

## Translation

Referring to the public presentation session held on March 13, 2025, at 10:30 am via E-Meeting to inform the Company's shareholders, investors, and relevant stakeholders regarding the ongoing CS (Caution – Financial Statement) and CB (Caution – Business) signs posting on the securities of Italian-Thai Development Public Company Limited (the "Company") due to the auditor's disclaimer of opinion, the Company's shareholders' equity being less than 50% of paid-up capital, and the net loss from operations for 3 consecutive years and shareholders' equity being less than 100% of paid-up capital in the Company's financial statements for the year ended December 31, 2024, the Company would like to summarize and report the significant matters, and solutions as follows:

### Clarification for the CS (Caution – Financial Statement) sign

Basis for Disclaimer of Opinion	Clarification
<p><b>1. Material Uncertainty Related to Going Concern</b></p>	
<p>As at 31 December 2024, 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 3,413.35 million, the financial institutions have the right to define the debts both short-term and long-term loans amounting to Baht 51.65 million and Baht 3,361.70 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. However, financial institutions do not exercise such right and allow to disburse loans in accordance with the terms and conditions of loan agreements. In addition, the Company had received letters of waivers from the banks waiving such conditions on 17 February 2025</p> <p>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</p>	<ol style="list-style-type: none"> <li>1. As of December 31, 2024, the Company is unable to maintain the debt to equity ratio as required by loan agreements with certain financial institutions, the Company has, however, received letters from the financial institutions granting consent and a waiver of the conditions on February 17, 2025. This means that the Company is not in breach of the agreement.</li> <li>2. The Company has continued to receive support from banks in issuing letters of guarantee for project tenders as usual.</li> <li>3. The Company has signed construction project contracts during 2024 – February 2025, with a total contract value amounting to Baht 37,700 million. Additionally, the Company has ongoing bidding projects that include: <ul style="list-style-type: none"> <li>• Projects with the lowest bid / under negotiation, totaling approximately Baht 11,253 million.</li> </ul> </li> </ol>

Basis for Disclaimer of Opinion	Clarification
<p>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.</p>	
<p><b>2. Items that are being audited and the auditor has not been able to obtain sufficient appropriate audit evidences caused by the limitation on situation</b></p>	<p>The disclaimer of opinion on the consolidated financial statements of the Company and the Group and the separate financial statements of the Company was not due to the limitation imposed by the Company or the Company's executives, or it was not in compliance with Thai Accounting Standards, but it was due to the material uncertainties as clarified in 5 topics as below.</p>
<p><b>1) Dawei Special Economic Zone</b></p> <p>As at 31 December 2024, 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.</p>	<p><b><u>Latest progress on seeking investors to participate in the Project</u></b></p> <p>Currently, investors have shown interest in the Dawei Special Economic Zone Full Phase (DSEZ Full Phase). There are also news reports indicating that the Myanmar government has signed an investment cooperation memorandum with the Russian Federation for the Dawei Special Economic Zone. This marks a significant step forward in establishing a clearer and more concrete development plan for various projects within the economic zone.</p> <p>This development aligns with the prior request from the DSEZ Management Committee (DSEZ MC) for the Company and the concessionaire group to collaborate with new investors. Furthermore, it is beneficial to the rights of the Company and the concessionaire group under the Tripartite Memorandum.</p>
<p><b>2) HSRL-3AP (Asia Era 1) Project</b></p> <p>The consolidated and separate statement of financial position as at 31 December 2024 included trade accounts receivable and contract assets for a construction project of Baht 1,937.09 million and Baht 682.84 million</p>	<p>The contractor is still in the process of negotiating amendments to the joint investment agreement and awaiting the Notice to Proceed from the government. As a result, the contractor needs to extend the payment period for outstanding construction costs owed to the Company. However, the employer has agreed to pay interest on the</p>

