

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

**To the Board of Directors and the Shareholders of Italian-Thai Development
Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position of Italian-Thai Development Public Company Limited and subsidiaries as at 31 March 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and condensed notes to the interim financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim financial information.

Basis for Qualified Conclusion

- As discussed in Note 7 to the interim financial statements, as at 31 March 2019, the consolidated financial statements include trade accounts receivable of an overseas subsidiary totalling Baht 264.07 million (net allowance for doubtful account of Baht 36.84 million). Such receivable is in the process of collection under a debt settlement plan. The Company's management, believes that such amount can be realized and the allowance for impairment recognized in the accounts based on the discounted cash flows from the collection plan of such receivable is adequate and appropriate. I am unable to assess the potential impact (if any) to such outstanding balances and the corresponding impact to consolidated and separate financial statements.
- As discussed in Note 7 to the financial statements, the Company has not received payments for amounts billed for a portion of construction work totaling Baht 825.33 million from a State Enterprise since the Company was not able to complete some parts of construction work following the milestones plan. The Company has been negotiating for the employer to approve the extension of time for the construction completion. This process has been initially agreed by the project consultant and will be processed for submission to the employer. The collection for the billing values is dependent on the approval of the employer for the extension of the milestone for the completion of construction work. The Company's management believes that the Company will get the approval in the near future and will receive the full payment for the amount mentioned above. The Company therefore has not set up allowance for such receivable since the reliable estimate of the amount cannot be made. I am unable to assess the potential impact (if any) to the consolidated and separate financial statements from such matter which outcome cannot presently be concluded.

Qualified Conclusion

Based on my review, except for the effects to the consolidated and separate financial statements for the three-month period ended 31 March 2019 of the matters discussed in the above paragraph "Basis for Qualified Conclusion", nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim financial reporting".

Emphasis of Matters

I draw attention to below information :

- 1) As discussed in Note 12 to the financial statements, the Company has incurred projects development costs in the Dawei Special Economic Zone totalling Baht 7,734.33 million. This project depends on the cooperation of the governments of Thailand and the Republic of the Union of Myanmar who set the project development policy. The Company has the right to reimburse such amount from new partners of each project or else obtain right over the possession of land.

- 2) As discussed in Note 13 to the financial statements, a subsidiary company has acquired in the rights to survey and development of potash mining project for a value of Baht 2,293.49 million for which the application for potash mining concessions is still in process. The Company's management believes that this project will be approved by the government and will become operational in the near future as the process for concessionaire application has been completed.

My review conclusion is not qualified in respect of the above emphasis of matters.

Mr. Somckid Tiatragul

Certified Public Accountant

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Grant Thornton Limited

Bangkok

15 May 2019