

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017 (Unaudited but reviewed)

(With comparative information for 31 December 2016 (Audited))

1. NATURE OF OPERATIONS

Italian - Thai Development Public Company Limited (“the Company”) registered its incorporation and is domiciled in Thailand. The Company and subsidiaries are principally engaged in the construction business both in Thailand and overseas, and in addition provided the soil and coal extraction and removal services.

2. BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION AND CONSOLIDATION

2.1 Basis for interim financial statements preparation

The condensed interim financial statements are for the three-month period ended 31 March 2017 and have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2016) “Interim Financial Reporting” which do not include all information required in annual financial statements in accordance with Thai Financial Reporting Standards. Accordingly, these financial statements should be read in conjunction with the financial statements for the year ended 31 December 2016.

The interim financial statements are officially prepared in Thai language. The translation of these statutory financial statements to other language must conform to the Thai financial report.

These interim financial statements have been approved by the Company’s director on 15 May 2017.

2.2 Basis of consolidation

The interim consolidated financial statements included the financial statements of Italian-Thai Development Public Company Limited and its subsidiaries and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2016 with no change in the structure of the group during the period.

2.3 The consolidated financial statements as at 31 March 2017 include investments in associated company under the equity method of Baht 29.23 million. Those financial statements are based on financial information compiled by the management of such associated company which has not been reviewed by their auditor because those associated company is not under the control of the Company’s management. However, the management of the Company believes that there will be no significant variances had the financial statements of those associated companies been reviewed by their auditor.

2.4 Information of joint operations

The consolidated and separate financial statements as at 31 March 2017 and 31 December 2016 and for the three-month periods ended 31 March 2017 and 2016 included assets, liabilities, revenues and expenses of the joint operations proportionately based on the Company's interest as follows:

	(Unit : Thousand Baht)	
	31 March 2017	31 December 2016
Current assets	1,139,358	1,096,079
Non – current assets	1,190,339	1,247,764
Current liabilities	2,519,605	2,533,621
Non – current liabilities	354,469	381,750

	(Unit : Thousand Baht)	
	For the three-month periods ended	
	31 March	
	2017	2016
Revenues	246,306	357,384
Expenses	257,754	572,819

3. SIGNIFICANTS ACCOUNTING POLICIES

The interim financial statements are prepared by using the same accounting policies and computation as used for the preparation of financial statements of the Company and its subsidiaries for the year ended 31 December 2016, including the adoption of the new and revised TFRS that were issued by the Federation of Accounting Professions which became effective in the preparation of financial statements which fiscal years begin on or after 1 January 2017. The adoption of these new and revised TFRS does not have any material effect on the financial position and results of the Company and its subsidiaries for the period.

4. ESTIMATES

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, revenues and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation, are the same as those applied in the annual financial statements for the year ended 31 December 2016.

5. TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES - NET

The aging of outstanding trade accounts receivable balances as at 31 March 2017 and 31 December 2016 are as follows:

Receivable Ages	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Less than 3 months	5,925,016	5,217,266	5,158,677	4,521,537
3 – 6 months	184,928	117,340	46,757	20,697
6 – 12 months	373,760	513,656	120,978	295,639
More than 12 months	1,644,233	1,720,004	298,683	341,256
Total	8,127,937	7,568,266	5,625,095	5,179,129
Less : Allowance for doubtful accounts	(967,901)	(940,163)	(297,429)	(297,501)
Net	7,160,036	6,628,103	5,327,666	4,881,628

The Company sets up a full allowance for doubtful accounts for receivables from major private customers that have been overdue for more than 12 months and at 50 percent for those accounts overdue for more than 6 months, except as stated below.

The consolidated financial statements as at 31 March 2017 include trade accounts receivable and unbilled work in progress of an overseas subsidiary totaling Baht 610.98 million (31 December 2016 : Baht 606.94 million) which represent some variation order claims recognized some years in the past based on the terms and conditions implicit in the agreement. These claims are technical in nature and subject to arbitration tribunal. The subsidiary has assessed the realization of these claims based on information from the dispute resolution board, the arbitration tribunal, High Court orders and the legal opinion from an independent counsel and has not provided allowance for doubtful accounts for such receivables and claims matter in the accounts.

As at 31 March 2017, trade accounts receivables of overseas subsidiary included in the consolidated financial statements of Baht 326.85 million (31 December 2016 : Baht 339.97 million) which is presently under negotiation for debt settlement plan. The management considers that it would be received in full amount.