<b>Basis for Disclaimer of Opinion</b>	<b>Clarification</b>
<p>respectively, which the construction work was partially completed in October 2022.</p> <p>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.</p>	<p>overdue construction payments up to the present date.</p>
<p><b>3) Overseas Joint Venture</b></p> <p>The consolidated financial statements as at 31 December 2024 include the Company's earned revenues not yet billed of Baht 19.99 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.</p>	<p>The overseas joint venture is in the process of negotiating to claim the remaining construction payments from the employer through arbitration dispute resolution. The amount expected to be received from the outstanding payments will depend on the outcome of the arbitration dispute resolution process.</p>
<p><b>4) Lawsuits</b></p> <p>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 4,982.61 million and Baht 4,256.66 million, respectively. Currently, these the cases are under the court's consideration, and the outcomes cannot</p>	<p>The Company is involved in one lawsuit with a claim value of approximately Baht 4,148 million. The Central Administrative Court has not yet scheduled a hearing for the case, requiring the Company to continue monitoring the situation. However, the Company remains confident and expects a positive outcome based on the facts previously presented.</p>

Basis for Disclaimer of Opinion	Clarification
<p>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.</p>	<p>Currently, the Company has appointed an independent legal advisor to provide an opinion for the auditor.</p>
<p><b>5) FDEE Project</b></p> <p>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. The Company transferred 775,864,735 shares to other shareholders, remaining 1 share in FDEE to the Company, due to disagreement among the Company and the Lenders and other FDEE shareholders (Claimant). The Claimant accused the Company of breaching the term and conditions in financial documents in loan agreement. The Company disagreed to the accusation and entered into arbitration process and sent the Notices of Arbitration to the Singapore International Arbitration Centre (SIAC). The accusations in the process of arbitration and will be finalized in September 2025. The Company's management assessed that the outcome of the dispute has not yet been finalized and therefore considered not setting aside provisions for liabilities that may arise from the dispute. In addition, the Company's management assesses that the Company still has right to the assets and the liabilities relating to FDEE and therefore does not consider reclassifying the investment. I am also unable to consider the effect (if any) it may have on classification of investment and on the provision for liabilities on the consolidated and separate financial statements caused by the uncertainty and the limitation on situation above.</p>	<p>The Company does not agree with the allegations and has disputed them through the dispute resolution procedures outlined in the financial documents. Accordingly, the Company submitted Notices of Arbitration to the Singapore International Arbitration Centre (SIAC). The arbitral tribunal has already established the procedural timeline as per its order dated September 19, 2024, requiring the Company to submit its Statement of Claim by November 29, 2024, which the Company has complied with within the stipulated timeframe. The tribunal has scheduled the final award of the dispute for September 2025.</p> <p>To prevent the unfair forced transfer of shares, the Company also submitted a request for interim relief to SIAC. On October 20, 2024, the tribunal issued procedural orders to the parties involved in the dispute, stipulating that the share transfer must comply with specific conditions. The involved parties are bound by this order, meaning the transferee must not take any action that could create risks to the return of the shares to the Company, including encumbering the transferred shares with any liabilities, until the tribunal reaches its final decision. Consequently, the Company transferred 775,864,735 shares of FDEE to other shareholders in compliance with the tribunal's order under these specified conditions.</p> <p>During 2024, the Company's management prepared a future cash flow projection, incorporating the latest assumptions regarding toll adjustments with relevant authorities in Bangladesh and updated traffic volume estimates for the expressway. These projections were used to assess the expected recoverable amount and conduct an impairment test on the investment in FDEE by comparing its book value with its estimated recoverable value. The recoverable value was determined based on the value-in-use approach, considering projected future cash flows and discount rates. As the recoverable value was assessed to be higher than the book value, the Company determined that no impairment loss needed to be recognized in its separate financial</p>

