performance of such project. Each project shall share certain percentage of the profit based on agreed upon to respective authorities/ministries.
     - After the expiration of the term of the agreement, all fixed assets and fixtures constructed, erected and affixed in the project area, shall be transferred by ITD to Myanma Port Authority in good working order.

D. Project Development Costs
1) Infrastructure and Supporting Facilities
   - Estimated US$8.6 billion
     - Phase 1: deep seaport, road, and rail link
       - June 2011: According to ITD President Premchai Karnasuta the cost of building the deep seaport, roads and railways in the first stage of infrastructure development will cost less than the US$4 billion earlier projected.
     - Phase 2: infrastructure inside the industrial estate
       - Estimated US$4 billion

2) Industrial Estate
   - Estimated US$58 billion
3) **Money Already Spent**
   - Sept. 30, 2010: THB200,000,000 (US$6,515,592) as of the end of 3rd Quarter 2010, and could increase subsequently as work is continuing.\(^{183}\)
   - The investment budget for Phase 1 comes from ITD’s cash flow and a debenture that will be issued in the second half of 2011.\(^{184}\)

E. **Project Funding**
   1) **Credit Facility**
      - As of June 30, 2011: ITD obtained a credit facility from a local bank for the Dawei Project in the amount of THB2,170,000,000 (US$70,694,171) accruing interest at the Minimum Lending Rate. This credit facility is guaranteed by a 75% share of DDC with the additional condition for Sin Rae Muang Thai Co., Ltd. and Wildemere Limited to issue a negative pledge confirmation share of Asia Pacific Potash Corporation Limited over the guarantee period.\(^{185}\)
      - The Asian Infrastructure Fund (AIF), which mobilizes capital from central banks, could be a major financing source as the project will be a focus of ASEAN integration, said Areepong Bhoocha-oom, permanent secretary of the [Thai] Finance Ministry.\(^{186}\)

2) **DDC Ownership**
   - As of June 30, 2011: ITD holds 75% of DDC\(^{187}\)
   - ITD plans to sell up to 49% of DDC to raise funds to seed its stakes in the various operating companies that will be created later to develop and operate the infrastructure facilities and co-invest in the industrial ventures, 10-30% stake.\(^{188}\)
   - ITD President Premchai Karnasuta insists on ITD retaining 51% ownership of DDC, but reports indicate this may difficult for ITD to do this because ITD is not strong financially.\(^{189}\)
   - As of June 9, 2011: More than 10 investors have express interest in becoming strategic partners of the Dawei Project including, PTT International, Electricity Generating Co. (Egco) and Ratchaburi Electricity Generating Holding Plc, which are interested in industrial projects to be developed in Dawei.\(^{190}\)
      - EGAT and Japanese and Chinese power companies are also interested.\(^{191}\)
      - According to ITD president Premchai Karnasuta, European and U.S. companies were also interested, but due to economic sanctions from the international community against Burma, they may funnel investment through Thai companies.\(^{192}\)
   - ITD is particularly interested in attracting investors for the refining, petrochemical and power plants.\(^{193}\)
   - Burmese investors are likely to invest at least 25%, and Asian sovereign funds some of the rest.\(^{194}\)
      - ITD Project Manager Somchet Thinaphong said ITD was in negotiations with a number of funds, but declined to identify them.
      - Solid interests are coming from many companies from China, some from Japan, some from Singapore.

3) **Nov. 2, 2010 Framework Agreement**
• Framework Agreement between Myanmar Port Authority, Ministry of Transport, and ITD for the development of the Dawei deep seaport, industrial estate, and road and rail link to Thailand on a build operate transfer (BOT) basis.\textsuperscript{195}
  o ITD will pledge a bank guarantee of approximately 6\% of investment value for each development phase.\textsuperscript{196}
  o ITD needs to pay for the land lease concession for 250\textsuperscript{xx} square kilometers (approximately 156,250 rai) for US$37,500,000, which at the end will yield 110,000 rai of saleable land for industrial use. Only US$1,000,000 has been paid, the remaining will be paid after the completion of the land development.\textsuperscript{197}
    ▪ The 110,000 rai was acquired at an average cost of THB7,000-7,500 (US$228-244) per rai and ITD hopes could fetch an equivalent price of THB4-5M (US$130,312-162,890).\textsuperscript{198}
  o ITD has commitments as follows:\textsuperscript{199}
    ▪ ITD shall be entitled to develop, construct and operate a deep seaport. ITD shall invite Myanmar Port Authority to be a shareholder for 20\% of the Port Company, which shall be set up for this particular business with no payment for investment. ITD shall pay the remuneration each year as specified in the agreement to Myanmar Port Authority. If the port business would be sold to another party by ITD, 50\% of the Net Profit from the sales of the port will be shared with the Myanmar Port Authority.

4) Investor Road Shows
• Bangkok, Thailand: June 8, 2011
• Tokyo, Japan: June 15-18, 2011
• According to ITD President Premchai Karnasuta, ITD will hold road shows to attract investment for the Dawei Project in Japan, and later in South Korea, China and India.\textsuperscript{200} “We are inviting strategic partners to join us from now on,” he said. “We are going to arrange charter flights for investors who want to visit the site.”\textsuperscript{201}

F. Project Location
• The development is located about 28km from Dawei Province, in the northern part of Maungmagan Bay.\textsuperscript{202}
• Dawei is 1,600km north of Singapore, currently the main conduit for Indian and South-east Asian trade.\textsuperscript{203}

G. Project Components in Burma
1) Industrial Estate with Six Industrial Zones\textsuperscript{204}
   (Total Area: 250 sq.km\textsuperscript{xx})
   a) Zone A: Port and Heavy Industry (20 sq.km)\textsuperscript{205}
      • Deep Seaport
        o Temporary Small Port – available for use as of June 2011\textsuperscript{206}

\textsuperscript{xx} The total land lease concession area has reportedly been reduced to just over 200 square kilometers.
\textsuperscript{xxi} The total land lease concession area has reportedly been reduced to just over 200 square kilometers.
Three Deep Seaports

Service liquid cargo, agricultural products, general cargo, containers, and bulk cargo

Space for a total of 25 vessels ranging from 20,000 to 50,000 tons at 22 wharfs at the same time

100,000,000 metric tons of goods will be handled each year.

Tavoy Port will be capable of docking any vessel with a 300,000-TEU load.

Shipbuilding and Maintenance Yard

Ship building and maintenance server security

Cargo Yard

Steel Mill

An integrated steel plant, with capacity of 6 million tons a year of hot-rolled coil.

Fertilizer Factory

Coal-fired Power Plant, or Gas-fired Power Plan

ITD is particularly interested in attracting investors for the refining, petrochemical and power plants.

In June 2011, ITD President Premchai Karnasuta said that ITD is negotiating tariff rates with the EGAT for electricity from a US$5B 3,600 MW coal fired power plant planned for Dawei. Another 6,000 MW plant would be built to serve demand at the site.

The developer [ITD] expects to build a power-generating plant in Dawei that will supply 6,000 MW of electric power to business operations in the area, ITD President Premchai Karnasuta said. The power plant is likely to need a total investment of US$15B and the firm is seeking partners to operate the plant, he added. PTT PCL, Electricity Generating PCL, Ratchaburi Electricity Holding PCL, state-owned EGAT, and power-generating firms from Japan and China have expressed an interest.

However, information about how much electricity will be used to serve the Dawei site is inconsistent. According to Myanma Port Authority a 4,000 MW coal fired power plant to be used to power the Dawei Project

b) Zone B: Petrochemical Complex (10 sq.km)

Petro-chemical complexes

ITD is particularly interested in attracting investors for the refining, petrochemical and power plants.

