Independent Auditor’s Report

To the Shareholders of FNS Holdings Public Company Limited

*Opinion*

I have audited the consolidated and separate financial statements of FNS Holdings Public Company Limited and its Subsidiaries (the “Group”) and of FNS Holdings Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

*Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. 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 (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Material Uncertainty Related to Going Concern*

I draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss from normal operation of Baht 558.6 million (excluding gain on bargain purchase of Baht 674.0 million and gain on measurement of investment in associate before business acquisition of Baht 245.6 million in the consolidated statement of comprehensive income) for the year ended 31 December 2023 and, as of that date, the Group’s current liabilities exceeded its current assets by Baht 1,623.1 million. However, the Group is in the process of seeking the subsidiary’ shareholder approval and undertaking other actions to implement plans to improve liquidity issues. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. My opinion is not modified in respect of this matter.

*Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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| **Valuation of investment in non-listed equity instruments** | |
| Refer to Notes 3 (d), 3 (q), 10 and 31 | |
| **The key audit matter** | **How the matter was addressed in the audit** |
| As at 31 December 2023, investment in non-listed equity instruments measured at fair value in the consolidated financial statements amounted to Baht 690.1 million. The fair value measurement of investment in equity instruments are using several unobservable inputs since these inputs are not based on objective external prices, in which they are categorised as level 3.  In determining the fair value of these investment in equity instruments requires management to make judgments to select the valuation models including various assumptions and unobservable inputs. The use of different valuation models and assumptions could produce significantly different estimates of fair value.  The valuation of investment in equity instruments in statement of financial position is considered a key audit matter due to the degree of complexity involved in valuing level 3 instruments and the significance of management judgments and estimates relating to the selection of valuation techniques, assumptions and unobservable inputs used in fair valuation of this investment.  I considered this to be a key audit matter. | My audit procedures in this area included:   * Inquiring of management and understanding method and process of valuation of investment in non-listed equity instruments by considering the factors which could affect the fair value. * Evaluating the valuation techniques by considering the nature of the investee’s business, comparing with the techniques applied in the industry and challenging the key assumptions used in their valuation by comparing these to externally published industry data and considering whether these assumptions are consistent with the current market environment. * Testing reasonableness of key unobservable inputs used in the fair valuation model by comparing key assumptions and unobservable inputs used in the same industry. Furthermore,  I tested the fair value calculation of investment in equity instruments prepared by the management. * Evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards. |

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| **Valuation of real estate development for sale** | |
| Refer to Notes 3 (g) and 8 | |
| **The key audit matter** | **How the matter was addressed in the audit** |
| The Group’s real estate development for sale are measured at the lower of cost and net realisable value. The determination of the net realisable value of these real estate development for sale is dependent upon the Group’s estimations of future selling prices and estimated cost to complete.  Future trends in real estate business markets may be different from the past experiences. There is therefore a risk that the net realisable value is less than cost, due to changes in selling prices. Also, the estimate costs to complete are subject to a number of variables including market conditions in respect of materials and sub-contractor cost and construction issues.  These inherent uncertainties require judgments which would result in the carrying amount of real estate development for sale or gross profit, which my audit focused on. | My audit procedures in this area included:   * Inquiring of management and understanding  the process of the estimation of net realisable value of real estate development for sale and performing testing effectiveness of key controls over the process of approvals relating to the setting and updating selling price, setting budgets and reviewing cost forecasts. * Evaluating the appropriateness of the estimated selling prices by comparing sales estimates to sales made to date and real estate price trend information. * Evaluating the appropriateness of the estimated cost to complete by comparing the cost estimates to the actual costs and supporting documents, including checking that they were allocated to the appropriate site and development phase, and met the definition of development costs. * Evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards. |

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| **Significant business acquisition** | | |
| Refer to Notes 3 (a) and 4 | | |
| **The key audit matter** | **How the matter was addressed in the audit** |
| On 9 August 2023, the Group obtained control of M.K. Real Estate Development Public Company Limited (“MK”) resulting in that MK changed its status from an associate to a subsidiary of the Group. In addition, the Group has gained control over BFTZ Wangnoi Co., Ltd. (“BFTZ”) and BFTZ changed its status from a joint venture to a subsidiary of the Group.  The accounting for business acquisition in accordance with the acquisition method is complex and involves judgment. The Group is required to measure the fair value of identifiable assets acquired and liabilities assumed with which any resulting differences shall be recognised as a gain from a bargain purchase. As at the reporting date, the fair value measurement was not finalised. As a result, the Group accounted for the transaction using the provisional fair value.  Due to the materiality of the transaction and the involvement of significant judgment in identifying and estimating the fair value of identifiable assets acquired and liabilities assumed, I considered this to be a key audit matter. | My audit procedures in this area included:   * Reading the business acquisition agreement and analysis report prepared by the Group to obtain an understanding of significant terms and conditions. * Evaluating the appropriateness of the identification of identifiable assets acquired and liabilities assumed prepared by management. * Evaluating knowledge, competency and independence of the independent valuer. * Evaluating the reasonableness of the method used in estimating the fair value of identifiable assets acquired and liabilities assumed. * Evaluating the reasonableness of significant assumptions used in estimating the fair value by referencing to internal and external information and testing the calculation. * Evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards. |

*Emphasis of Matter*

I draw attention to Note 4, during the year 2023, the Group acquired a business and hired an independent appraiser to determine the fair value of the identifiable assets acquired and liabilities assumed from the business acquisition. As at the reporting date, the reviews have not yet been completed therefore the determination of the fair value and the allocation of the purchase price was determined provisionally and is subject to potential amendment. My opinion is not modified in respect of this matter.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report is expected to be made available to me after the date of this auditor’s report.

My opinion on the consolidated and separate financial statements does not cover the other information and   
I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

*Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is 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 and the Company’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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of the financial statements taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

* Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Company’s internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
* Conclude on the appropriateness of management’s use of the going concern basis of accounting and,   
  based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
* Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Thitima Pongchaiyong)

Certified Public Accountant

Registration No. 10728

KPMG Phoomchai Audit Ltd.

Bangkok

29 February 2024