

**ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AND JOINT VENTURES**
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2014

1. GENERAL INFORMATION

Italian - Thai Development Public Company Limited (“the Company”) is incorporated and domiciled in Thailand. The Company is principally engaged in the construction business. The Company has three oversea branches and two project offices. Its registered office address is 2034/132-161, New Petchburi Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRINCIPLE OF CONSOLIDATION

2.1 Basis of financial statement preparation

The accompanying financial statements have been officially prepared in Thai in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The translation of these financial statements to other language must be in compliance with the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

2.2 Accounting standards that became effective in the current year and those that will become effective in the future.

Accounting standards that became effective in the current year.

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These accounting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These accounting standards do not have any significant impact on the financial statements.

Accounting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new accounting standards that become effective for fiscal years beginning on or after 1 January 2015. These accounting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management believes there is no any significant impact on the financial statements in the year in which they are adopted. However, some of these accounting standards involve changes to key principles which are relevance to the Company, as discussed below.

TAS 19 (revised 2014) Employee benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

TAS 27 (revised 2014) Separate financial statements

This amendment is to change its name from “Consolidated and separate financial statements” to “Separate financial statements” and to specify the accounting treatment and disclosure of information for investments in subsidiaries, interests in joint ventures and investment in associates whenever the entity prepares the separate financial statements.

TAS 28 (revised 2014) Investments in associates and joint ventures

This amendment is to change its name from “Investments in associates” to “Investments in associates and joint ventures” and to specify the accounting treatment for investments in associates and joint ventures. In addition the revised accounting standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

TFRS 10 Consolidated financial statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standards change the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiaries have control over the investees and determines which entities have to be included for preparation of the consolidated financial statements.

TFRS 11 Joint arrangements

This standard defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities and recognised related income and expenses. Joint ventures account for their interest by using the equity method.

TFRS 12 Disclosure of interests in other entities

This standard requires entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

TFRS 13 Fair value measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

The Company's management is in the process of assessment of the impact on the financial statements of these new and revised TFRS.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of Italian-Thai Development Public Company Limited, its subsidiaries, and its jointly controlled joint ventures (proportionately consolidated) as follows:-

Name of Entity	Country of incorporation	Percentage of investment by the Company	
		2014	2013
<u>Overseas subsidiaries</u>			
Myanmar ITD Co., Ltd	Myanmar	99.99	99.99
PT. Thailindo Bara Pratama	Indonesia	99.99	99.99
ITD Cementation India Limited	India	51.63	69.57
ITD - Madagascar S.A.	Madagascar	99.98	99.98
Italian Thai International SDN. BHD	Malaysia	99.99	99.99
ITD Construction SDN. BHD	Malaysia	99.99	99.99
First Dhaka Elevated Expressway Co., Ltd.	Bangladesh	99.99	99.99
ITD Bangladesh Company Limited	Bangladesh	99.99	99.99
Italian - Thai Development Vietnam Co., Ltd.	Vietnam	80.00	80.00
ITD Mozambique Limitada	Mozambique	99.00	-
Thai Mozambique Logistics SA	Mozambique	60.00	-
Italian - Thai Development (Myanmar) Co., Ltd.	Myanmar	99.99	-
<u>Local subsidiaries</u>			
Italian - Thai International Co., Ltd.	Thailand	99.99	99.99
Bhaka Bhumi Development Co., Ltd.	Thailand	99.99	99.99
Thai Pride Cement Co., Ltd.	Thailand	99.99	99.99
Nha Pralan Crushing Plant Co., Ltd.	Thailand	99.99	99.99
Siam Concrete and Brick Products Co., Ltd.	Thailand	99.80	99.80
Italthai Marine Co., Ltd.	Thailand	92.59	92.59
Italthai Trevi Co., Ltd.	Thailand	90.94	90.94
Asian Steel Product Co., Ltd.	Thailand	69.90	69.90
Thai Maruken Co., Ltd.	Thailand	50.96	50.96
Italian Thai Land Co., Ltd.	Thailand	99.99	99.99
Khunka Palangthai Co., Ltd.	Thailand	-	98.05
Palit Palangngan Co., Ltd.	Thailand	74.93	74.93
Palang Thai Kaowna Co., Ltd.	Thailand	99.94	99.94
Italian Thai Power Co., Ltd.	Thailand	99.99	99.99
Saraburi Construction Technology Co., Ltd.	Thailand	99.93	99.93
Asia Logistics Development Co., Ltd.	Thailand	99.93	99.93