6. TRADE ACCOUNTS RECEIVABLE - RELATED PARTIES - NET

The outstanding balances as at 31 March 2017 and 31 December 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Subsidiaries	-	-	1,128,668	1,152,443
Associated companies and joint ventures	1,152,334	1,156,844	1,095,205	1,104,973
Related parties	1,374,919	1,477,357	1,260,648	1,351,155
Joint operations	32,415	33,053	32,415	33,053
Total	2,559,668	2,667,254	3,516,936	3,641,624
Less : Allowance for doubtful accounts	(616,709)	(615,627)	(678,402)	(676,591)
Trade accounts receivable – related parties – net	1,942,959	2,051,627	2,838,534	2,965,033

The ages of outstanding balances of accounts receivable – related parties as at 31 March 2017 and 31 December 2016 are as follows :

Outstanding Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Less than 3 months	279,726	284,214	657,635	636,063
3 – 6 months	56,113	182,580	123,554	306,837
6 – 12 months	110,126	68,305	216,622	179,609
More than 12 months	2,113,703	2,132,155	2,519,125	2,519,115
Total	2,559,668	2,667,254	3,516,936	3,641,624
Less : Allowance for doubtful accounts	(616,709)	(615,627)	(678,402)	(676,591)
Net	1,942,959	2,051,627	2,838,534	2,965,033

As at 31 March 2017 the consolidated financial statements and separate financial statement include trade accounts receivable and short – term loans to related companies totalling Baht 178.25 million and Baht 103.57 million, respectively (As at 31 December 2016 : Baht 176.65 million and Baht 103.57 million, respectively). Such receivables are presently under the process of project feasibility study and negotiation with strategic investors to join their operations in the future. Debt repayment from such debtors depends on the materialization of the project feasibility. The management, therefore, considers to be able to make full collection from such receivables and has not considered setting up allowance for non – collection in the accounts.

7. SHORT - TERM LOANS AND ADVANCES TO SUBSIDIARIES AND RELATED PARTIES - NET

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Subsidiaries	-	-	2,798,592	2,797,404
Associated companies and joint ventures	241,012	249,876	192,372	199,190
Related companies	16,341	16,151	-	-
Total	257,353	266,027	2,990,964	2,996,594
Less : Allowance for doubtful accounts	(10,527)	(10,374)	(1,874,258)	(1,786,199)
Short – term loans and advances to subsidiaries related parties – net	246,826	255,653	1,116,706	1,210,395

Movements in short - term loans and advances to subsidiaries and related parties for the three-month period ended 31 March 2017 are as follows :

(Unit : Thousand Baht)

	Separate F/S			31 March 2017
	1 January 2017	During the period		
		Increase	Decrease	
Subsidiaries	2,797,404	1,188	-	2,798,592
Associated company and joint venture	199,190	-	6,818	192,372
Total	2,996,594	1,188	6,818	2,990,964

8. INVESTMENTS

8.1 Investments in subsidiaries – net

Investments in direct subsidiaries as at 31 March 2017 and 31 December 2016 comprise investments as follows :

		(Unit : Thousand Baht)				
		Paid-up Capital	Percentage of shareholding		Separate F/S Cost	
Nature of business			31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
			Percent	Percent		
<u>Investments in subsidiaries</u>						
Italian-Thai International Co., Ltd.	Holding company	400,000	99.99	99.99	400,000	400,000
Less : Allowance for impairment					(400,000)	(400,000)
Net					-	-
Bhaka Bhumi Development Co., Ltd.	Real estate development	5,075	99.99	99.99	5,075	5,075
Thai Pride Cement Co., Ltd.	Manufacture and distribution of cement	1,300,000	99.99	99.99	1,585,000	1,585,000
Nha Pralan Crushing Plant Co., Ltd.	Rock quarrying, processing and distribution	31,000	99.99	99.99	30,999	30,999
Less : Allowance for impairment					(10,999)	(10,999)
Net					20,000	20,000
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products	126,000	99.80	99.80	124,296	124,296
Italhai Marine Co., Ltd.	Production and sale of vessels and equipment	810,000	92.59	92.59	430,000	430,000
Less : Allowance for impairment					(430,000)	(430,000)
Net					-	-
Italhai Trevi Co., Ltd.	Foundation and piling work services	80,000	90.94	90.94	84,189	84,189
Asian Steel Product Co., Ltd.	Manufacture and distribution of large steel pipes	20,000	69.90	69.90	7,004	7,004
Thai Maruken Co., Ltd.	Lease and sale of sheet piles and beams for foundation construction work	20,000	50.96	50.96	10,196	10,196
Italian-Thai Land Co., Ltd.	Not yet operational	10,000	99.99	99.99	50	50
Less : Allowance for impairment					(50)	(50)
Net					-	-
Palang Thai Kaowna Co., Ltd.	Not yet operational	1,000	99.94	99.94	650	650
Less : Allowance for impairment					(650)	(650)
Net					-	-
Palit Palang Ngan Co., Ltd.	Not yet operational	1,000	74.93	74.93	50	50
Less : Allowance for impairment					(50)	(50)
Net					-	-
Italian Thai Power Co., Ltd.	Production and distribution of electricity	100,000	99.99	99.99	100,000	100,000
Less : Allowance for impairment					(100,000)	(100,000)
Net					-	-
Saraburi Construction Technology Co., Ltd.	Manufacture, distribution and installation of concrete sheet	250	99.93	99.93	250	250
Asia Logistics Development Co., Ltd.	Not yet operational	1,000	99.93	99.93	999	999
Asia Industrial and Port Corporation Co., Ltd.	Not yet operational	1,000	99.93	99.93	999	999
Myanmar Italian-Thai Power 1 Co., Ltd.	Not yet operational	250	99.95	99.95	250	250
Italian - Thai Hongsa Co., Ltd.	Coal mining contractor	250	99.97	99.97	250	250
APPC Holding Co., Ltd.	Holding company	3,795,987	60.00	60.00	2,277,592	2,277,592