Oil and Gas Storage

Capacity: approximately 100,000 barrels per day

Oil Refinery

Gas Separation Plant

The gas separation plan will process natural gas. ITD has already reached an agreement for the gas to come from the Gulf of Martaban fields operated by PTT Exploration and production as feedstock.

xxii Information is not consistent, but it is likely that 6,000MW will be used to serve demand at the Dawei Project, and 3,600MW will be exported/sold to EGAT.

xxiii No information publicly available regarding oil source for refinery (domestic v. imported, off v. on-shore).

xxiv No information publicly available on specific source(s) of gas (likely Burmese offshore blocks).
- But PTT company advisor Chainoi Puankosoom, said that gas from Burma's Gulf of Martaban is not suitable for using as a feedstock for petrochemical plants.\textsuperscript{232}

- Combined Cycle Power Plant\textsuperscript{233}

c) Zone C1: Upstream Petrochemical Complex (34 sq.km)\textsuperscript{234}
- Olefine
- Aromatic
- Other
- Industrial Estate Controlling Building: approximately 250x250sq.m. ground floor area, 20 office floors, observation deck on top (unclear if Zone C1 or C2)

d) Zone C2: Downstream Petrochemical Complex (31.1 sq km)\textsuperscript{235}
- HDPE
- Nylon
- Rubber
- Resin
- Other

e) Zone D: Medium Industry (59.8 sq.km)\textsuperscript{236}
- Fabrication (Garment Factories)
- Automobile Assembling
- Car Tire Factory
- Gypsum (can be used for dry wall and plaster)\textsuperscript{237}
- Other

f) Zone E: Light Industry (38.8 sq.km)\textsuperscript{238}
- Garment
- Food Processing
- Cosmetics
- Electronics, including computer parts\textsuperscript{239}
- Pharmaceuticals\textsuperscript{240}
- Other

g) Zone F: Township (20 sq.km)\textsuperscript{241} - Preliminary Local Township Concept (as of June 2011)\textsuperscript{242}
- Preserved Villages will be provided with improved housing and village facilities
  o Yebu Village: approximately 600 families
  o Sin Pu Nit Village: approximately 19 families
  o Kyauk Htauk Village: approximately 550 families
- Low Density Residential Housing
  o 16,000 units (at least 50,000 residents), 2 floors, affordable housing
- High Density Residential Housing
  o 90,000 units (at least 180,000 residents), 128 units/building, 5 floors, affordable housing
- Premium Strip
  o High-rise building along Dawei river: hotel, condominium, office buildings, shopping center, entertainment complex
• Whole Sale Market
  o Whole sale market for loading and distributing goods through Township: fresh ingredients, fruits, food, etc.
• Fresh Market
  o Provide area for fresh market in every town block: 800sq.m
• City Center
  o City Junction and Plaza: 3 city plazas located in each crossing of 4-lane road. The junctions will be surrounded by large-scale commercial complexes.
• Transportation Terminal
  o A transportation hub that links the Township and industrial estate by bus or taxi, provided public bus or taxi, prepared area and facilities for new-comers such as immigration office and motels
• Dawei Authority Center (one-stop-service)
  o Authority Center provides one-stop-service type of government departments for investors, visitors and all those involved with the Dawei Project
• Grand Public & Recreation (River Curve Area)
  o Dawei river curve area is provided for major public facilities: indoor stadium, museum, library, theater, etc. And the riverside provides a green environment. At the top of the curve is another premium location for apartments and condominiums.

h) Public Area with Roads and Parks (13.5 sq.km)\(^{243}\)

2) Road and Rail Link to Thailand
• Access Road 90% complete (as of June 2011)\(^{244}\)
• Both the road and rail link will be 160km long and will link the Dawei deep seaport to Phu Nam Ron on the Thai-Burma border, which is 80km from Kanchanaburi, Thailand.\(^{245}\)
  o Total distance from Dawei to Bangkok: 350km\(^{246}\)
• The road will connect to the GMS Southern Corridor by going through Bangkok, Thailand; Sisophon, Cambodia; and Vung Tau and Quy Nhon, Vietnam.\(^{247}\)
• The road will be 220 meters wide, and include an eight-lane highway together with railroad, pedestrian lane, local road, Union road and traffic islands.\(^{248}\) The road will first be built as a 4-lane toll highway, with expansion to 8-lanes in a later phase.\(^{249}\)
• Most of the planned highway goes through KNU controlled areas – a conflict zone between the KNLA and the Burma Army.\(^{250}\)
• A section of the road passes through eight Karen villages abandoned in 1997 after the Burma Army attacked them. The villagers are now refugees in Tham Hin refugee camp in Thailand.\(^{251}\)

3) Rail Link to China\(^{252}\)
• China plans to build a rail link for southern China to Dawei\(^{253}\)
  o Possible route: Kunming, Yunnan Province, China, to Rangoon, and then to Dawei (likely using Burma’s existing north-south rail line)\(^{254}\)

4) Hydro Power Plant
• Tanintharyi Hydro Power Development up to 1,040 MW to serve the Dawei industrial estate\(^{255}\)
5) **Oil and Natural Gas Pipeline and Transmission Line**
- Oil and natural gas pipelines, and a transmission line will be laid in parallel with motor road and railroad.\(^{256,xxv}\)

6) **Dam and Water Purifying Plant**
- Water will come from the Dawei river and the proposed Hta Loat Tar Reservoir (7km east of the industrial estate) to provide 500 million cubic meters of water to the industrial estate.\(^{257}\)
- For distribution of adequate water supply in the Dawei Project area, a dam that can store 219 million cubic meters of water will be built and water will be supplied through a water purifying plant that can supply 975,000 cubic meters a day.\(^{258}\)
- Wastewater to be treated in a wastewater treatment plant and will go into a sewer system.\(^{259}\)

7) **Pulp and Paper**\(^{260}\)
- Paper production from Burmese timber
  - ITD proposes to plant trees for an “environmental balance”

8) **Resort Township – Preliminary Concept (as of June 2011)**\(^{261}\)
- **Preserved Villages**
  - 2 preserved local fisherman villages with improved basic social infrastructure such as schools, hospitals, temples, etc.
- **Garden Golf Course**
  - 18 holes garden golf course with breathtaking panoramic views of the mouth of the Pan Din River, 15 minute drive from Dawei industrial estate
- **Town Facilities Complex**
  - International education system for kindergarten, primary and secondary school, hospital, city hall, shopping malls
- **Residential Villas**
  - 20 minute drive from Dawei Airport, luxury villas with garden environment and full facilities for executive residents
- **Public Park**
  - Over 5 sq.km green space area and recreation, with security system
- **Sport Complex and Marina**
  - Over 150 yacht capacity, variety of indoor and outdoor sport areas, seaside community center and shopping arcade, beachfront public park
- **Luxury Yacht Club & Resorts**
  - Luxury resorts and residential for executives and expats, every unit attached to yacht dock, exclusive clubhouse and facilities such as sports club, restaurants and park
- **Link Golf Course**
  - 18 hole link golf course with 360 degree horizontal panoramic view of Dawei Sea and the mouth of the Pan Din River

9) **Additional Airlines Servicing Dawei Airport**\(^{262}\)

\(^{xxv}\) Sources of oil and natural gas not publicly available.
• Taninthayi Airline may provide direct domestic and international flights (from Bangkok and Hua Hin, Thailand), bypassing Rangoon.  

• Taninthayi Airline can be expected to provide 8 flight runs between Hua Hin and Dawei each day.

• Asia Wings Airways Limited
  ○ Has flights from Rangoon to Dawei

H. Special Economic Zone
• Dawei Project established as Special Economic Zone
• Burma passed the Dawei Special Economic Zone law on Jan. 27, 2011 (referred to throughout as, “DSEZ”)  
  ○ Burma also passed the Myanmar Special Economic Zone Law on Jan. 27, 2011 (referred to throughout as, “MSEZ”)  
• ITD’s concession to work in the Dawei SEZ falls under the Nov. 2, 2010 Framework Agreement, which is valid for 60 years with a renewal option to be agreed upon in the future.
• Baker & McKenzie, the international law serving as the Administrator for ITD on the Dawei project, also reportedly drafted SEZ law, according to an Asia Time online article. However, the article implies that Baker & McKenzie drafted the Dawei SEZ law, but due to its near replication of Burma’s SEZ law, Baker & McKenzie may have drafted the national SEZ law as well as the Dawei SEZ law.

