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

*Disclaimer of Opinion*

I was engaged to audit the consolidated financial statements of Italian-Thai Development Public Company Limited (“the Company”) and its subsidiaries ( “the Group”) and the separate financial statements of the Company which comprise of the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements which include significant accounting policies and other explanatory information.

I do not express an opinion on the consolidated financial statements of the Company and the Group and the separate financial statements of the Company for the year ended 31 December 2023. Because of the significance of the matters described in the Basis for Disclaimer of Opinion sections of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

*Basis for Disclaimer of Opinion*

1. *Material Uncertainty Related to Going Concern*

Refer to Note 1.2 to the financial statements which indicated that for the year ended   
31 December 2023, the Group and the Company had loss after tax of Baht 421.54 million and Baht 194.87 million, respectively (2022 : Baht 4,475.58 million and Baht 3,622.58 million, respectively) and as at 31 December 2023 the Group and the Company had accumulated deficits of retained earnings of Baht 6,426.67 million and Baht 5,390.06 million, respectively (2022 : Baht 5,395.86 million and Baht 5,223.32 million, respectively) and the Group and the Company had current liabilities in excess of the current assets amounting to Baht 26,711.54 million and Baht 29,977.68 million, respectively (2022 : Baht 13,305.91 million and Baht 16,810.41 million, respectively). The current liabilities mainly included short-term loans in the form of a promissory notes, trust receipts, letters of credit and long-term loans from financial institutions, where long-term loans have been reclassified to short-term loans and debentures have been reclassified to debentures due within one year due to default the conditions as specified in the terms and conditions in the loan agreement and debentures.

As at 31 December 2023, the Company is unable to maintain the debt to equity ratio computed on the consolidated financial statements as specified on loan agreements with some financial institutions. As a result of breaching the conditions of the loan agreement totalling of Baht 2,865.92 million, the financial institutions have the right to define the debts both short-term and long-term loans amounting to Baht 1,339.24 million and Baht 1,526.68 million, respectively. The financial institutions have the right to define all debts or any part of the debt as well as any interest incurred, as due and must be paid immediately without any demands and has the right to cancel all unutilized credit facilities, the Company had received letters of waivers from the banks waiving such conditions on 29 February 2024 and 18 March 2024 as mentioned in Note 49.

The Group’s management manage to seek funding and maintaining the adequate liquidity and cashflows for debts payments and business operation. On 17 January 2024 and 30 January 2024, the bondholders meeting for 5 series of debentures comprises of ITD242A, ITD24DA, ITD254A, ITD266A, and ITD24DB with a total outstanding principal of Baht 14,455 million, passed a resolution to postpone all principal repayment next 2 years from the original maturity dates. The Company plan to make payment for all principal on the new maturity dates, including all changes in other conditions as mentioned in Note 49.

Although, the Group and the Company are under process to follow business operations plan and financial strategy to ensure that the Group and the Company has adequate liquidity and the ability to meet liabilities payment on due date and continuously operate business. However, the liquidity factors for Group and the Company may be dependent on the right of the bank to recall the loan and debentures, the success of execution management’s plans, the ability to seek additional sources of funds for business operation, revised the business plan to support the future operating performance and repayment loan and debentures at the new maturity dates including the continuing support of the provider of the bank facilities, and the negotiation to collect the construction revenue for various projects from various contractors. These circumstances involve multiple uncertainties, which may have the potential interaction of material uncertainties and their possible cumulative effect on the financial statements. Those circumstances indicate that material uncertainties exist that may cast significant doubt on the Group’s ability to continue as a going concern.

1. *Items that are being audited and I have not been able to obtain sufficient appropriate audit evidences caused by the limitation on situation*

1. As discussed in Note 24 to the financial statements, the consolidated and separate financial statement as at 31 December 2023 include the development costs for concession right – Dawei Project totaling Baht 7,849.23 million and Baht 5,205.96 million, respectively and 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 104.33 million, respectively. 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 under Tripartile Memorandum. However, on 30 December 2020, the Concessionaires received the Notice of Termination for all concession agreements of the DSEZ Initial Phase from the DSEZ MC claiming that the Group of 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 Group of 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 Group of 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 Group of Concessionaries but merely came from the judgement of the DSEZ MC only. The Group of 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.

As at 31 December 2023, 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 (if any) it may have on the consolidated and separate financial statements caused by the uncertainty and the limitation on situation above.