		(Unit : Thousand Baht)				
		Paid-up Capital	Percentage of shareholding		Separate F/S Cost	
Nature of business	31 Mar		31 Dec	31 Mar	31 Dec	
	2017		2016	2017	2016	
			Percent	Percent		
Overseas subsidiary companies						
Myanmar ITD Co., Ltd.	Service agent for Myanmar companies	1,483	99.99	99.99	1,483	1,483
Less : Allowance for impairment					(1,483)	(1,483)
Net					-	-
PT. Thailindo Bara Pratama	Coal mining contractor	25,250	99.99	99.99	108,071	108,071
		Million IDR				
ITD Cementation India Limited	Construction services in India	155	51.63	51.63	2,143,951	2,143,951
		Million INR				
ITD–Madagascar S.A.	Mining business	20	99.98	99.98	99,527	99,527
		Million MGA				
Less : Allowance for impairment					(99,173)	(99,173)
Net					354	354
ITD Construction SDN.BHD.	Construction services in Malaysia	0.75	99.99	99.99	7,312	7,312
		Million MYR				
Less : Allowance for impairment					(7,312)	(7,312)
Net					-	-
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	534	99.99	99.99	221,117	221,117
		Million BDT				
ITD Bangladesh Company Limited	Construction services in Bangladesh	4	99.99	99.99	1,546	1,546
		Million BDT				
Italian–Thai Development Vietnam Co., Ltd	Not yet operational	6,000	80.00	80.00	9,160	9,160
		Million VND				
Less : Allowance for impairment					(9,160)	(9,160)
Net					-	-
ITD Mozambique Limitada	Construction services in the Republic of Mozambique	1,141,815	99.00	99.00	38,447	38,447
		USD				
Thai Mozambique Logistica SA.	Concession for constructing Port and Railway in the Republic of Mozambique	250,000	60.00	60.00	4,955	4,955
		USD				
Italian - Thai Development (Myanmar) Co., Ltd	Construction services in the Republic of the Union of Myanmar	25,000	99.90	99.90	814	814
		USD				
Total Investments in subsidiaries - net					6,635,355	6,635,355

8.2 Investments in associated companies - net

Movements in investments in associated companies, which are accounted for by the equity method in the consolidated financial statements, for the three-month period ended 31 March 2017 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	658,947	697,963
Add: Share of profit from associated companies	24,638	-
Less: Translation adjustment for foreign currency financial statements	(15,562)	-
Balance as at 31 March 2017	<u>668,023</u>	<u>697,963</u>

Investments in associated companies as at 31 March 2017 and 31 December 2016, comprise investments in the following :

Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S		Separate F/S		
		31 Mar	31 Dec	Equity method		Cost		
		2017	2016	31 Mar	31 Dec	31 Mar	31 Dec	
		Percent	Percent	2017	2016	2017	2016	
<u>Investments in associated companies</u>								
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	44,300	23,540	2,450	2,450
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,701	26,701	27,373	27,373
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	101,591	96,774	71,603	71,603
Oriental Residence Bangkok Co., Ltd.	Real estate development	500,000	15.00	15.00	-	-	75,000	75,000
<u>Overseas companies</u>								
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25 Million Peso	24.00	24.00	12,000	12,000	12,000	12,000
Less : Allowance for impairment Net					(12,000)	(12,000)	(12,000)	(12,000)
MCRP Holding Corporation, Philippines	Holding company in Philippines	5 Million Peso	24.00	24.00	3,000	3,000	3,000	3,000
Less : Allowance for impairment Net					(3,000)	(3,000)	(3,000)	(3,000)
Sino Lao Aluminum Corporation Limited	Bauxite mine business in Laos	32 Million USD	34.00	34.00	492,906	509,407	521,537	521,537
Total investments in associated companies – net					<u>665,498</u>	<u>656,422</u>	<u>697,963</u>	<u>697,963</u>
<u>Investment in associated company held by subsidiary</u>								
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	-	-
Total investment in associated company held by subsidiary					<u>2,525</u>	<u>2,525</u>	<u>-</u>	<u>-</u>
Total investments in associated companies - net					<u>668,023</u>	<u>658,947</u>	<u>697,963</u>	<u>697,963</u>

8.3 Investments in joint ventures - net

Movements in investments in joint ventures, which are accounted for by the equity method in the consolidated financial statements, during the three-month period ended 31 March 2017 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	90,812	-
Add : Received for the share of profit from joint ventures	6,652	-
Less : Loss from liquidation of joint venture	(5,145)	-
Less : Translation adjustment for foreign currency financial statements	(382)	-
Balance as at 31 March 2017	<u>91,937</u>	<u>-</u>