1) Land Confiscation, Land Compensation, Relocation
• DSEZ 34, MSEZ 36
• DSEZ 34: “The developer or investor shall bear the expenses of transferring and paying compensation of houses, buildings, farms and gardens, orchards/fields, plantation on land within the Dawei Special Economic Zone permitted by the Central Body if these are required to be transferred. Moreover, he shall carry out to fulfill fundamental needs of persons who transfer so as not to lower their original standard. The relevant Management Committee shall coordinate as may be necessary for the convenience of such works.”
  ○ Summary: ITD is responsible for the cost of relocating villagers.

2) Central Body, Central Working Body, Management Committee, Supporting Working Body  
The government formed a new hierarchy to manage the Dawei SEZ, with four administrative structures: Central Body, Central Working Body, Management Committee and Supporting Working Body. The Central Body was formed with representatives from at least a dozen different cabinet ministries and headed by a cabinet minister accountable to the President. Representatives from the business developers (ITD) and investors are allowed to be members of the Supporting Working Body, the lowest administrative hierarchy of the DSEZ. The roles and responsibility of the Supporting Working Body are not well defined.

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xv The remains a lack of clarity regarding the composition and specific responsibilities of each of these bodies/committees and how they relate to each other, highlighted by the apparent overlapping roles on security and other significant issues.
DSEZ Administrative Structure

DSEZ 2(h), DSEZ 9, MSEZ 2(i), MSEZ 9(a)

a) Security

- DSEZ 10(c): “The functions and duties of the Management Committee of the Dawei Special Economic Zone are as follows: (c) supervising and inspecting the matters on the implementation of investment and establishment plans, land-use, environmental conservation, wastes control, health, education, finance and taxation, development, transport, communication, **security**, electricity, energy and water supply etc., and coordinating with the relevant Government departments and organizations” (emphasis added).
  - The Management Committee is responsible for supervising and inspecting security in the Dawei SEZ.

- MSEZ 10(m): “The functions and duties of the Central Body of the Dawei Special Economic Zone are as follows: (m) forming the department and organizations, with the approval of the Government, for carrying out administrative, **security**, management and development matters in the Special Economic Zone and determining the functions and duties thereof, causing the management committee to directly supervise such organizations, causing such organizations to comply with and carry out the functions and duties according to the directive of the Management Committee;”
  - Summary: The Central Body is responsible, with the approval of the Government, for creating the departments responsible for carrying out security in the SEZ.

b) Environment

- DSEZ 31, MSEZ 34, DSEZ 10(c)
• DSEZ 31: “The developer or investor [ITD] shall take responsibility for not causing environmental pollution and air pollution in respect of his enterprise in the Dawei Special Economic Zone.”

c) Environment Conservation and Waste Disposal
• DSEZ 10(j): “The functions and duties of the Management Committee of the Dawei Special Economic Zone are as follows: (j) supervising for the natural environment conservation and protection in the Dawei Special Economic Zone in accord with the existing Laws, scrutinizing the disposal system of industrial wastes and if it is not in conforming with the stipulations, causing the developer or investor to perform in line with them”

• ITD claims that the Dawei Project will use environmental control and protection that meets internationally accepted standards, such as: disposal of solid waste, water management, and air pollution emission control

d) Proposal for Construction of the Special Economic Zone
• DSEZ 10(a), MSEZ 12(a)

• DSEZ 10(a): “The functions and duties of the Management Committee of the Dawei Special Economic Zone are as follows: (a) submitting the Dawei Special Economic Zone development plan to the Central Body and Central Working Bodies and obtaining approval for enabling to implement and operate the Dawei Special Economic Zone successfully”

e) SEZ Investment and Establishment Plans
• DSEZ 10(c), MSEZ 13(c)

3) Labor Issues
DSEZ 50, MSEZ 51; DSEZ 47, MSEZ 48; DSEZ 48, MSEZ 49

• DSEZ 50: “In the Dawei Special Economic Zone, the investor [ITD]:
  o (a) in employing citizen skilled workers, technicians and staff for expertise works, shall employ at least 25% of citizens at the expire of the first 5 years, 50% at the expiry of the second 5 years, and 75% at the expire of the third 5 years from the commencement year of the business;
  o (b) shall arrange and provide necessary training for the improvement of the skill of the employees and staff in appointing under sub-section (a) [skilled workers]
  o (c) shall employ citizens only at the works where expertise is not required”

4) Land Use
• DSEZ 33, MSEZ 35

• DSEZ 33: “The Central Body
  o (a) may, with approval of the Government, permit the developer or investor [ex. ITD] land lease or land use after causing payment of fees to be made for land lease or land use in the Dawei Special Economic Zone, for at least 30 years;”
  o (b) extendable up to 75 years for large-scale investment enterprise

xxvii See infra, III.i.7, Social and Environmental Assessments
5) **Additional Companies**
   - DSEZ 39, MSEZ 40
   - DSEZ 39: “Foreign insurance companies and joint insurance companies have the right to operate their agency offices and insurance business within the Dawei Special Economic Zone in accord with the stipulations.”

6) **Currency**
   DSEZ 38, MSEZ 39
   - DSEZ 38: “In the Dawei Special Economic Zone, the investor may be allowed to:
     - (a) evaluate in the currency determined by the Central Body and pay in accord with the stipulations within the period of production of goods and operation of businesses;
     - (b) exchange and transmit their own foreign currency within the Dawei Special Economic Zone or abroad.”

7) **Taxes**
   - DSEZ 14-20, MSEZ 17-25
   - DSEZ 14: Tax exemption (proceeds of overseas sales): Year 1-5: 0%, Year 6-10: 50%, Year 11-15: 50% (if profit from export sales is reinvested)
   - DSEZ 15: Possible extension of the tax exemption:
     - After the Tax Exemption Period, income tax relief for that year may be applied for; depends on whether the value of the export items meet with the following conditions:
       - Large Scale investment: >50% of total value of product,
       - Medium Scale Investment: >60% of total value of product,
       - Small Scale Investment: >70% of total value of product
   - DSEZ 16(a): In case of petroleum and natural gas sector and petrochemical business, income-tax shall be paid at the rate as prescribed by the Income-tax Law
   - DSEZ 20: An exemption from commercial tax or value-added tax (VAT) may be applied for related to export items produced in the Dawei SEZ
   - DSEZ 31: Exemption of import tax and customs duties for raw materials and machineries for export-oriented processing enterprises established in the Export Processing Zone: 0% for 5 years, 50% reduction for the next 5 years

8) **Constitution**
   - MSEZ 56: “Subject to the provision of the Constitution of the Republic of the Union of Myanmar, notwithstanding anything contained in any existing Law, the matters relating to any provision of this Law shall be carried out only in accord with this Law.”

9) **Business Registration**
   - MSEZ 31: “The investor shall register the enterprise, company or organization to be operated in Special Economic Zone in accord with the stipulations”

10) **No Nationalization**
    - DSEZ 51, MSEZ 52
• DSEZ 51: “The investment businesses in the Dawei Special Economic Zone are guaranteed not be nationalized within the permitted period.”

