**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 its subsidiaries (the “Group”) as at   
31 March 2022, the related consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in shareholders’ equity and cash flows for the three-month period then ended, and condensed notes to the interim financial statements (collectively “the interim financial information”). 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**

The basis for my qualified conclusion are as follows:

* As discussed in Note 15 to the interim financial statements, the consolidated and separate financial statement as at 31 March 2022 include the development costs for concession right - Dawei Project totaling Baht 7,843.60 million and Baht 5,205.96 million, respectively. Such amounts represent project costs for developing the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone (“DSEZ”) for the acquisition of concession right. In the year 2010, the Company was granted the right to develop such project by the government of the Republic of the Union of Myanmar whereby the project is managed by Dawei Special Economic Zone Management Committee, (“DSEZ MC”). The Company has also invested in such project through its local subsidiary which was established for investments in the group of indirect subsidiaries in the Republic of the Union of Myanmar, that jointly with the group of investors (“The Group of Concessionaires”) obtained concessions and rights to develop Dawei Special Economic Zone Initial Phase (“DSEZ Initial Phase”) for the industrial estate of 27 square kilometers and related infrastructure and utilities for 8 concession projects. The Company has investment in subsidiary and long-term loan to the group of subsidiaries to invest in the development of such project totaling Baht 2,476.27 million and Baht 101.79 million, respectively, in the separate financial statement.

The Group had started the development in the project areas since the year 2010. Subsequently in the year 2013, such project has been supported from the Governments of Thailand and the Republic of the Union of Myanmar who established the Special Purpose Vehicle (Dawei SEZ Development Company Limited “SPV”) to mutually promote the project and determine the development project policy. SPV considered that the Company has the right to reimburse the costs previously incurred by the Group from new investors of each project in accordance to the results of Due Diligence assessment under the Tripartite Memorandum or else to obtain the right to develop additional industrial estate land (Land Right Option) and for the development and management of DSEZ Initial Phase under the Supplemental Memorandum of Understanding to the Tripartite Memorandum as mutually agreed among DSEZ MC, SPV and the Company.

However, on the 30 December 2020, the Concessionaires who obtained concessions rights of the DSEZ Initial Phase received the Notice of Termination for all concession agreements of the DSEZ Initial Phase from the DSEZ MC claiming that the Concessionaires had breached the conditions of the concession agreement relevant to the payment of annual concession fee and the conditions of the concession agreement for the Initial Industrial Estate and Two-lane Road connecting the Dawei Special Economy Zone and the Thai-Myanmar border which additionally determined by the DSEZ MC. This requires the Concessionaires to enforce Italian-Thai Development Public Company Limited to sign the document releasing the Group’s right to reimburse the previous investments under the Tripartite Memorandum. In order to protect the right with regard to the reimbursement of investment cost mentioned in the aforementioned  
memorandum, on 19 January 2021, the Concessionaires sent the notice to elucidate the reason

for cancellation of agreement to the DSEZ MC disputing that the additional conditions do not form part of the conditions mutually agreed by the Concessionaries but merely came from the judgement of the DSEZ MC only. The Concessionaires proposed a discussion on this matter to DSEZ MC and awaiting the response for discussion from such entity.

As above mentioned, although the right for the reimbursement of the Group’s previous investment for development of Industrial Estate and related infrastructure and utilities in the DSEZ is still in compliance with the Tripartite Memorandum, the reimbursement amount depends on the Due Diligence report, for which the Company does not have the right to access such report. In addition, it depends on the progress of the development of the DSEZ (Full Phase), which was supported by the government of Thailand and Republic of the Union of Myanmar to promote others concession projects in the future as well as the investment from new investors who are interested in each concession project. The Group’s management is unable to assess the potential impact (if any) on the realizable value of the development costs for concession right - Dawei Project whether they will be higher or lower than the amounts recorded by the Group in the financial statements. In addition, the impact from the Notice of Termination for all concession agreements of the DSEZ Initial Phase is in the process of negotiation with the DSEZ MC which has not been concluded. Moreover, the current political and economic situation in the Republic of the Union of Myanmar is uncertain that may affect the development of such projects of the Group in the future. Therefore, I am unable to assess the potential impact (if any) on the balance of the development costs for the concession right - Dawei Project in the consolidated and separate financial statements and the valuation of investment in subsidiary and long-term loans to the group of subsidiaries in the separate financial statements. I am also unable to consider the effect it may have on the consolidated and separate financial statements caused by the uncertainty and the limitation on situation above.