Investments in joint ventures as at 31 March 2017 and 31 December 2016, comprise investments in the following:

Nature of business	Percentage of shareholding		Consolidated F/S Equity		Separate F/S Cost		
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	
	2017	2016	2017	2016	2017	2016	
	Percent	Percent					
Investments in joint ventures							
Evergreen –Italian Thai – PEWC Joint Venture	25.00	25.00	198	194	-	-	
ITD-EGC Joint Venture	55.00	55.00	311,721	306,737	303,775	296,569	
Less : Allowance for impairment Net			(303,775)	(296,569)	(303,775)	(296,569)	
ITD – ETF Joint Venture	65.00	65.00	51,303	46,723	-	-	
IN Joint Venture	-	51.00	-	108,337	-	103,192	
Less : Allowance for impairment Net			-	(103,192)	-	(103,192)	
IOT Joint Venture	40.00	40.00	-	-	-	-	
ITD – ETF – MVM Joint Venture	55.25	55.25	20,682	23,420	-	-	
CMC/ITD/SONG DA Joint Venture	30.00	30.00	11,808	5,162	-	-	
Total investments in joint ventures - net			<u>91,937</u>	<u>90,812</u>	<u>-</u>	<u>-</u>	
Total investments in subsidiaries, associated companies and joint ventures - net			<u>759,960</u>	<u>749,759</u>	<u>7,333,318</u>	<u>7,333,318</u>	

The Company regularly assesses the values of investments in subsidiaries, associated and joint ventures. An allowance for impairment is promptly taken up when there is a reliable indication that the decline in value can be determined.

9. OTHER LONG - TERM INVESTMENTS - NET

Movements in other long - term investments during the three-month period ended 31 March 2017 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	845,703	677,315
Add : Unrealized gain from changes in value of investments	15,475	14,518
Balance as at 31 March 2017	861,178	691,833

Other long - term investments as at 31 March 2017 and 31 December 2016 comprise investments as follows :

Nature of business	(Unit : Thousand Baht)						
	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	
	2017	2016	2017	2016	2017	2016	
	Percent	Percent					
<u>Investments in other companies</u>							
a) <u>Non-listed companies</u>							
M-Home SPV 3 Co., Ltd.	Real estate development	11.54	11.54	12	12	12	12
Less : Allowance for impairment				(12)	(12)	(12)	(12)
Net				-	-	-	-
Siam Steel Syndicate Plc.	Manufacture and distribution for construction	1.15	1.15	55,885	55,885	55,885	55,885
Siam Fiber Optics Co., Ltd.	Manufacture and distribution of optic fibers	10.00	10.00	24,000	24,000	24,000	24,000
Bell Development Co., Ltd.	Real estate development	2.29	2.29	47,313	47,313	47,313	47,313
The Bangkok Club Co., Ltd.	Entertainment services	0.44	0.44	3,000	3,000	3,000	3,000
Less : Allowance for impairment				(1,985)	(1,985)	(1,985)	(1,985)
Net				1,015	1,015	1,015	1,015
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery rental	15.00	15.00	7,500	7,500	7,500	7,500
Praram 9 Square Co., Ltd.	Shopping center development	6.32	6.32	200,000	200,000	200,000	200,000
Less : Allowance for impairment				(200,000)	(200,000)	(200,000)	(200,000)
Net				-	-	-	-
Total investment in other non – listed companies – net				135,713	135,713	135,713	135,713
b) <u>Listed companies</u>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	12.90	12.90	308,715	308,715	308,715	308,715
Add : Unrealized gain from changes in value of investments				240,485	225,087	240,485	225,087
Net market value				549,200	533,802	549,200	533,802
TTCL Plc.	Construction services	0.07	0.07	400	400	400	400
Add : Unrealized gain from changes in value of investments				6,520	7,400	6,520	7,400
Net market value				6,920	7,800	6,920	7,800
Total investment in other listed companies – net				556,120	541,602	556,120	541,602
Total investments in other companies - net				691,833	677,315	691,833	677,315

(Unit : Thousand Baht)

Nature of business	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016	
	Percent	Percent					
Investments held by subsidiaries							
a) <u>Non-listed companies</u>							
Bell Development Co., Ltd.	Real estate development	6.55	6.55	135,226	135,226	-	-
b) <u>Listed company</u>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	0.80	0.80	19,178	19,178	-	-
Add : Unrealized gain from changes in value of investments				14,941	13,984	-	-
Net market value				34,119	33,162	-	-
Total				169,345	168,388	-	-
Total other long-term investments – net				861,178	845,703	691,833	677,315

10. LAND LEASE CONCESSION AND PROJECT UNDER DEVELOPMENT

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Land lease concession	30,198	30,198	-	-
Project under development	7,550,963	7,528,794	5,054,386	5,025,204
Total	7,581,161	7,558,992	5,054,386	5,025,204

As at 31 March 2017 and 31 December 2016, the Company has land lease concessions and projects under development in the Dawei Special Economic amounting to Baht 7,581.16 million and Baht 7,558.99 million, respectively. This project depends on the cooperation of the governments of Thailand and Myanmar as the concessionaires and promoters of the Dawei Project. The Company has the right to reimburse such amount including other expenses during negotiation from Special Purpose Vehicle after the completion of the due diligence work performed by the consultants of the two governments.