Basis for Disclaimer of Opinion	Clarification
	statements. Additionally, the Group has ceased recognizing its share of losses from the joint venture, as the investment under the equity method has been fully reduced to zero.
<b>3. Qualified opinion on the audit report of the component auditor</b>	
<p>I received the auditor's report on the audit of financial information 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 2024 present total assets as at 31 December 2024 of Baht 2,351.26 million, and total revenue for the year ended 31 December 2024 of Baht 99.51 million, and net loss for the year ended 31 December 2024 of Baht 59.92 million. The component auditor expresses a qualified opinion on the financial information for the year ended 31 December 2024 according to the report dated 27 February 2025, regarding to an uncollected construction receivable which does not record the expected credit loss from a such receivable and unpaid loan repayment loan to the financial institution of Bangladesh.</p>	<p><b>ITD Bangladesh Company Limited (ITDB)</b></p> <ol style="list-style-type: none"> <li>1. ITDB is currently negotiating additional payments and actively following up with the project owner to expedite the payment of outstanding receivables.</li> <li>2. ITDB has not recorded an impairment loss under the expected credit loss (ECL) method for the outstanding construction receivables. This is because management is in active negotiations to accelerate payment from the project owner, and they believe the full amount will be collected as per the Company's rightful entitlement.</li> <li>3. Regarding the non-repayment of loans, ITDB has informed the financial institution in Bangladesh that loan repayment will be made once the outstanding construction receivables have been collected.</li> </ol>
<p>I received the auditor's report on the audit of financial information of ITD-SINOHYDRO JV, a joint venture holding 51% of shares by the Group which registered and operating in Bangladesh, which included in the consolidated financial statements present share of loss for the year ended 31 December 2024 of Baht 20.44 million. The component auditor has disclaimer of opinion on the financial information for the year ended 31 December 2024 according to the report dated 27 February 2025, regarding to use of going concern assumption for presenting the financial statements.</p>	<p><b>ITD-SINOHYDRO JV</b></p> <p>As the joint venture has completed the contractual work and fulfilled all obligations during the maintenance period, it is now in the process of claiming the final payment from the project owner.</p>

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<p>I received the auditor’s report on the audit of financial information of Italian-Thai Development Public Co., Ltd. - Bangladesh Branch, an overseas branch and registered and operating in Bangladesh, which included in the consolidated financial statements for the year ended 31 December 2024 present total assets as at 31 December 2024 of Baht 4,842.79 million, and total revenue for the year ended 31 December 2024 of Baht 758.78 million and profit for the year ended 31 December 2024 of Baht 7.13 million. The component auditor expresses a qualified opinion on the financial information for the year ended 31 December 2024 according to the report dated 27 February 2025, regarding unpaid VAT.</p>	<p><b>Bangladesh Branch</b>  Currently, the Company has been making gradual payments for value-added tax (VAT).</p>
<p>I received the auditor’s report on the audit of financial information of SMCC-ITD JV, a joint operation and registered and operating in Bangladesh, which included in the consolidated and separate financial statements for the year ended 31 December 2024 present total assets as at 31 December 2024 of Baht 803.62 million, and total expense for the year ended 31 December 2024 of Baht 233.02 million and loss for the year ended 31 December 2024 of Baht 452.67 million. The component auditor expresses a qualified opinion on the financial information for the year ended 31 December 2024 according to the report dated 27 February 2025, regarding to no revised and update information in construction contract.</p>	<p><b>SMCC-ITD JV (CP-06)</b>  Due to changes in the project scope, the final determination of the total project value can only be made after obtaining approval from the project owner. Subsequently, the final payment can be claimed. If there are any changes, the joint venture’s management will update the financial information in compliance with accounting standards and financial reporting requirements.</p>