11) Other Special Economic Zones in Burma
• Cyrus Talati, a World Bank Economist, informed the U.S. Embassy in Rangoon that the Burmese government plans to establish five special economic zones by 2015; and that the Burmese government’s interest in SEZs stems from China’s success with these zones, and that ASEAN will help the Burmese government establish the SEZs.274
  ○ Currently, SEZs are being developed in Dawei and Kyauk Phyu, Arakan State

12) Additional Potentially Relevant Burmese Domestic Laws
a) Farmland Bill275
• Sept. 19, 2011: the Burmese Parliament approved a Farmland Bill, which stated that if the government wants to confiscate land, the authorities must conduct a land survey, following which land may be confiscated by presidential order.

b) Burma Constitution, Article 39: Land Nationalization Law276
• The president is given the power to “nationalize” any person’s land if it is for the benefit of the state. This article was further explained in the Pyithu Hluttaw session on March 9, 2011 by the Minister for Agriculture and Irrigation, U Htay Oo, that this event may take place if the minimum amount of land is seized and proper compensation is provided for those affected. Reports indicate that this article was created to protect the rights of the agriculturalist.
• Villagers may have a challenge gaining access to a fair hearing of grievances related to and compensation.

c) Burma Banking Law
• According to Siam Commercial Bank Executive Vice President, Sopon Asawanuchit:
  ○ Investors are waiting for clarification on how the Dawei SEZ will operate. “There are still some challenges in terms of rules and regulations from the Myanmar side,” he says.
  ○ “Try this one: Dawei’s SEZ status allows international investors to import and export capital. But Burma’s Banking Law says foreign banks can’t operate outside Rangoon. It will be up to Karnasuta to square that circle and others so that companies will commit to building the power station, steel mill and petrochemical plants envisaged by ITD.”277

I. World Bank Involuntary Resettlement Guidelines (“WBIRG”)
• Burmese officials have pledged that a relocation plan will follow World Bank guidelines.278

If ITD follows the World Bank Involuntary Resettlement Guidelines then the following should apply based on the WBIRG:279

1) Timing
• Displacement or restriction of access should not occur before necessary measures for resettlement are in place. (Required Measures 10)
• Compensation must be paid prior to relocation and land confiscation, and relocation sites must be ready prior to relocation and land confiscation. (Required Measures 10)

2) Resettlement Plan
• Resettlement plan should be provided to affected communities and local NGOs in a form, manner, and language that are understandable to them. (Required Measures 22)
  Use a Resettlement Plan that ensures that the displaced persons are (Required Measures 6(a)):
  o informed about their options and rights pertaining to resettlement;
  o consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
  o provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.

3) Prior Informed Consent
• Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs. (Policy Objective 2(b))

4) Alternative Land v. Cash Compensation
• Providing alternative land/housing is preferred for indigenous communities and people whose livelihoods are land-based. (Required Measures 8-10)
  o If sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. (Required Measures 11)
  o Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets. (Required Measures 12)
    ▪ Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard. (Required Measures 6(a)(3), FN 11)
• People who need to physically relocate, must be:
  o provided assistance (such as moving allowances) during relocation; and
  o provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site. (Required Measures 6(b))

5) Land Title (Required Measures 15-16)
• People with land title must receive compensation.
• If the Burmese government recognizes land rights of those without land title they must receive compensation.
• If the Burmese government will not recognize land rights of those without land title, then they must receive resettlement assistance (but not compensation).

6) Livelihoods Assistance
• Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to
levels prevailing prior to the beginning of project implementation, whichever is higher. (Policy Objective 2(c))

7) Social and Environmental Assessments
   • Where there are adverse indirect social or economic impacts, it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse economic and social impacts, particularly upon poor and vulnerable groups. Other environmental, social, and economic impacts that do not result from land taking may be identified and addressed through environmental assessments and other project reports and instruments. (Policy Objective 3, FN 5)

J. Project Components in Thailand
1) Border Crossings
   • Thailand is pushing for the opening of a new border crossing at the Singkorn Checkpoint.  
     o Oct. 5, 2011: Thai PM Yingluck made her first visit to Burma and asked for progress regarding the plan to upgrade the Singkorn border gate in Prachuap Khiri Khan Province as a permanent border check-point to facilitate trade and transport.  
   • Thai logistics operators are asking the Thai government to persuade the Burmese government to reopen the border checkpoint at Mae Sot/Myawaddy.  
     o Thanet Sorat, vice-president of the logistics service provider V-Serve Group, said a reopening of the Mae Sot border checkpoint is vital to the success of the Dawei Project.

2) Road and Rail Links
   • According to the Thai National Economic and Social Development Board Secretary-General, the Thai government has budgeted THB55B (US$1,806,530,443) to support the project to connect the Eastern Seaboard with Burma, including THB30B (US$985,380,241) for a highway and THB25B (US$821,150,201) for rail extensions.

3) Link to Planned Industrial Zone in Ban Saphan District, Thailand
   • The National Economic and Social Development Board plans to locate an industrial zone in Bang Saphan District to be a center of transportation between major Thai cities and the southern provinces of Burma.

4) Link to Laem Chabang Deep Seaport in Chon Buri, Thailand
   • A rail link may be developed from Kanchanaburi to Laem Chabang Deep Seaport in Chon Buri, Thailand to support the Dawei Project  
     o Viewpoint supported by Tanet Sorat, vice-chairman of the Federation of Thai Industries (FTI).

5) Link to Chumpon and Ranong
   • July 2011: Outgoing Thai Deputy Commerce Minister Alongkorn Ponlaboot viewpoint:  
     o Once Dawei is finished, Thailand could become the ASEAN logistics hub, meaning hundreds of billions of baht for investment and new jobs in western Thailand.
Thailand should continue to develop a deep seaport in Chumphon to link with the Dawei Project.
- This will help link the existing Ranong deep seaport that Thailand aims to promote as the Bay of Bengal trade link center as about 1.7 billion people live around the bay.
- To achieve this goal, Thailand needs to improve the land link between Ranong and Chumphon.

K. Project Rationale/Benefits

1) Faster Trade Route/No Need to Pass Through Strait of Malacca
   - With completion of the port upgrade, goods (including crude oil) bound for Thailand, China, Vietnam and Laos will be able to cut an average of 10 days off transport, as cargo will no longer be required to pass through the Strait of Malacca.\(^\text{286}\)
     - Currently, Thailand’s exports are sent around Singapore through the Strait of Malacca, which is a narrow and congested sea lane that 50% of the world’s maritime trade passes through before being shipped to the West and elsewhere.\(^\text{287}\)
   - The location of the Dawei deep seaport can strengthen the transportation sectors not only of Burma and Thailand but also of other neighboring countries.\(^\text{288}\)

2) Weak Environmental Laws
   - Reports indicate that some manufactures may relocate from Map Tha Phut to Dawei, and this would benefit the Thai government who would then receive less pressure about environmental damage.\(^\text{289}\)
     - Former Thai PM Abhisit: “Some industries are not suitable to be located in Thailand,” “This is why they decided to set up there,” he said, referring to Dawei.\(^\text{290}\)
   - Thailand requires Environmental Impact Assessments (EIAs) and hearings with local residents, and recently this has led to opposition from high profile projects in Thailand
     - By contrast, ITD officials said that there were no laws in Burma covering environmental protection, but that they had conducted their own assessment of the likely impact in Dawei.\(^\text{291}\)

3) Cheap Labor
   - ITD says it is attracted to Burma’s low-cost labor force, described as “the cheapest in Asia, even less than in Bangladesh.” – ITD Project Manager Somchet Thinaphong.\(^\text{292}\)
     - “You have to think of Myanmar as Thailand 50 years ago,” said Surin Vichian, the ITD project manager in charge of engineering. “There’s nothing in the country but wilderness and cheap labor.”\(^\text{293}\)

4) Link to the Outside for Burmese Government
   - ITD Project Manager Somchet Thinaphong said that the Burmese Government sees the Dawei Project as a link to the outside world.\(^\text{294}\)

5) ASEAN Economic Community\(^\text{295}\)
   - Conform with the roadmap of the ASEAN Economic Community to become a prosperous, equitable, and incorporated region
The continuous increase in trade and economic growth within SEAsia, and demand for sea transportation in the Indian Ocean and Andaman Sea, will make the Dawei deep seaport an important regional trading hub stimulating long-term grown and development of the regional economies.