The Dawei SEZ Management Committee (“DSEZ MC”) and the Special Purpose Vehicle (“SPV”) signed the Supplementary Memorandum of Understanding wherein the agreement defined the DSEZ MC and the SPV as the responsible entities to coordinate the reimbursement of the Company’s previous investments from the future developer of the Dawei Special Economic Zone (Dawei SEZ) as well as determine the conditions wherein the Company has the option to exchange its previous investment amount for additional industrial estate land.

The Company along with its consortium partners signed separate concession agreements with the DSEZ MC to develop the Initial Phase of the Dawei Special Economic Zone which includes the Initial Industrial Estate area of 27 square kilometers and its related infrastructure projects wherein each respective partners of the individual concessions will be responsible for the Company’s previous investment through its own due diligence.

11. POTASH MINING RIGHT

The Company holds a 90% investment in a potash mine project through a group of subsidiary companies. The Ministry of Finance holds 10% of the registered capital. The application for potash mining concessions from the government is currently being processed.

On 9 February 2017, the Office of the Attorney General issued a letter to the Department of Primary Industries and Mines clarifying legal issues associated with the right to explore potash mining. The letter confirmed that government authorities have executed the process in accordance with the concession contract regarding to compensation to the state made since 1984.

As a result, the Company has met the requirements and takes to proceed to a step for obtaining a mining license. Department of Primary Industries and Mines is in the process of reviewing the supporting documents which accompanied the application.

The Company's management believes that this project will generate benefits both for neighboring area and for the country. The project is expected to be approved by the government within the year 2017 and become operational as planned. The management of the Company believes that there will be no impairment in the value of investment.

12. LONG - TERM LOANS AND ADVANCES TO SUBSIDIARIES - NET

The outstanding balances as at 31 March 2017 and 31 December 2016 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Subsidiaries	-	-	6,964,277	6,939,870
Less : Allowance for doubtful accounts	-	-	(1,330,917)	(1,327,992)
Net	-	-	5,633,360	5,611,878

Movements in the long - term loans and advances to subsidiaries for the three-month period ended 31 March 2017 are as follows :

(Unit : Thousand Baht)

	1 January	Separate F/S		31 March
	2017	Increase	Decrease	2017
Subsidiaries	6,939,870	24,407	-	6,964,277

13. INVESTMENT PROPERTIES

As at 31 March 2017, investment properties presented at fair value consist of :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Land	1,602,420	717,100
Building	357,720	357,720
Total	<u>1,960,140</u>	<u>1,074,820</u>

Movements in investment properties for the three-month period ended 31 March 2017 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	1,925,363	1,040,043
Purchase during the period	34,777	34,777
Net book value as at 31 March 2017	<u>1,960,140</u>	<u>1,074,820</u>

On 30 March 2017, the Company transferred a condominium unit from a related company as a debt settlement for construction services of Baht 34.78 million.

14. PROPERTY, PLANT AND EQUIPMENT – NET

During the three-month period ended 31 March 2017, condensed movements in property, plant and equipment are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	18,895,094	8,815,217
Purchases / transferred in	835,822	494,983
Disposal / transferred out	(173,002)	(121,750)
Depreciation for the period	(604,033)	(287,468)
Accumulated depreciation for disposal of fixed assets	141,147	106,437
Allowance for impairment of fixed assets	(23,597)	(23,597)
Translation adjustment for foreign currency financial statements	3,024	641
Net book value as at 31 March 2017	<u>19,074,455</u>	<u>8,984,463</u>

15. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

The outstanding balances of bank overdrafts and short – term loans from financial institutions as at 31 March 2017 and 31 December 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Bank overdrafts	2,224,684	753,657	-	-
Short – term loans from financial institutions	5,154,568	7,536,884	3,882,271	5,110,778
Total	7,379,252	8,290,541	3,882,271	5,110,778

These represent loans obtained from local and overseas financial institutions in the following currencies:

	(Unit : Million)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
THB	4,270	5,577	3,882	5,111
INR	1,670	3,727	-	-

These loans are subject to interest at domestic market rates for Thai Baht currency loans and at the market rates of India for Rupee currency loans.

The subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 313.54 million. These loans bear interest per annum at MLR – 0.75%. Such loans are collateralized by its land and structure including most present and future structures thereon, and the guarantee of the Company and subsidiary. The subsidiary companies will reduce credit facilities when redeemed the mortgage at 70% – 80% of selling price of the projects’ assets as stipulated in the agreements. The payback period for the principals are within 36 – 42 months from agreements date.

As at 31 March 2017 and 31 December 2016, part of loans amounting to Baht 1,983.06 million and Baht 1,606.97 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company’s accounts with those banks.