## Clarification for the CB (Caution – Business) sign

Cause	Solution												
<p>1) Shareholders' equity &lt; 50% of paid-up capital in the financial statements for the year ended December 31, 2024</p> <p>2) Net loss from operations for 3 consecutive years and shareholders' equity &lt; 100% of paid-up capital in the financial statements for the year ended December 31, 2024</p> <p><b>Operating Performance</b></p> <p>Profit (loss) attributable to equity holders of the Company (Thousand Baht) 2022 – 2024</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 20%;">2024</td> <td style="text-align: right;">5,775,852.00</td> </tr> <tr> <td>2023</td> <td style="text-align: right;">-1,072,367.00</td> </tr> <tr> <td>2022</td> <td style="text-align: right;">-4,758,851.00</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Shareholders' equity (Thousand Baht)</td> <td style="text-align: right;">759,554.00</td> </tr> <tr> <td>Paid-up capital (Thousand Baht)</td> <td style="text-align: right;">5,279,869.00</td> </tr> <tr> <td>%Equity per paid-up capital</td> <td style="text-align: right;">14.39</td> </tr> </table>	2024	5,775,852.00	2023	-1,072,367.00	2022	-4,758,851.00	Shareholders' equity (Thousand Baht)	759,554.00	Paid-up capital (Thousand Baht)	5,279,869.00	%Equity per paid-up capital	14.39	<p>The Company is confident that, based on its extensive experience in the domestic construction industry and its proven capability in successfully managing large-scale projects, its financial performance will improve, leading to shareholders' equity exceeding 50% of paid-up capital in the next quarter's financial statements. The Company's strategy includes the following key initiatives:</p> <ol style="list-style-type: none"> <li>1. Enhancing organizational structure to improve efficiency and effectiveness.</li> <li>2. Implementing cost reduction measures in construction projects through careful application of Value Engineering and optimal resource and machinery utilization.</li> <li>3. Focusing on increasing operational profitability to drive sustainable growth.</li> <li>4. Gaining profits from the sale of ITD Cem shares and the impact of restructuring APPC Holding's shareholding structure, among other factors.</li> </ol>
2024	5,775,852.00												
2023	-1,072,367.00												
2022	-4,758,851.00												
Shareholders' equity (Thousand Baht)	759,554.00												
Paid-up capital (Thousand Baht)	5,279,869.00												
%Equity per paid-up capital	14.39												

**Important inquiries received prior to the public presentation session are as follows:**

### Regarding Debentures

#### **1. When will the debentures be due for repayment?**

**Answer:** The ITD debentures will gradually reach their maturity as follows:

Description	Outstanding (THB Million)	Maturity Date
ITD242A	2,000.00	15-Feb-26
ITD24DB	1,215.00	4-Dec-26
ITD24DA	2,455.00	4-Dec-26
ITD254A	6,000.00	29-Apr-27
ITD266A	2,785.00	2-Jun-28
<b>Total</b>	<b>14,455.00</b>	

### **Regarding the Disposal of Shares in ITD Cementation India**

- 1. Did the sale of ITD Cementation India result in a profit? If so, has the profit been recognized in the financial statements?**
- 2. Has the sale of shares to ITD Cementation India been successfully completed, and has the full payment been received?**
- 3. Will ITD complete the sale of ITD Cementation India shares and the restructuring of APPC's shareholding within Q1/2025?**

**Answer:**

The Company is currently in the process of fulfilling key Condition Precedent under the ITD Cem share purchase agreement. The Company is expected to record a net profit of approximately Baht 13,996.34 million from the sale of ITD Cem shares and the restructuring of its shareholding in the Potash Project, as stated in the IFA Report dated 21 November 2024, which was disclosed on the SET website on 2 December 2024.

For further details, the report can be downloaded from the following link: [SET Disclosure](#)

### **Regarding the Capital Increase and Shareholding Restructuring of APPC Holding**

- 1. Has the Udon Thani Potash Project secured investment partners? How will the Company finance this project, and is the project expected to be profitable?**
- 2. Has the collaboration between APPC Holding and SDIC SPV been finalized? If so, will a capital increase be required?**
- 3. When does ITD expect to commence construction of the potash mining project, and how much additional investment is required before the project can commence commercial operations?**

**Answer:**

As approved by the Company's Board of Directors, the Company has proceeded with the shareholding restructuring and capital increase in APPC Holding (APPCH), The Company and APPCH have signed a Share Subscription Agreement (SSA) with SDIC MINING Investment Company Limited ("SDIC") and SDIC SPV, and The Company, SDIC and SDIC SPV also entered into a Shareholders Agreement on 4 October 2024. The parties are currently working towards fulfilling the Condition Precedents stipulated in the SSA to ensure the successful completion of the capital increase as soon as possible.

Following the successful capital increase in APPCH, the Company expects to record a profit, as outlined in the IFA report on the disposal of investment in ITD Cementation India Limited, which was presented to shareholders and publicly disclosed on the SEC website on 2 December 2024.

Regarding APPCH, its equity capital will increase by USD 400 million, which will be utilized along with bank loans to support the project's development in accordance with the production plan. APPCH is in the process of securing financing from financial institutions as the next step.