Name of Entity	Country of incorporation	Percentage of investment by the Company	
		2014	2013
Asia Industrial and Port Corporation Co., Ltd.	Thailand	99.93	99.93
Myanmar Italian – Thai Power 1 Co., Ltd.	Thailand	99.95	99.95
Italian – Thai Hongsa Co., Ltd	Thailand	99.97	99.97
APPC Holding Co., Ltd.	Thailand	60.00	60.00
<u>Indirect overseas subsidiaries</u>			
Italian – Thai Development (BVI) Co., Ltd.	British Virgin Islands	99.99	99.99
Ayeyarwady Multitrade Co., Ltd.	Myanmar	99.99	99.99
ITD Cementation Projects India Limited	India	99.99	99.99
Koh Kong Power Light Co., Ltd.	Cambodia	93.00	93.00
ITD Vertex Consortium SDN. BHD	Malaysia	70.00	70.00
Dawei Development Company Limited (BVI)	British Virgin Islands	75.00	75.00
Dawei Development Company Limited (Myanmar)	Myanmar	75.00	75.00
Future Prosperity Investment Company Limited	Mauritius	99.99	99.99
Thai Port Development Company Limited	Hong Kong	99.99	99.99
Thai Road Link Development Company Limited	Hong Kong	99.99	99.99
Thai Power Development Company Limited	Hong Kong	99.99	99.99
Thai Water Development Company Limited	Hong Kong	99.99	99.99
Thai Telecom Development Company Limited	Hong Kong	99.99	99.99
Thai Integrated Steel Development Company Limited	Hong Kong	99.99	99.99
Thai Refinery Development Company Limited	Hong Kong	99.99	99.99
Thai Petrochemical Development Company Limited	Hong Kong	99.99	99.99
Thai International Industrial Estate Development Company Limited	Hong Kong	99.99	99.99
Dawei Port Holding Company Limited	Hong Kong	99.99	99.99
Dawei Road Link Holding Company Limited	Hong Kong	99.99	99.99
Dawei Power Holding Company Limited	Hong Kong	99.99	99.99
Dawei Green Power Holding Company Limited	Hong Kong	99.99	99.99
Dawei Electricity Distribution Holding Company Limited	Hong Kong	99.99	99.99
Dawei LNG Terminal Holding Company Limited	Hong Kong	99.99	99.99
Dawei Water Holding Company Limited	Hong Kong	99.99	99.99
Dawei Telecom Holding Company Limited	Hong Kong	99.99	99.99
Dawei Intregrated Steel Holding Company Limited	Hong Kong	99.99	99.99
Dawei Refinery Holding Company Limited	Hong Kong	99.99	99.99
Dawei Petrochemical Holding Company Limited	Hong Kong	99.99	99.99
Dawei International Industrial Estate Holding Company Limited	Hong Kong	99.99	99.99