6) **Improved Production of Nearby Thai Industrial Zones**

7) **More Work for Shipping Liners**
   - Shipping liners who are feeders in the Gulf of Thailand will also benefit from the Dawei deep seaport by getting more work in the Andaman Sea.

8) **Tourism Destination**
   - The beach shoreline along the coast of Dawei (70.64 km), south of the industrial estate will be developed as a service and entertainment complex (such as hotels, resorts, marina, etc.).

9) **Local Benefits**
   - Improve public infrastructure
   - Promote education
   - Promote skill development
   - Increased employment for local workforce
     - ITD estimates that 100,000 jobs will be created.
     - But, “When looking at this type of job, it is quite different from the skills of local people. The people who face the landlessness issue and who have no job will migrate to Thailand. Foreign, skilled, industrial workers will go into Dawei and occupy the new jobs, while the local people will have little opportunity or the training to take advantage. Maybe they can get the low skill jobs like laboring work during the constructing period.” - Burmese research Zaw Aung
   - Encourage technology transfer to local business

L. **Role of Sanctions**

- As of June 30, 2011: ITD holds 75% of DDC, but is inviting both local and foreign investors to acquire up to 49% of DDC.
  - According to ITD president Premchai, European and U.S. companies are interested, but due to economic sanctions from the international community against Burma, they may funnel investment through Thai companies.

M. **Impact Assessments**

1) **Environmental Impact Assessment (EIA)**
   - Sept. 17, 2011: A KNU source said ITD has proposed to the KNU for a joint assessment of environmental and other impacts caused by the Dawei Project. It is understood by Karen News, that the KNU is considering the ITD proposal.

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Public information does not indicate if this proposal covers the entire Dawei SEZ, or only for a section of the project’s impacts.
June 5, 2011: ITD Project Manager Somchet Thinaphong said an environmental assessment is under way, but will take a year to complete (approximate completion date June 2012).

Mingalar Myanmar may conduct the EIA

- http://www.mingalarmyanmar.org/index.html
- Mingalar Myanmar is a local, non-profit organization established and run by private citizens of Myanmar whose mission is to promote and implement sustainable development programs throughout the country. Mingalar Myanmar states that it was founded by a group of pre-eminent academics, businessmen, social workers and community members who are committed to the ideal of a more transparent and civil society. Mingalar Myanmar claims it works to achieve this goal through grassroots programs that promote sustainable economic development, encourage community based organizations, and protect the natural resources of Myanmar.
- Informal reports indicate that this group is an NGO, with close ties to the government

Sept. 5, 2011: ITD posted a job to hire an environmental engineer to conduct EIAs who would be based in Bangkok, and travel to the “Myanmar site.” Job description includes:

- Having experience in ADB, World Bank ESIA review process would be an advantage
- Work as part of a Project Team on Regulatory EIA, IEE, SIA, ESIA and Public Hearing Procedure
- Take part in baseline survey plans, field surveys and write up the assessment

ITD claims that the Dawei Project will use environmental control and protection that meets internationally accepted standards, such as:

- disposal of solid waste
- water management, and
- air pollution emission control

2) Design Studies

International consultants have been hired to conduct detailed design studies:

- Port: Halcrow, Aurecon, Nippon Koei
- Road: Epsilon, TESCO, Mindway

Thus far ITD has concluded local topography survey, soil investigation/study, road link survey and clearing, temporary small port, border crossing and the concession proposal including that of the Dawei Special Economic Zone

3) Site Survey and Geotechnical Investigation

Timing: June 2008-May 2009
Activities:

- Depart from Ranong
- 1st Camp: Mavingyi
- Topographical Survey
- Hydrographic Survey
- Setup GPS Base Station
- Used RTK (Real Time Kinetic) for Topographic Survey
- Offshore boring
- On-shore boring
o Survey along the shoreline
o Set up a survey tower
- Initial on-land site survey coverage area: 40 sq km
- Total on-land site survey coverage area: 250 sq km
- Route alignment investigation:

4) Public Participation
   a) Relocation Plan
      • The relocation assessment plan will be conducted by ITD with support from the Burmese Government
      • A transparent resettlement plan will be developed with the local people, based on two-way communication to enhance public participation and to achieve long-term sustainable development

5) Studies Previously Conducted in Dawei Project Area
   b) Road Network Dawei-Kanchanaburi
      • Companies
        o JICA
        o Nippon Koei Co., Ltd.
      • Year: 1996
   c) Rail Thanbyuzayat-Kanchanaburi
      • Companies
        o KOICA: Korean International Cooperation Agency
      • Year: 2005

N. Negative Human Rights Impacts
   1) Land Confiscation
      a) Number
         • As of Aug. 2011: A total of 30 villages will be relocated, including 19 ethnic Tavoyan and 12 ethnic Karen villages
         • Before Sept. 17, 2011: ITD told the KNU that 20 villages along the Tavoy coast will have to be relocated from their homes, but as yet there is no housing or utilities available to replace them. ITD said that the Burmese government does not approve of ITD building relocation housing.
         • July 2011: ITD President Premchaisak Kanarsuta estimates that 10,000 villagers (3,800 households) will have to relocate

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xxix Livelihood and food security impacts are not included in this memorandum, but warrant further study.

xxx Information on total number of individuals or household to be relocated is inconsistent at this time.
b) **Process**

- Aug. 31, 2011: ITD Project Manager Somchet Thinapong: Forced evictions will come naturally, you have to probe into details and solve them as they develop.  
- July 27, 2011: ITD said that “some lawsuits” had been filed against ITD, which have led to renegotiating compensation and other relocation terms.
- July 16, 2011: ITD negotiated with the KNU about relocation issues, the impact of the project on the environment, and the security of the areas along the Tavoy-Kanchanaburi highway construction project. The outcomes of the negotiation discussions have not been disclosed.
- April 2011: Approximately 50 people from 13 villages in the Ka Moe Thway area met with ITD representatives and demanded compensation. ITD agreed to pay, but villagers say there has not been any action taken (as of July 19, 2011).
- Karen villagers claim that the Burmese Government sold their lands to companies with links to senior military officers.
- Local Burmese companies are participating in the land confiscation and compensation process.
  - Max Myanmar appears to be one of these companies.
  - Business sources in Rangoon said Zaw Zaw’s Max Myanmar Group of Companies got a green light from the military junta has been granted major construction work on the Dawei deep seaport and industrial area because he is a favored business associate of junta head Snr-Gen Than Shwe and a handful of other top generals.
    - Reporters in Rangoon tried to write articles on the naming of the Max Myanmar Group of Companies, but the Burmese censorship board, the Press Scrutiny and Registration Division (PSRD), rejected the articles, according to Rangoon journalists.
- June 2011: ITD says it is determined to be sensitive to local people. Claiming that villagers will only be moved once new homes have been built in six locations close the perimeter of the industrial site. “We have been very careful about this, not only the environment but the social and cultural impact,” an ITD representative stated. He continued, “New towns will include better sanitation, schools and monasteries and he said some villagers were seeing the benefits of new roads already being built in the remote area.
- Some villagers do not have land title.
- Some preports even found that when villagers ask about land compensation details they are told to ask ITD (“Italian company in Rome”).
- Relocation:
  - July 2011: ITD officer in Tavoy, who asked for his name to be withheld, told Karen News that the people will have to move to a designated location and each household could get up to a 60×80 square feet block of land for housing.

c) **Related to Road Construction, East of Dawei**

- 10 villages will lose their land, total population: 3,000
  - Another source: 12 Karen villages in Ka Moe Thway area
- June 2011: Land around the highway may have been sold by the Burmese Government to private investors close to the country’s military-dominated political elite.