1. As discussed in Notes 9 and 11 to the financial statements, the consolidated and separate statement of financial position as at 31 December 2023 included trade accounts receivable and contract assets for a construction project of Baht 2,576 million, which the construction work was partially completed in October 2022. Currently, the contractor is waiting for Notice to proceed letter from the government sector. The contractor requests the Company to extend construction instalment payment term including accrued interest until now. The contractor will make payment to the Company whenever all conditions are agreed by the government sector. Therefore, the Company’s management is unable to assess the potential on such circumstance and unable to be concluded. I am also unable to consider the effect (if any) it may have on the outstanding balance of accounts receivable and contract assets arising from the aforementioned contract, on the consolidated and separated financial statements caused by the uncertainty and the limitation of situation above.
2. As at 31 December 2023, investment in First Dhaka Elevated Expressway Co., Ltd. (FDEE), the investment in joint control company located in Bangladesh, is Baht 3,068.34 million. FDEE is Bangladesh's first elevated expressway project and material to the separate financial statements and has an indicator for impairment. I obtained a cash flow projection from the management to assess the impairment. Currently, FDEE is in process of negotiation toll fee with the government sector in Bangladesh and wait for the finalised feasibility study report for the car traffic on the expressway in Bangladesh, which the result of the update projection might be significantly changes. Therefore, the Company’s management is unable to assess the potential (if any) on such circumstances and unable to be concluded. I am also unable to consider the effect (if any) it may have on the recoverable amount of investment in associate on the consolidated and separate financial statements caused by the uncertainty and the limitation on situation above.
3. As discussed in Note 11.1 to the financial statements, the consolidated financial statements as at 31 December 2023 include the Company’s earned revenues not yet billed of Baht 62.27 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. Therefore, the Company’s management is unable to assess the potential (if any) on such circumstances and unable to be concluded. I am also unable to consider the effect (if any) it may have on the recoverable amount of earned revenues not yet billed on the consolidated financial statement caused by the uncertainty and the limitation on situation above.
4. As disclosed in Note 46 to the financial statements, the Company has been sued by other companies in various cases for breaches of contract, claims for damages, and other matters in the consolidated financial statements and separate financial statements of Baht 4,944.97 million and Baht 4,470.76 million, respectively. Currently, these the cases are under the court's consideration, and the outcomes cannot presently be concluded. Therefore, the Company's management does not make any provision for liabilities in the accounts. I am also unable to consider the effect (if any) it may have on the provision for liabilities on the consolidated and separate financial statements caused by the uncertainty and the limitation on situation above.
5. *Unaudited joint venture’s financial information*

As discussed in Note 16.3 to the financial statements, the consolidated statement of financial position as at 31 December 2023 included an investment in a joint venture accounted for by the equity method of Baht 83.09 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 assess the potential impact (if any) on the balance of joint venture’s assets which is jointly controlled, the proportion of joint venture’s liabilities, which is jointly liable, joint venture’s share of profit and expenses, the statement of changes in equity and the statement of cashflows. The Settlement Agreement was finalised in part of compensation of USD 75 million must be paid by contractor and the Company received its share profit of USD 9 million from the joint venture.

1. *Qualified opinion on the audit report of the component auditor*

I received the auditor’s report on the audit of financial statements of ITD Bangladesh Company Limited, a significant subsidiary and registered and operating in Bangladesh, which included in the consolidated financial statements for the year ended 31 December 2023 present total assets as at 31 December 2023 of Baht 2,608.50 million, and total revenue and profit for the year ended   
31 December 2023 of Baht 2,335.51 million and Baht 185.56 million, respectively. The component auditor expresses a qualified opinion on the financial statements for the year ended 31 December 2023, on 22 February 2024, regarding non-compliance with the laws of Bangladesh.

*Emphasis of Matter*

I draw attention to the following information

1. As discussed in Notes 16.2, 25 and 26 to the 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 December 2023 are as follows :
   * As discussed in Note 16.2 to the 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 1,216.85 million. This associated company has obtained the concession right for bauxite mining from the Government of Lao People’s Democratic Republic and has received the approval for the ESIA Certificate from the Ministry of Natural Resources and Environment.
   * As discussed in Note 25 to the financial statements, the subsidiary had submitted to request for the concession right for potash mining in 2004 and has obtained such concession right on 23 September 2022. To operate the mining business, the subsidiary must comply with the conditions relating to issuing the concession right and other relevant law and requires. To comply with those conditions, it requires significant financing. The subsidiary company has costs of potash mining right of Baht 2,293.49 million and deferred exploration and development cost totalling Baht 2,988.35 million. The Company’s management assessed that the subsidiary is able to comply with the specified conditions, to operate mining business as planned and has no indication for impairment of such investment.
2. As discussed in Note 26 to the 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 2,688.94 million and Baht 2,283.47 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 256.29 million, respectively. The progress of such project under development is dependent on finding the strategic partner in the future which interested partners are currently studying the feasibility of the project for their investing as well as the approval for the project finance from the financial institution since the subsidiary requires significant amount of investment for the development of such project.

*Other Matter*

The consolidated and separate financial statements of financial position of Italian-Thai Development Public Company Limited and its subsidiaries as at 31 December 2022, presented as comparative information, were audited by another auditor who used to be in the same firm as mine who issued the audit report dated 28 February 2023 expressed a qualified opinion thereon in respect of the potential impact (if any) for the balance of transactions which cannot be concluded regarding to

1. the recoverable amount of the development costs for concession right - Dawei Project,
2. the investment value and relevant accounting transactions for the equity method of the joint venture, and
3. the recoverable amount of account receivable from a State Enterprise

with the emphasis of matters regarding

1. the investments in projects under development, whereby the future development to meet the milestone of such projects are dependent upon various circumstances and factors, and
2. the revenues from a construction project with a State Enterprise of an overseas joint venture which is under the process for billing which has not been concluded.

*Responsibilities of Management and Those Charged with Governance for the preparation of the*

*Consolidated Financial Statements and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated and

separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

My responsibility is to conduct an audit of these consolidated and separate financial statements in accordance with Thai Standards on Auditing and to issue an auditor’s report. However, because of the matters described in the Basis for Disclaimer of Opinion sections of my report, I were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code.

**Luxsamee Deetrakulwattanapol**

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

28 March 2024