Name of Entity	Country of incorporation	Percentage of investment by the Company	
		2014	2013
APPC Hong Kong Company Limited	Hong Kong	100.00	100.00
Italian – Thai Development Company Limited	Hong Kong	100.00	100.00
THAI INTERNATIONAL INDUSTRIAL ESTATE DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	-
THAI POWER DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	-
THAI WATER DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	-
THAI TELECOM DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	-
DAWEI TELECOM HOLDING PRIVATE COMPANY LIMITED	Singapore	100.00	-
<u>Indirect local subsidiaries</u>			
Aquathai Co., Ltd.	Thailand	99.99	99.99
Sarithorn Co., Ltd.	Thailand	99.99	99.99
Southern Industries (1996) Co., Ltd.	Thailand	99.99	99.99
Asia Pacific Potash Corporation Limited	Thailand	90.00	90.00
Lasalle Company Limited	Thailand	99.30	99.30
Tongkrai Company Limited	Thailand	99.40	99.40
Tayakhee Company Limited	Thailand	99.40	99.40
Dithee Company Limited	Thailand	99.40	99.40
Panoot Company Limited	Thailand	99.40	99.40
Phannin Company Limited	Thailand	99.40	99.40
Takolkiat Company Limited	Thailand	99.40	99.40
Tridayuk Company Limited	Thailand	99.40	99.40
Bhantuwong Company Limited	Thailand	99.40	99.40
Nahathai Company Limited	Thailand	99.40	99.40
Kanika Company Limited	Thailand	99.40	99.40
Sin Rae Muang Thai Co., Ltd.	Thailand	99.99	99.99
Wildemere Co., Ltd.	Thailand	99.99	99.99
APPC Holding Co., Ltd.	Thailand	40.00	40.00
<u>Overseas joint ventures (proportionate consolidation):</u>			
ITD – NCC Joint Venture (NT – 2)	Laos	60.00	60.00
ITD – EGC Joint Venture	Taiwan	55.00	55.00
Joint Venture Evergreen – Italian-Thai – PEWC	Taiwan	25.00	25.00
Joint Venture between Italian – Thai Development Plc. and ITD Cementation India Limited	India	20.00	20.00
ITD – Nawarat (L.L.C)	United Arab Emirates	60.00	60.00
ITD – ITDCEM JV	India	51.00	51.00
ITD – ITDCEM JV (Consortium)	India	60.00	60.00

Name of Entity	Country of incorporation	Percentage of investment by the Company	
		2014	2013
<u>Local joint ventures</u> (proportionate consolidation) :			
ITD – ETF Joint Venture	Thailand	65.00	65.00
IN Joint Venture	Thailand	51.00	51.00
ITO Joint Venture	Thailand	40.00	40.00
IOT Joint Venture	Thailand	40.00	40.00
ITD – SQ Joint Venture	Thailand	50.00	50.00
ITD – Unique Joint Venture	Thailand	60.00	60.00
SQ – ITD Joint Venture	Thailand	50.00	50.00
ITD – ETF- MVM Joint Venture	Thailand	55.25	55.25
ITD – SMCC Joint Venture	Thailand	40.00	40.00
ITD – Samsung Joint Venture	Thailand	24.00	24.00

2.4 Significant changes during the year 2014 are as follows :

- The Company paid BDT 88.74 million for share capital of First Dhaka Elevated Expressway Co., Ltd.
- The Company invested Baht 22.09 million in ITD Mozambique Limitada for 99.00% of the share capital, to engage in construction services in the Republic of Mozambique.
- The Company invested Baht 4.96 million in Thai Mozambique Logistics SA for 60% of the share capital, to engage in concession for the construction of port and Railway in the Republic of Mozambique.
- The Company invested Baht 0.81 million in Italian-Thai Development (Myanmar) Co., Ltd. for 99.90% of the share capital, to engage in construction services in the Republic of Myanmar.
- The Company registered the liquidation of Khunka Palangthai Co., Ltd.
- A indirect subsidiary invested 100 % of the share capital of 5 companies which established in Singapore.

2.5 Significant changes during the year 2013 are as follows :

- The Company paid BDT 32.55 million for share capital of First Dhaka Elevated Expressway Co., Ltd.
- The Company and Samsung C & T Corporation. entered into a Joint Venture Agreement under the name of “SAMSUNG - ITD Joint Venture” to engage in the construction of The Expansion of LPG Facilities project. The Company’s portion in the joint venture is 24%.