d) **First Villages to be Relocated According to ITD**
July 19, 2011: An officer of ITD in Tavoy said the first batch of villages that will be relocated to make way for the construction are: Nga Pi Teh, The Byay Mu Du, Htait Gyi, Le Shawn, Pra Det, and Nyaw Bin Hseit. This will affect more than 2,000 households.

c) West Dawei
- 21 villages, total population: 32,274, total households: 3,977.
- During Sept. 2011, 6 villages are supposed to be moved, total population: 12,000
- Villagers were informed about the following compensation categories (number refer to area of both house and land)
  - 60 x 80 feet will be given 20,000,000 kyat
  - 60 x 60 feet will be given 15,000,000 kyat
  - 60 x 40 feet will be given 10,000,000 kyat
- Compensation for trees:
  - 1 rubber plant: 15,000 kyat (actual cost for 30 year life tree is about 180,000 kyat), 200 trees in one acre
  - 1 cashew nut tree: 30,000 kyat (actual cost for 30 year of life is about 105,000 kyat), 70 trees in one acre

f) East of Min Dat Village, Yebyu Township, Tanintharyi Division Already Informed About Land Confiscation
- Location
  - East of Min Dat Village, Yebyu Township, Tanintharyi Division
- Amount
  - 123 acres
  - Approximately 220 rubber trees
    - Average income per year per rubber tree: 14,400 kyat
- Type
  - rubber and cashew plantations
- Purpose
  - To build the administrative office of the Dawei deep seaport
- Burmese Officials
  - Khin Maung Swe, official in charge of Dawei Project
- Time-line
  - Sept. 2011: Min Dat Village administrative office made a list of the land and the owners and told owners that authorities would buy the plantations
  - Oct. 3, 2011: Khin Maung Swe accompanied by the Yebyu Township administrative office chief and surveying staff came to Min Dat Village to make a final list of land and owners.
- Compensation
  - Some owners asked for compensation of 2.5 million kyat per acre of land, but accepted lower prices to avoid loss of their land without any compensation. The amount of the compensation was tens of millions of kyat less than the current price of the land, sources said.
  - Coercion to Sign Agreement
Khin Maung Swe, Burmese official in charge of Dawei Project
- “If you don’t agree, your plantations will be confiscated without any compensation.”

Villager’s reaction
- “We were forced to sign an agreement that said the buying and selling of land was on our own volition. Khin Maung Swe told people who refused to sign that their land would be confiscated whether they signed it or not. Owners did not want to sign the agreement, but they signed it because they didn’t want to lose their land without some compensation,” an owner who signed the agreement told Mizzima
- “I was afraid that my plantation and inheritance would be taken at a very low price. But, it’s better than losing my land without compensation. I signed the agreement at their price. The notice letter did not say who or which department issued the order,” a villager said.

Additional 5 Villages Already Informed About Relocation
- 5 Villages: Mu-do, Paradart, Mayin-gyi, Htain-gyi, and Khing-gyi in Tennaserim Division. All five villages are near Nabule Village.
- End of July 2011: Villagers were informed about the impending relocation at the end of July by the heads of the Village tract and a representative from the Max Myanmar Company
- As of Aug. 31, 2011:
  - No compensation received yet. According to local reporter Saw Alnar: “The company told the villagers that it will pay compensation after they list all of the villagers, but they haven’t told how much they will pay, or when they will pay.”
  - Identification numbers posted on houses, listing the number of the trees and measurements of the land
  - Villages had not moved yet
- Planned Relocation Site: between Barwo beach and Barwa Village
  - Villagers will first be given zinc roofing material, and later wood for constructing new homes

Sexual Violence
- As of Aug. 2011, two local female villagers had “sexual problems” with Thai employees, and one became pregnant. The Thai officer transferred the employee to a different place.

Fighting
- July 28, 2011: KNU Brigade No. 4 soldiers engaged the Burma Army troops based near the ITD camp, where ITD employees are currently constructing the Dawei-Kanchanaburi road and burned down a temporary Burma Army outpost along the Dawei-Kanchanaburi road.
  - “The area could see a battle at any time because it is becoming an area of the Burmese Army’s operations. We will fight continuously if needed,” said Phado Saw Khwe Htoo, the chief of KNU Brigade No. 4 from Mergui-Tavoy District.
  - At least six Burmese government soldiers were killed during the fighting, said Karen villagers who fled to the Thai-Burma border for safety.
  - The construction camp is located near a Burma Army base at Ah Leh Satone on the Thai-Burma border.
- July 29, 2011: Approximately 50 ITD workers fled from Burma to the Thai side of the border to escape fighting between the Burma Army and the KNU that broke out near their
work site. No company workers have been reported killed or wounded in the crossfire, but sources said the construction camp was hit by artillery shells.\textsuperscript{350}

- “The workers were afraid even before the attack. The area where they are working is in the territory of KNU movement, and the Burmese Government troops are supposed to be providing security for them. Now that they have seen fighting between the KNU and the Burmese troops, they have become even more afraid,” said a coordinator from a human rights watch group concerned with the Dawei Project. The coordinator said some ITD workers plan to resign from their jobs because of security concerns.\textsuperscript{351}

- Aug. 2, 2011: KNLA Brigade 4 in Tenasserim Division has announced that it will carry out military activities against the government troops working as security guards for ITD.\textsuperscript{352}

- In response to the KNU activities, six additional Burmese army battalions have been sent into the area beginning on Oct. 11, 2011 according to KNU sources, bringing the total number of Burmese Army battalions in the area to 8.\textsuperscript{353}

4) Prostitution

- July 2011: Illegal massage parlors have moved into Tavoy to take advantage of foreign workers with the start of the Dawei Project\textsuperscript{354}

- Number: 8

- Locations: Tavoy (which has 15 quarters):
  - Sanchi Quarter: 3, where many government offices are located
  - Wellkyun Quarter: 4
  - Kyaksarpyn Quarter: 1

- Workers:
  - Most female masseurs are from rural towns in the Irrawaddy region, or formerly worked in massage parlors in Rangoon (parlor owners provide fares for them to come from Rangoon to Tavoy)
  - Age: The female masseurs are usually around 20 years old, but range from age 18 to 40.

O. Local Opposition

1) KNU Activities to Block the Road

- Sept. 15, 2011: KNU informed ITD that all ITD vehicles are banned from using the road, and all work on the road must stop from east of Tavoy to the Thai-Burma border.\textsuperscript{355}
  - The decision came after ITD met with the KNU on Sept. 14, 2011. This is also the end of the time period allocated by the KNU for ITD to carry out a road survey.\textsuperscript{356}
  - However, for humanitarian reasons, the KNU will allow some vehicles to use the road to transport food to workers on the Burmese side.\textsuperscript{357}

- Early Sept. 2011: The KNU avoided a major incident by not firing on an ITD car that refused to obey the travel ban and refused to stop driving on the road.\textsuperscript{358}

- Early July 2011: KNU stopped all ITD road construction east of Tavoy (between Myitta Village and Klo Hta Village), but still allowed ITD workers and vehicles to use and travel on the road.\textsuperscript{359}

- A KNU source said ITD officials do not want to publicize or acknowledge the conflict surrounding the Dawei Project, because it might jeopardize trust from their investors or shareholders.\textsuperscript{360}
• The KNU said its actions are based on calls from local villagers who say that the Dawei Project will have a severe negative impact on people living in the area and the environment.\textsuperscript{361}

• Some ITD workers are scared to work on the construction if they are not allowed in by the KNU.\textsuperscript{362}

2) Environment

• Zipporah Sein, the general secretary of the KNU, said: “All development projects must abide by international laws. We do not want them to destroy the environment and cause the people to suffer because of it.” A systematic environmental impact assessment must be carried out before the project is allowed to continue, she added. “The people must have the right to decide. They need to know about the impact of the project,” she said.\textsuperscript{363}

• Dr. Decharut Sukkumnoed, Faculty of Economics at Kasetsart University and Manager of the Healthy Public Policy Foundation\textsuperscript{364}
  • “I cannot imagine something bigger than Map Ta Phut. It will be a very big problem. You can see with Dawei, that you have very big mountains just around economic zones. The area will become ‘a bowl of pollution’ – the pollution will not be able to escape from these zones.”