Currently, the project has commenced preliminary engineering works and is in the process of finalizing a detailed development plan to establish a clear investment framework. The project will proceed once financial support from banks is secured. The Company is confident that the potash project will generate sustainable profitability, ensuring stable dividend income for the Company and strengthening its long-term financial position.



### **Regarding the Dawei Project**

1. **Will ITD receive the THB 7,800 million compensation if Russia invests in the Dawei Project?**

**Answer:** The Company expects to receive partial compensation under the Tripartite Memorandum agreement.

### **Regarding the 2024 Financial Performance and Financial Statements**

1. **ITD reported a net loss of THB 5,776 million in 2024, with credit loss expenses amounting to THB 2,221 million. Which debtor is this related to, and has ITD been continuously provisioning for this debtor since Q1/2024? What actions has ITD taken regarding this debtor, and how much outstanding trade receivables and unbilled revenue related to this debtor remain in the balance sheet?**

**Answer:** The provision primarily relates to the same debtor and has been recognized in accordance with TFRS 9, as disclosed in 4.7 (e) of notes to the financial statements. Legal proceedings against this debtor are ongoing.

2. **ITD's gross profit margin in 2024 was significantly lower than in 2023. What caused this, and what concrete measures are being taken to address it? For the Mae Moh mining project, where machinery issues have impacted efficiency, what corrective actions have been taken? When is the gross profit margin expected to recover, and in which quarter of 2025 will this improvement be visible?**

**Answer:** As disclosed in the Management Discussion and Analysis (MD&A) to the Stock Exchange of Thailand (SET), the primary loss-making projects include mining, building construction, ports, and certain industrial projects, as well as overseas joint ventures and subsidiaries. The Company is implementing several measures to improve profitability:

- a. Cost reduction and efficient construction methods
- b. Minimizing new investments by utilizing existing resources and machinery
- c. Increasing subcontractor usage to over 50%
- d. Restructuring the Company to streamline operations
- e. Enhancing external engineering audits to ensure cost control

3. **What was ITD's net debt-to-equity ratio at the end of 2024?**

**Answer:** ITD's net debt-to-equity ratio at the end of 2024 was 4.7.

4. **ITD's financial statements contain several audit disclaimers related to significant uncertainties in business continuity, lack of sufficient audit evidence, and legal disputes concerning the Dawei Project, delayed trade receivables due to pending government approvals, the Bangladesh elevated expressway project, and various lawsuits. Despite ITD's quarterly SET disclosures, the auditor has issued a disclaimer for two consecutive years. How does ITD plan to resolve these issues? If the auditor issues another disclaimer for 2025, ITD could face delisting risks.**

**Answer:** The Company has outlined corrective measures in the Cause and Resolution Table related to the CB (Caution) sign, as previously clarified.

5. **What is ITD's current backlog, and how much revenue is expected to be recognized in 2025? Will the gross profit from construction operations be sufficient to cover SG&A expenses and annual interest expenses exceeding THB 6 billion?**

**Answer:** ITD's backlog is approximately THB 113,786 million, as stated in 10.4 of notes to the financial statements.

6. **How much trade receivables does ITD have from the Clean Fuel Project? Has the Company made provisions for expected credit losses related to this project, and if so, how much?**

**Answer:** ITD is currently pursuing legal action regarding this matter in collaboration with 41 other partner companies.

**Important inquiries received during the public presentation session are as follows:**

1. **How will the Company repay the debentures maturing next year? If refinancing is needed, which banks will provide funding, and in what amounts?**

**Answer:** The Company has already outlined its approach, which includes the sale of certain assets and profit generation from ongoing construction projects. These efforts are expected to generate sufficient funds to repay the debenture holders.

2. **Given the Company's substantial trade payables, what is the repayment strategy?**

**Answer:** The Company is working with banks to manage cash flow from construction projects to settle trade payables. The repayment is being managed on a project-by-project basis. Since 2023, the cash flow cycle has shown signs of improvement.

3. **What is the progress of the Mozambique project? Are there any interested investors?**

**Answer:** Investors have already expressed interest, and discussions are currently underway

Please be informed accordingly.