- The Company, Power Construction Corporation of China, China Gezhouba Group Company Limited, China International Water & Electric Corp. and Panya Consultants Co., Ltd. entered into a Joint Venture Agreement under the name of “ITD-POWERCHINA JV” to engage in the construction of Water and Flood Management Commission.
 - The Company paid Baht 4.20 million for a share capital increase in ITD-Madagascar S.A. This increases the percentage of shareholding in this subsidiary from 99.70% to 99.98%.
 - The Company invested Baht 3,796 million in APPC Holding Co., Ltd for 99.99% of the share capital by swapping all share capital of Baht 3,796 million of Sin Rae Muang Thai Co., Ltd. and Wildemere Limited. The Company sold investments of Baht 1,518 million in APPC Holding Co., Ltd. for 40% of share capital to APPC Hong Kong Company Limited which holds shares of a subsidiary company.
 - The Company registered the liquidation of Italian-Thai Development Pte Ltd. in Singapore.
- 2.6 The Company does not include the financial statements of Siam Pacific Holding Company Limited, which was established for the purpose of a joint venture with a foreign partner company of which 46.69 percent and 4.30 percent (totaling 50.99 percent) of its shares, respectively, are held by the Company and its subsidiary because the Company has no control over such company and such company is not considered as a subsidiary. There is no material impact on the consolidated financial statements by such exclusion.
- 2.7 The financial statements of the overseas project offices, branches, subsidiaries and joint ventures are translated into Thai Baht using exchange rates at the statement of financial position date for assets and liabilities, and using the monthly average exchange rates for revenues and expenses. The resultant differences are shown under the caption “Translation adjustment for foreign currency financial statements” under shareholders’ equity.
- 2.8 Material transactions and account balance with subsidiaries and joint ventures have been eliminated from the consolidated financial statements, except for intercompany profit in inventories at the end of the year, which has insignificant affect on the consolidated financial statements.
- 2.9 Non-controlling interests represent the portion of subsidiary companies’ profit or loss and net assets that are not held by the Company.
- 2.10 All subsidiaries and joint ventures have a reporting date of 31 December and have been prepared with the same accounting policies as the separate financial statements for the same accounting transactions or accounting events.
- 2.11 Dilution gains (loss) that arise on shares issued by subsidiaries and sold to third parties are recognised as surplus (discount) on dilution of investment in subsidiary companies, which is presented in shareholders’ equity in the consolidated financial statements.

2.12 The Company's financial statements for the years ended 31 December 2014 and 2013 include the audited financial statements of two overseas project offices, three overseas branches, seven overseas subsidiaries, and six joint ventures with aggregate assets and revenues in Baht equivalent as follows : -

(Unit : Million Baht)

	2014		2013	
	Total Assets	Total Revenues	Total Assets	Total Revenues
KOLDAM Project Office	1,264	151	1,292	227
West Bengal Project Office	84	1	118	37
Italian – Thai Development Public Co., Ltd. –				
Philippines Branch	69	6	86	21
Italian – Thai Development Public Co., Ltd. –				
Taiwan Branch	39	14	55	15
Italian – Thai Development Public Co., Ltd –				
India Branch	149	3	176	18
ITD Cementation India Limited	11,069	9,245	10,033	8,560
PT. Thailindo Bara Pratama	664	76	942	90
ITD Madagascar S.A.	146	7	167	7
ITD Construction SDN. BHD	-	-	-	-
First Dhaka Elevated Expressway Co., Ltd.	333	-	238	-
ITD Bangladesh Company Limited	2	-	2	-
Italian – Thai Development Vietnam Co., Ltd.	4	-	5	-
ITD – Cemindia JV	90	5	94	4
ITD – ITDCEM JV	2,058	1,828	1,767	1,531
ITD – ITDCEM JV (Consortium)	128	67	317	441
ITD – EGC JV	172	20	220	32
EIP JV	1	-	3	-
ITD – Nawarat (L.L.C)	2	4	-	20
Total	16,274	11,427	15,515	11,003

2.13 The consolidated financial statements as at 31 December 2014 include investments in associated companies accounted for under the equity method of Baht 627.51 million, and share of profit from associated companies under the equity method for the year then ended of Baht 8.32 million. Those financial statements are based on financial information compiled by the management of such associated companies which have not been reviewed by their auditors because those associated companies are not under the control of the Company's management. However, the management of the Company believes that there would have been no significant variances had the financial statements of those associated companies been reviewed by their auditors.

2.14 The consolidated financial statements as at 31 December 2014 and 2013 and for the years then ended include the proportion of the assets, liabilities, revenues and expenses of the joint ventures as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2014	2013
Current assets	7,226,251	6,507,444
Non – current assets	2,850,266	3,192,338
Current liabilities	6,662,123	4,822,216
Non – current liabilities	480,114	1,462,782

	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2014	2013
Revenues	7,117,571	7,054,366
Expenses	6,832,378	6,193,725

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Revenues from construction work

Revenues from construction work are recognized when services have been rendered taking into account the stage of completion measured by the proportion of actual construction costs incurred up to the end of the year and the total anticipated costs to complete the construction. Provision for the total anticipated loss on construction projects is made in the accounts as soon as the possibility of loss is ascertained.