3) Thai Army\textsuperscript{365}

• There are reports that Thai military commanders in Kanchanaburi are unhappy about the new road, which they say will have strategic value for the Burmese army.
  • “If the Burmese launch a military operation in the future, this road will give them easy access to the border,” said a source close to the Thai army who requested anonymity. “They [the Thai army] worry that as soon as the Burmese army reaches the border, the more they will have to suffer,” he added.

4) Reaction to Suspension of Myitsone Dam, Lack of Impact Assessments

• Oct. 4, 2011: KNU secretary general Zipporah Sein: “We welcome the government decision to suspend the Myitsone dam, but want the same to happen in Karen regions, as there has been no consultation with Karen people and no assessment of the impact of this project”\textsuperscript{366}
Annex A:  
ITD Board of Directors and Board of Management Biographies (as of Dec. 31, 2010)  

Board of Directors  
1. Pol.Lt. Chatrachai Bunya-Anata  
   **Age**  
   78 years  
   **Education**  
   B.A. Economics Accountancy, Wales, UK  
   Advanced Management Program Harvard University, U.S.A  
   National Defense College Program, Bangkok  
   **Chairman the Board of Directors**  
   Italian-Thai Development Plc. Italian-Thai International Co., Ltd.  
   Italian-Thai Land Co., Ltd. Royal Orchid Sheraton Hotel  
   Board of Governors Bangkok Pattana School  
   **Chairman of the Audit Committee**  
   Italian-Thai Development Plc.  
   **Director**  
   General Prem Tinsulanonda Foundation Dusit Thani Group  
   **Hon Advisor**  
   Dusit Thani College  
   **Independent Director**  
   MBK Property and Development Company Limited  

2. Mr. Premchai Karnasuta  
   **Age**  
   56 years  
   **Education**  
   Master of Business Administration University of Southern California U.S.A  
   B.S. in Mining Engineering: Colorado School of Mines, U.S.A.  
   **Director and President**  
   Italian-Thai Development Plc.  
   **Director**  
   Amari Co., Ltd.  
   Amari Hotel & Resort Co., Ltd.  
   Amari Orchid Lodge Co., Ltd.  

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Ando & Italian-Thai Joint Venture
Asia Industrial and Port Corporation Co., Ltd.
Asia Logistics Development Co., Ltd.
Asia Pacific Potash Corporation Co., Ltd.
Asian Steel Corporation Co., Ltd.
Asian Steel Products Co., Ltd.
ATO Asia Turn-out Co., Ltd.
Bangkok Steel Wire Co., Ltd.
Bhaka Bhumi Development Co., Ltd.
Bhantuwong Co., Ltd.
C.P.K. International Co., Ltd.
Chantaburi Country Club Co., Ltd.
Chantaburi Farm Co., Ltd.
Charoong Thai Wire & Cable Plc.
Dithee Co., Ltd.
Imperial Technology Management Services Plc.
ION Joint Venture
ITAC Joint Venture
Italian-Thai International Co., Ltd.
Italian-Thai Land Co., Ltd.
Italian-Thai Power Co., Ltd.
Italian-Thai Scanska Lyndby Joint Venture
Italthai Engineering Co., Ltd.
Italthai Holding Co., Ltd.
Italthai Industrial Co., Ltd.
Italthai Marine Co., Ltd.
Italthai Real Estate Co., Ltd.
Italthai Trevi Co., Ltd.
ITD Almoayyed Contracting W.L.L.
ITD Cementation India Limited.
ITD-EGC Joint Venture
ITD-NSC Joint Venture
Kanika Co., Ltd.
Khunka Palangthai Co., Ltd.
Koh Kong Power Light Co., Ltd.
Lao Metal Industry Co., Ltd.
Lasalle Co., Ltd.
MCRP Construction Co., Ltd.
MCRP Holding Corporation Ltd.
Metropolitan Water & Services Co., Ltd.
Myanmar ITD Co., Ltd.
Nahathai Co., Ltd.
Nhapralarn Crushing Plant Co., Ltd.
Nipa Lodge Co., Ltd.
Palang Ngan Sakol Co., Ltd.
Palangthai Kaona Co., Ltd.
Palit Palangngan Co., Ltd.
Panoot Co., Ltd.
Phannin Co., Ltd.
Praram 9 Square Co., Ltd.
Praram 9 Square Hotel Co., Ltd.
PT Thailindo Bara Pratama Co., Ltd.
Saraburi Coal Co., Ltd.
Saraburi Construction Technology Co., Ltd.
Sarithorn Co., Ltd.
Siam Concrete Brick & Products Co., Ltd.
Siam Fiber Optics Co., Ltd.
Siam Machinery and Equipment Co., Ltd.
Siam Pacific Holding Co., Ltd.
Sin Rae Muang Thai Co., Ltd.
Sino Lao Aluminum Co., Ltd.
Takolkiat Co., Ltd.
Tayakhee Co., Ltd.
Thai Ando Italian-Thai Joint Venture
Thai Contractors Asset Co., Ltd.
Thai Maruken Co., Ltd.
Thai Nippon Steel Engineering & Construction Corp. Co., Ltd.
Thai Pride Cement Co., Ltd.
Thai Rent All Co., Ltd.
Tongkrai Co., Ltd.
Tridayuk Co., Ltd.
Wildemere Co., Ltd.

3. Mrs. Nijaporn Charanachitta

Age
59 years

Education
M.B.A. (Finance) University of Wisconsin (Madison), U.S.A.
B.A. (Faculty of Art) Chulalongkorn University
Chairman
Amari Co., Ltd.
Amari Hotel & Resort Co., Ltd.
Chao Phraya Development Corporation
Italthai Industrial Co., Ltd.
Sakdi Sin Prasit Co., Ltd.
Sankyu - Thai Co., Ltd.
Thai Contractors Asset Co., Ltd.
The Oriental Hotel (Thailand) Plc.

Director and Senior Executive Vice President:
Italian-Thai Development Plc.

Director and Member of the Nomination and Compensation Committee:
Charoong Thai Wire & Cable Plc.