As at 31 March 2017 and 31 December 2016, bank overdrafts and short - term credit facilities that have not been drawn down amounted to Baht 6,813.18 million and Baht 4,332.72 million, respectively.

16. TRADE ACCOUNTS PAYABLE - RELATED PARTIES

The outstanding balances as at 31 March 2017 and 31 December 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Subsidiaries	-	-	1,071,753	823,453
Associated companies and joint ventures	485,770	445,255	465,439	431,419
Related companies	918,511	785,333	860,589	758,662
Total trade accounts payable – related parties	<u>1,404,281</u>	<u>1,230,588</u>	<u>2,397,781</u>	<u>2,013,534</u>

17. LONG - TERM LOANS - NET

As at 31 March 2017 and 31 December 2016, the outstanding balance of long - term loans are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Outstanding balances	13,674,490	10,994,098	8,685,230	6,138,104
Less : Current portion	(5,734,902)	(3,623,801)	(4,690,242)	(2,903,816)
Net	<u>7,939,588</u>	<u>7,370,297</u>	<u>3,994,988</u>	<u>3,234,288</u>

Movements in the long – term loans for the three-month period ended 31 March 2017 are summarized as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	10,994,098	6,138,104
Add : Additional borrowings	3,059,857	2,789,700
Less : Repayments	(289,284)	(242,574)
Less : Translation adjustment for foreign currency financial statements	(90,181)	-
Balance as at 31 March 2017	<u>13,674,490</u>	<u>8,685,230</u>

During the period, the Company entered a loan agreements with a local bank for credit facilities of Baht 2,391 million. These credit facilities bear interest at the rate of MLR-1.5 per annum. The loans are collateralized by the transferring the right to receive revenue from the construction project, and is payable within year 2018 or upon completion of the project, whichever is earlier.

During the period, a subsidiary entered loan agreement with a local bank for credit facilities of Baht 120 million. The loan bears interest as the rate of MLR – 1.90 per annum and is repayable within 36 months from initial drawdown. This loan is guaranteed by the Company and the machinery of subsidiary.

The Company has credit facilities of long term loan of Baht 10,321 million with interest rate at MLR-0.5 to MLR-1.5 per annum. The loans are secured by the assignment of proceeds or the power of attorney to receive payment from the construction projects, and are payable within year 2018 -2020 or upon completion of the project, whichever is earlier.

Loans of subsidiaries bear interest at the rate of MLR per annum.

A joint operation has loan agreement with a financial institution for credit facilities of Baht 2,100 million of which Baht 1,050 million is for the portion of the Company. These credit facilities bear interest at the rates of MLR - 0.75 and MOR-1 per annum.

A subsidiary has loan agreement with a local bank for credit facilities of Baht 1,371 million which bear interest at the rates of MLR per annum. Such loan agreement contains covenants relating to various matters including the maintenance of financial ratios, limitations on the execution of new loan obligations and others. Loans are guarantees by the Company and mortgages of machinery and equipment including the transfer of right for Engineering Procurement Contractor Contract of the subsidiary's construction project.

A subsidiary has loan facilities from local bank of Baht 12,650 million. Such loan is guaranteed by the Company and collateralized by the mortgage of project's machinery and equipment.

Loan of an overseas subsidiary bears interest rate at 10.00 - 13.50 per annum and is repayable as specified in agreements. This loan is secured by office premises and specific equipment.

An oversea subsidiary has loan agreement with a financial institution with loan facilities of BDT 4,000 million. This loan bears interest at the floating rate of Bank of Bangladesh plus 6% per annum and is repayable every 6 months within 3 years from initial drawdown. This loan is guaranteed by the Company.

18. DEBENTURES – NET

Movements of debentures for the three-month period ended 31 March 2017 are as follows :

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<hr/>
Balance as at 1 January 2017	13,662,803
Newly issued debentures	250,000
Old redeemed debentures	(200,000)
Cost of issuing debentures	(538)
Amortization of debentures issuing costs	3,182
Balance as at 31 March 2017	<hr/> 13,715,447
Less : Current portion within 1 year	(299,735)
Net	<hr/> <hr/> 13,415,712

On 27 February 2017, the Company issued new debenture to specific persons, unsecured, unsubordinated with no representative holders, for a principal amount of Baht 250 million with two-years, one-month and twenty nine days tenure and with a face value of Baht 1,000. This bears interest at a rate of 4.20 percent per annum which is payable quarterly. The debentures will be due for redemption on 25 April 2019. The Company used the proceeds from this issuance to repay debts and/or for working capital required to fund business expansion.

The debentures were issued with covenants relating to various matters such as the decrease in share capital, merger, the payment of dividend and limitations on the execution of new loan obligation.