* As discussed in Note 2.3 to the interim financial statements, the consolidated statement of financial position as at 31 March 2022 included an investment in a joint venture accounted for by the equity method of Baht 179.33 million. Such amount was based on the financial information of a joint venture as of 30 September 2019 which was reviewed by the joint venture’s auditor. The joint venture’s management was unable to prepare the up-to-date financial information since the joint venture and the employer have been in dispute regarding the termination of construction contract and are in process of negotiation for the realizable value of assets, netted of current obligation in liabilities and contingent liabilities. In addition, the separate financial statements as at 31 March 2022, included trade accounts receivable – Joint Venture of Baht 58.36 million. The Company’s management is unable to assess the potential impact (if any) from such dispute which outcome cannot presently be determined. I am unable to assess the potential impact that may need to be adjusted for the profit or loss in the accounts of the Joint Venture and also impact to the investment and share profit or loss accounted for by equity method in the consolidated financial statements and the potential impact on the balance of trade accounts receivable – Joint Venture in the separate financial statements.
* As discussed in Note 6 to the interim financial statements, the consolidated and separate statement of financial position as at 31 March 2022 included trade accounts receivable from a State Enterprise for a construction project of Baht 1,125.79 million for which the construction work was completed in September 2019 which was after the key completion dates (Key Date) and the ended date as stipulated in construction contract. The Company has negotiated to get the deducted construction receivable from the employer who claimed the Company to pay for the penalty of project delay. However, the Company has argument with the extended number of days initial approved by the employer and such argument is the consideration process of the employee’s committee. The Company’s management is unable to assess the impact of such matter which depends on the events that cannot presently be concluded. I am unable to assess the potential impact (if any) to such outstanding accounts receivable in the consolidated and separate financial statements.

**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 2022 of the matters discussed in the 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**

Without changing my qualified conclusion, I draw attention to the following information:

1. As discussed in Notes 10.2, 16 and 17 to the interim financial statements, the Group has significant investments in projects with Thailand and overseas Government Agencies which projects are under development stages, whereby the future development to meet the milestone of such projects are dependent upon various circumstance and factors. The investments in the significant projects included in the consolidated and separate financial statements as of   
   31 March 2022 are as follows:

* As discussed in Note 10.2 to the interim financial statements, the Company has investment in bauxite mining, and the construction of Alumina Production Plant Project. Such investment was made through an associated company which was established in Lao People’s Democratic Republic. The Company has investment in an associated company which is for investing in such project including trade account receivable, retention receivable and loan to associated company totalling of Baht 1,159.80 million. This associated company has obtained the concession right for bauxite mining from the Government of Lao People’s Democratic Republic and has been in consideration process for approval of the Environmental and Social Impact Assessment (ESIA) Certificate from the authority entity in order to start the construction of alumina production plant. In addition, during the year 2021, the associated company has signed a Memorandum of Understanding with a strategic partner, and it is under the process of the project feasibility study to support the seeking of financing for the future development of the project.
* As discussed in Note 16 to the interim financial statements, the subsidiary company has costs of acquiring rights to survey and develop a potash mining project of Baht 2,293.49 million, and costs of survey and mining project development totalling Baht 956.40 million. The application for potash mining concessions is in process of consideration from the government. The Company’s management believes that this project will get the approval from the government and are able to operate in the future since the process for concessionaire application has been completed. The investment in such project after obtaining the potash mining concessions from the government requires significant financing.
* As discussed in Note 17 to the interim financial statements, the consolidated and separate financial statements included deferred concession costs and costs of project under development in the Republic of Mozambique of Baht 2,435.50 million and Baht 2,088.13 million, respectively. Such amounts represent costs for the concession right and development costs for construction of a Heavy Haul Railway Lines and construction of a Deep - Sea Port. The Company has invested in such project through an overseas subsidiary which was granted the concession right from the Government of the Republic of Mozambique and established another overseas subsidiary to provide construction services for such project. The Company has investment and long-term loan to such group subsidiaries for the project development totalling Baht 58.16 million and Baht 418.86 million, respectively. The progress of such project under development is dependent on finding the strategic partner in the future as well as the approval for the project finance from the financial institution since the project requires significant amount of investment for the development of such project.

1. As discussed in Note 8 to the interim financial statements, the consolidated financial statements as at 31 March 2022 include the Company’s earned revenues not yet billed of Baht 258.53 million which present variation orders claims for a construction project with a State Enterprise of an overseas joint venture between the Company and an overseas subsidiary. The Joint Venture has completed the construction work and received the Taking Over Certificate from the employer in the year 2019 and Performance Certificate in the year 2020. Later, in June 2021, the employer made the partial payment for the construction work to the joint venture. The joint venture is currently under the negotiation with the employer to claim the remaining construction work through the Arbitration process. However, the joint venture’s management has assessed the realization based on information from the legal opinion of an independent counsel and believes that it will get the full payment from the employer. The recoverability of such earned revenues not yet billed is dependent on the outcome from the negotiation with the employer through the Arbitration process.

**Miss Kanyanat Sriratchatchaval**

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

17 May 2022