Revenue from sales

Revenue from sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyers. Sales are presented at invoiced values, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue from services

Revenue from services are recognized when the services have been rendered.

Interest income

Interest income is recognized over time – period on an accrued basis. (Interest income on finance leases is recognised as income over the period of the underlying agreement, using the effective rate method.)

Dividend income

Dividend income is recognized when the right to receive the dividends is established.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. The Company, its subsidiaries and joint ventures provide allowance for doubtful accounts for the estimated losses that may occur in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging, and the likelihood of settlement of debt, on a specific account basis.

Finance lease receivables are carried at contracted amounts reduced by unearned financial income and allowance for doubtful accounts.

3.4 Earned revenues not yet billed/receipt in excess of contract work in progress

The recognized revenues which are not yet due as per contracts are presented as “Earned revenues not yet billed” in the statement of financial position. The instalment amounts due and received according to the contracts but not yet recognized as revenue is presented as “Receipt in excess of contract work in progress” in the statement of financial position.

3.5 Inventories and work in process

Inventories and work in process are valued at the lower of weighted average cost and net realizable value and are charged to production costs whenever consumed. Management periodically review and provide allowance for obsolete inventories.

3.6 Costs of property development projects

Costs of property development projects are presented at costs or net realizable value whichever is lower. Project development costs include land cost, construction costs and expenses directly related to the development projects, including interest expense incurred from related loan interest. These will be amortized to cost of sales based on the percentage of sold area of each project.

3.7 Borrowing costs

Interest expenses incurred on loans to finance the acquisition and development of the project is capitalized as a cost of each project. It will cease the capitalization of interest when the project is completed, or if suspended, until development is resumed.

3.8 Investments

- a) Investments in available-for-sale securities are presented at fair value. Gains or losses arising from changes in the value of such investments are separately presented as part of shareholders' equity under the caption "Unrealised gain/loss on changes in value of investments". When the securities are sold, the change is included in determining comprehensive income.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are presented at cost net of allowance for impairment (if any).
- c) Investments in subsidiaries, associated companies and joint ventures are accounted for by the cost method in the separate financial statements. Investments in associated companies are accounted for by the equity method in the consolidated financial statements.

The fair value of available-for-sale securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

The weighted average method is used for computation of the cost of investments.

The Company, its subsidiaries and joint ventures record impairment losses (if any) on investments in available-for-sale securities and other investments in determining comprehensive income when the carrying amount exceeds its recoverable value.

3.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing of the Company's operations.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associated companies are those companies in which the Company has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company's share of the total recognized gains or losses of associated companies by the equity accounting method, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the Company will account for the share of losses not exceeding its investments and further losses are no longer accounted for, except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associated company.

Joint venture

A joint venture entity is an entity over which activities are jointly controlled, established by contractual agreement. The consolidated financial statements include the Joint Venture's assets, liabilities, revenues and expenses proportionately with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

3.10 Land awaiting developments

Land awaiting developments are valued at cost or net realisable value whichever is lower.

3.11 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the Company and subsidiaries are stated investment properties at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in the statement of comprehensive income.

On disposal of investment properties, the Company and subsidiaries are recognised the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of comprehensive income in the period when the asset is derecognised.

3.12 Property, plant and equipment, and depreciation

Property, plant and equipment are presented at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and to bring it to the location and condition necessary for its intended use. Plant and equipment are presented at cost less accumulated depreciation and allowance for impairment of assets (if any).

The Company and subsidiaries depreciate its buildings and equipment by the straight – line method over their estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimated useful lives of the assets are as follows :

Buildings	20 years
Machinery and equipment	3 – 25 years
Furniture, fixtures and office equipment	3 – 7 years
Vehicles	5 – 12 years
Site office and temporary camps	5 – 12 years

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

3.13 Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the share of the identifiable net assets which the Company acquired. Goodwill is measured at cost less allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

3.14 Potash mining right

Potash mining right represents the excess of the cost of investment over the fair value of the subsidiary's net assets which, in management's view, represents future economic benefits attributable to the potash mining rights. Potash mining right will be amortised using the units of potash production over the estimated potash reserve from the start of production.