19. RELATED PARTY TRANSACTIONS

During the period, the Company and subsidiaries had significant business transactions with related parties, which have been conducted on commercial terms and based on agreed upon in the ordinary course of businesses between the Company and those related parties, as follows:

	<u>Pricing policy</u>
Turn-key construction service income	Cost plus margin
Construction service income, exclusive the procurements of materials	Cost or cost plus margin
Land rental income	Mutually agreed rate
Sales of equipment	Cost or mutually agreed price
Sales of investment	Market price
Purchases of construction materials	Approximate market price
Turn-key construction expenses	Cost plus margin
Hire of construction services, exclusive procurements of materials	Cost
Purchases of investments	Approximate net book value
Purchases of assets	Mutually agreed price
Interest on loans with related parties	Mutually agreed rate
Rental expenses	Mutually agreed rate

Below are summaries of significant related party transactions during the period :

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	136	263
Purchases of construction materials and services	-	-	537	329
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	35	46	30	46
Purchases of construction materials and services	85	85	71	76
<u>Transactions with related companies</u>				
Construction services, sales and other income	82	269	62	229
Purchases of construction materials and services	621	567	579	355
Purchases of assets and equipment	122	212	122	211
<u>Key management personnel compensation</u>				
Short-term employee benefits	31	28	25	22
Post-employment benefits	3	2	-	-

Furthermore, the Company also has significant transactions with its related parties in respect of loans and advances. The outstanding balances of such transactions are presented as separate items in the statement of financial position.

Accrued rental expenses

As at 31 March 2017, a subsidiary has accrued rental expenses of Baht 72.02 million (31 December 2016 : Baht 70.31 million).

20. COMMITMENTS

20.1 As at 31 March 2017, the Company, subsidiaries and joint ventures have outstanding commitments with major subcontractors, classified by currencies as follows :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	5,574.80	5,373.49
INR	2,449.66	113.35
BDT	663.90	-

20.2 As at 31 March 2017, the Company and subsidiaries have the following outstanding commitments, proportionately, for purchases of materials, machinery, related services and service contracts :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	209.72	116.79
USD	1,362.35	67.36
INR	174.37	-
EUR	464.72	2.93
TWD	0.34	0.34
CNY	13.97	13.97

20.3 As at 31 March 2017, the Company has outstanding commitments of USD 8.35 million in respect of the uncallable portion of investments in associated company, and nine subsidiary companies of Baht 2.25 million, USD 1.65 million, BDT 26,880.82 million and MMK 344.17 million.

- 20.4 A subsidiary company has a commitment to obtain a mining concession from the Government of Thailand prior to the commencement of the potash mining operations. A fee of USD 5 million is payable to the Ministry of Industry upon receipt of the mining concession and an annual fee subsidizing the Education Fund of USD 0.20 million is payable to the Department of Primary Industries and Mines in accordance with an agreement between the Ministry of Industry and the Department of Primary Industries and Mines and the Company.
- 20.5 A subsidiary company entered a land purchase and sale agreement for the land located in the mining project area in Udon Thani Province. The total area of land is approximately 1,239 rais for a total cost of Baht 279 million. The subsidiary company has paid a deposit of Baht 1.58 million for the land purchase, and the balance will be paid according to the terms of the agreements.
- 20.6 Several indirect subsidiary companies entered service agreements for project consultant which have commitment to pay at the rate as specified in agreements.
- 20.7 As at 31 March 2017, the Company has a commitment to support the construction projects of an overseas joint venture within year 2018 of Baht 620.99 million (INR 1,173 million)

21. CONTINGENT LIABILITIES

During the prior year, litigation has been brought against the Company. As at 31 March 2017, management has considered such litigation to be unjustified. The Company, therefore, has not set any provision in the financial statements. There has been no significant change in litigation from the year ended 31 December 2016.

22. SEGMENT REPORTING

The operations of the Company and subsidiaries for the three-month periods ended 31 March 2017 and 2016 are principally engaged in a single industry segment, construction services, and sales and services and are conducted in the following geographical segments.

(Unit : Million Baht)

	Consolidated F/S											
	For the three-month periods ended 31 March											
	Thailand		India		Other countries		Total		Eliminate		Grand total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<u>Revenue from construction work</u>												
Revenues from external sources	8,620	6,666	3,129	5,577	591	329	12,340	12,572	-	-	12,340	12,572
Inter - segment revenues	457	303	13	2	-	-	470	305	(470)	(305)	-	-
Total segment revenue	9,077	6,969	3,142	5,579	591	329	12,810	12,877	(470)	(305)	12,340	12,572
<u>Revenue from sales and services</u>												
Revenues from external sources	525	552	-	-	1	1	526	553	-	-	526	553
Inter - segment revenues	204	149	-	-	-	-	204	149	(204)	(149)	-	-
Total segment revenue	729	701	-	-	1	1	730	702	(204)	(149)	526	553
Gross profit (loss)	1,008	1,040	480	363	160	(10)	1,648	1,393	(2)	(1)	1,646	1,392
Other income											103	61
Interest income											46	21
Gain on revaluation of investment property											-	37
Loss on impairment of assets											(27)	-
Interest expense											(591)	(621)
Depreciation and amortization											(618,281)	(587,745)
Reversal of allowance (provision) for doubtful accounts											(15)	2
Loss on exchange rate											(111)	(10)
Share of profit (loss) from investment in associated companies and joint ventures											31	(6)
Income tax expense											(115)	(27)
Profit for the period											98	139