Director
Aquathai Co., Ltd.
Asia Industrial and Port Corporation Co., Ltd.
Asia Logistics Development Co., Ltd.
Asian Steel Product Co., Ltd.
ATO Asia Turn-out Co., Ltd.
Bangkok Steel Wire Co., Ltd.
Bhaka Bhumi Development Co., Ltd.
Bhantuwong Co., Ltd.
Chantaburi Country Club Co., Ltd.
Chantaburi Farm Co., Ltd.
CPK International Co., Ltd.
Dithee Co., Ltd.
ITAC Joint Venture
Italian-Thai Development Plc.
Italian-Thai International Co., Ltd.
Italian-Thai Land Co., Ltd.
Italian-Thai Power Co., Ltd
Italthai Holding Co., Ltd.
Italthai Marine Co., Ltd.
Italthai Real Estate Co., Ltd.
Italthai Trevi Co., Ltd.
ITD (SPV) Co., Ltd.
ITD Almoayyed Contracting W.L.L.
ITD-VIS Joint Venture
Kanika Co., Ltd.
Khunka Palangthai Co., Ltd.
Koh Kong Power Light Co., Ltd.
Lao Metro Industry Co., Ltd.
Lasalle Co., Ltd.
Myanmar ITD Co., Ltd.
Nahathai Co., Ltd.
Napralan Crushing Plant Co., Ltd.
Pacific Potash Corporation Co., Ltd.
Pacific-Thai Electric Wire & Cable Co., Ltd.
Palang Ngan Sakol Co., Ltd.
Palangthai Kaona Co., Ltd.
Palit Palanguan Co., Ltd.
Panoot Co., Ltd. Asia
Phanin Co., Ltd.
Praram 9 Square Co., Ltd.
Praram 9 Square Hotel Co., Ltd.
PT Thai Lindo Bara Pratama Co., Ltd.
Saraburi Coal Co., Ltd.
Saraburi Construction Technology Co., Ltd.
Saritorn Co., Ltd.
Siam Concrete Brick & Product Co., Ltd.
Siam Machinery & Equipment Co., Ltd.
Siam Pacific Holding Co., Ltd.
Siam Sightseeing Co., Ltd.
Siam Steel Syndicate Co., Ltd
Sin Rae Muang Thai Co., Ltd.
Sino Lao Aluminum Co., Ltd.
Takolkiat Co., Ltd.
Tayakhee Co., Ltd.
Thai Barge Container Services Co., Ltd.
Thai Maruken Co., Ltd.
Thai Pride Cement Co., Ltd.
Thai Rent All Co., Ltd.
Tongkrai Co., Ltd.
Toyo-Thai Corporation Plc.
Tridayuk Co., Ltd.
Wildemere Co., Ltd.

4. Dr. Krisorn Jittorntrum
Age
57 years

Education
Ph.D. Computing Research Group, Institute of Advance Studies, The Australia National University

Independent Director and Audit Committee
Italian-Thai Development Plc.

Director
Asia Pacific Potash Corporation Co., Ltd.

5. Mr. Pathai Chakornbundit
Age
68 years

Education
B.Eng (Civil), Chulalongkorn University

Director and Senior Executive Vice President
Italian-Thai Development Plc.

Director
Aquathai Co., Ltd.
Asia Industrial and Port Corporation Co., Ltd.
Asia Logistics Development Co., Ltd.
Asia Pacific Potash Corporation Co., Ltd.
Bhaka Bhumi Development Co., Ltd.
IOT Joint Venture
ITAC Joint Venture
Italian-Thai Gypsum Co., Ltd.
Italthai Marine Co., Ltd.
Italthai Trevi Co., Ltd.
ITD Cementation India Limited.
ITD-EGC Joint Venture
ITD-NSC Joint Venture
Khunka Faifa Thai Co., Ltd.
Khunka Palangthai Co., Ltd.
Koh Kong Power Light Co., Ltd.
Myanmar ITD Co., Ltd.
Palangthai Kaona Co., Ltd
Palit Palanguan Co., Ltd.
PT Thailindo Bara Pratama Co., Ltd.
Sarithorn Co., Ltd.
Sin Rae Muang Thai Co., Ltd.
Thai Ando & Italian-Thai Joint Venture
Thai Maruken Co., Ltd.
Thai Nippon Steel Engineering & Construction Co., Ltd.
Thai Pride Cement Co., Ltd

6. Mr. Yuthachai Charanachitta

Age
32 years

Education
Bachelor Degree in Economics, Hamilton College, USA.

Executive Director
Italthai Industrial Co., Ltd.

Director
Amari Co., Ltd.
Amari Estates Co., Ltd.
Amari Hotel and Resort Co., Ltd.
Baan Krating Co., Ltd.
Chao Phraya Development Corporation Co., Ltd.
Italian-Thai Development Plc.
Italian-Thai Power Co., Ltd.
Italthai Engineering Co., Ltd.
ITD Madagascar S.A Co., Ltd.
Muanjai Co., Ltd.
Riverside Auction House Co., Ltd.
Sakdi Sin Prasit Co., Ltd.
Saraburi Coal Co., Ltd.
Thai Contractors Asset Co., Ltd.
The Oriental Hotel (Thailand) Plc.
7. Mr. Tawatchai Suthiprapha  
Age  
67 years  

Education  
B.Eng (Civil), Chulalongkorn University  

Director and Senior Executive Vice President  
Italian-Thai Development Plc.  

Director:  
Asia Industrial and Port Corporation Co., Ltd.  
Asia Logistics Development Co., Ltd.  
ATO Asia Turn-Out Co., Ltd.  
Bhaka Bhumi Development Co., Ltd.  
ION Joint Venture  
ITD-VIS Joint Venture  
ITO Joint Venture  
Saraburi Construction Technology Co., Ltd.  
Saritthorn Co., Ltd.  
Siam Steel Tower Co., Ltd.  
Sumitomo-Italian-Thai Joint Venture  
Thai Maruken Co., Ltd.  
Thai Pride Cement Co., Ltd.  

8. Mr. William Lee Zentgraf  
Age  
70 years  

Education  
A.B. (cum laude) Harvard College  

Independent Director and Audit Committee Member  
Italian-Thai Development Plc.  

Director  
The Oriental Hotel (Thailand) Plc.  

9. Mr. Peeti Karnasuta  
Age  
29 years
Education
Applied Economics, University of Saint Andrews

Executive Director
Auo Siam Marine Co., Ltd.

Managing Director
Suvarnabhumi Entertainment Co., Ltd. 3B Holding Co., Ltd.

Director
Italian-Thai Development Plc.
Italian-Thai Power Co., Ltd.
ITD Madagascar S.A Co., Ltd.
P3 Global Energy Co., Ltd.
Saraburi Coal Co., Ltd.

Management
10. Mr. Somchai Tumrongwang
Age
70 years

Education
B.Eng (Civil), Chulalongkorn University, Honour

Senior Executive Vice President
Italian-Thai Development Plc.

11. Mr. Tawee Changpetch
Age
65 years

Education
B.Eng (Civil), Chulalongkorn University, Honour

Executive Vice President
Italian-Thai Development Plc.

12. Mr. Anan Amarapala
Age
64 years

Education
B.Eng (Civil), Chulalongkorn University

Vice President (Marine)
Italian-Thai Development Plc.

13. Mr. Thanin Bumrungsap
   Age
   62 years
   
   Education
   Master’s Degree in Geotechnical Engineering, Asian Institute of Technology (AIT), Bangkok

   Vice President (Project)
   Italian-Thai Development Plc.

   Director
   Sino Lao Aluminum Co., Ltd.

14. Dr. Nattawuth Udayasen
   Age
   61 years
   
   Education
   Ph.D. University of Waterloo, Canada

   Vice President (Project)
   Italian-Thai Development Plc.

15. Mr. Sompop Pinijchai
   Age
   53 years
   
   Education
   M.B.A. (Finance), NIDA

   Vice President (Cost Engineering Analysis)
   Italian-Thai Development Plc.

   Director
   Italthai Marine Co., Ltd.

16. Mr. Chatichai Chutima
Age
50 years

Education
Master of Economics from Ohio University, U.S.A.

Vice President (Finance)
Italian-Thai Development Plc.

Director
ITD (SPV) Co., Ltd.
Siam Pacific Electric Wire & Cable Co., Ltd.
Siam Steel Syndicate Co., Ltd.

17. Mrs. Pienghathai Pongsuwan
Age
50 years

Education
Master Degree - Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Vice President (ITD Group of Company and Contract Administration)
Italian-Thai Development Plc.

18. Miss Kanchana Chaaroenyot
Age
49 years

Education
M.B.A. Finance and Banking, Ramkhamkaeng University

Vice President (Accounting)
Italian-Thai Development Plc.
25 “Sin Teck Lim Biography,” White & Case, available at http://www.whitecase.com/slim/ (Representative transactions on which Sin Teck has worked include advising: Italian-Thai Development Public Company Limited on a Thailand Stock Exchange-listed Regulation $ international offering of ordinary shares.)


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