(Unit : Million Baht)

	Thailand		India		Other countries		Total		Elimination		Grand total	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Property, plant and equipment - net	11,584	11,325	2,207	2,182	5,332	5,440	19,123	18,947	(49)	(52)	19,074	18,895
Other assets	59,173	56,727	12,709	12,082	7,578	7,652	79,460	76,461	(17,743)	(17,236)	61,717	59,225
Total assets	70,757	68,052	14,916	14,264	12,910	13,092	98,583	95,408	(17,792)	(17,288)	80,791	78,120
Total liabilities	48,455	45,821	15,820	15,145	14,868	15,059	79,143	76,025	(12,787)	(12,239)	66,356	63,786

23. FINANCIAL INSTRUMENTS

Foreign currency risk

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2017 are summarized below :

Foreign currency	Consolidated F/S		Separate F/S		Average exchange rate as at 31 March 2017 (Baht per foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
USD	23	21	29	1	34.4501
EUR	-	34	-	-	37.1446
LAK	-	19	-	-	0.0044
HKD	4	-	4	-	4.3958

Forward exchange contracts which remain outstanding as at 31 March 2017 are summarized below :

Currency	Balance (Million)	Forward contract exchange rate
USD (sell)	18	32.8000
EUR (buy)	34	43.7500
USD (buy)	18	33.2800
CNY (buy)	9	5.0200 – 5.3740

As at 31 March 2017, significant foreign currency denominated assets and liabilities which are unhedged of the Company, subsidiaries and joint venture as follow:

	Consolidated F/S (Net)			
	USD	EUR	LAK	HKD
	Million	Million	Million	Million
Trade accounts receivable and retention	10	-	-	4
Trade accounts receivable and loan to – related companies	14	-	-	-
Trade accounts payable	3	-	19	-

	Separate F/S (Net)			
	USD	EUR	LAK	HKD
	Million	Million	Million	Million
Trade accounts receivable and retention	-	-	-	4
Trade accounts receivable and loan to – related companies	29	-	-	-
Trade accounts payable	1	-	-	-

In addition, the Company and subsidiaries have foreign currency exposure risk with respect to their investments in subsidiaries and associated companies in overseas which are not covered by the hedges against foreign currency risk.

As at 31 March 2017, a subsidiary has entered into the cross currency swap contract with a financial institution to manage exposure of fluctuations in foreign currency exchange rates of Baht 2,702.39 million, starting from 20 November 2014 to 30 December 2024.

24. EARNINGS PER SHARE

There is no potential dilution in earnings per share from warrant exercising because the average share price during this period was lower than the exercise price. The Company therefore, has not computed the diluted earnings per share from warrant.

25. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows :

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table present financial and liabilities assets that are measured at fair value as at 31 March 2017 :

(Unit : Thousand Baht)				
Consolidated F/S				
	Level 1	Level 2	Level 3	Total
<u>Non - financial assets</u>				
Current investments	-	46	-	46
Other long – term investments	590,239	-	-	590,239
Investment properties	-	1,960,140	-	1,960,140
Total	590,239	1,960,186	-	2,550,425
<u>Financial liabilities</u>				
Forward contract liabilities	-	185,913	-	185,913
Total	-	185,913	-	185,913
(Unit : Thousand Baht)				
Separate F/S				
	Level 1	Level 2	Level 3	Total
<u>Non - financial assets</u>				
Other long – term investment	556,120	-	-	556,120
Investment properties	-	1,074,820	-	1,074,820
Total	556,120	1,074,820	-	1,630,940
<u>Financial liabilities</u>				
Forward contract liabilities	-	805	-	805
Total	-	805	-	805

26. RECLASSIFICATION

The subsidiary companies have reclassified certain accounts in the statement of financial position as at 31 December 2016 to conform to the current period's classification but with no effect to previously report profit or shareholders' equity. The reclassifications are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	
	As reclassified	As previously report
Inventories and work in process - net	2,955,159	3,339,485
Property, plant and equipment - net	18,895,094	18,510,768

27. EVENT AFTER THE REPORTING PERIOD

At the Annual General Shareholders meeting held on 27 April 2017, the shareholders passed a resolution as following :

- 27.1 Pay dividend to shareholder from the operations for the year 2016 at Baht 0.01026 per share for 5,279.84 million shares, totaling of Baht 54.17 million. Dividend will be paid on 26 May 2017.
- 27.2 Adjust the exercise price and exercise ratio of the warrants no.1 (ITD-W1), from the existing rights offering 1 unit of warrant for 1 common share at Baht 14.00 each, to 1 unit of warrant for 1.002 common share at Baht 13.971 each.
- 27.3 Increase the registered share capital from Baht 6,335,808,993 (6,335,808,993 shares at Baht 1 par value) to Baht 6,337,920,861 (6,337,920,861 shares at Baht 1 par value) to reserve for the adjustment of the exercise warrants no.1 (ITD-W1).