3.15 Deferred exploration and development costs

All costs incurred in relation to the exploration for mineral reserves and expenses for the application of the mining concession are recorded as deferred exploration and development costs until the commencement of the commercial production or the abandonment of the project. These costs will be amortized based on the proportion of the units of production and the total estimated proven and probable recoverable reserves, from the commencement of the commercial operations. When the project is proven not commercially feasible and the property is abandoned or becomes worthless, these costs will be recorded as expenses.

3.16 Advances from customers under construction contracts

Advances from customers under construction contracts will be deducted from the bill of work over the period as indicated in the construction agreement. Advances from customers under construction contracts spanning more than 1 year are classified as non - current liabilities.

3.17 Debentures

Debentures are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, debentures are presented at amortized cost with any difference between cost and redemption value being recognized in the statement of comprehensive income over the period of the borrowing on an effective interest basis. Gains or losses on early redemption are recognized in the statement of comprehensive income upon redemption.

3.18 Lease – where the Company, subsidiaries and joint ventures are the lessees

Leases of equipment where the Company, subsidiaries and joint ventures assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of the leased assets or estimated present value of the underlying lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Lease payments deducted by financial charges are recognized as liabilities under finance lease agreements. The financial expense is charged to the statement of comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets in which the lessor effectively retains all the risks and benefits of ownership, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on the straight – line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required by the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

3.19 Leases – where the Company, subsidiaries and joint ventures are the lessors

Assets leased out under operating leases are included in building and equipment in the statement of financial position. Depreciation is calculated over their estimated useful lives on a basis consistent with other similar assets. Rental income is recognized on a straight – line basis over the lease period.

Leases which transfer substantially all the risks and rewards of ownership to lessees are classified as finance leases. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in leases. Finance lease income is recognized using effective rate over the lease period.

3.20 Hire purchases payable

These represent hire purchases payable less deferred interest. The repayment sub-schedules of the hire purchase contracts are for 24 – 60 months. The fixed assets acquired under hire purchase agreements are recorded as assets of the Company at their cash prices and will be registered in the name of the Company upon the completion of payments. Interest on hire purchases payable is recognized as an expense in the statement of comprehensive income.

3.21 Impairment

The Company, subsidiaries and joint ventures assess whether there is an indication that any assets may be impaired. If any such indication exists, the Company, subsidiaries and joint ventures make an estimate of the assets recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of comprehensive income. An asset recoverable amount is the higher of fair value less cost to sell and value in use.

3.22 Income tax

The income tax expense recognized in profit or loss for the year comprises deferred taxes and current income tax not recognized in other comprehensive income or directly in equity.

Current income tax

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or when tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

3.23 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Financial assets and liabilities, denominated in foreign currencies, which are outstanding at the reporting date, are translated into Baht at the exchange rates ruling on the reporting date. Gains and losses on exchange are included in determining comprehensive income.

3.24 Employee benefits

Short-term employment benefits

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognised as expenses when incurred on the accrual basis.

Post-employment benefits (Defined contribution plan)

The Company and its subsidiaries, and their employees have jointly established a provident fund plan whereby monthly contributions are made by employees and by the Company and subsidiaries. The fund's assets are held in a separate trust fund from the Company and subsidiaries' assets. The Company's and subsidiaries' contributions to the fund are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plan)

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under the labour law. The Company and subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligations under the defined benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employee benefits are recognised in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation, fair value of plan assets and actuarial gains (losses).

3.25 Segment reporting

Segment results that are reported to the Group's executive committee (the chief operating decision makers) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.26 Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

3.27 Basic earnings per share

Basic earnings per share are determined by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

3.28 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling on the reporting date. Unrealized gains and losses from the translation are included in the statement of comprehensive income.

Cross currency and interest rate swap agreements

Receivables and payables arising from the cross currency swap agreements are translated into Baht at the rates of exchange ruling on the reporting date. Unrealized gains and losses from the translation are included in the statement of comprehensive income. The differences under interest rate swaps are recorded as adjustments to the interest expense relating to the hedged financial obligations in the statement of comprehensive income.

Currency option agreements

Currency option agreements are contracts between two parties whereby the seller grants the buyer a future option to buy (call option) or to sell (put option) foreign currency at an exchange rate stipulated in the agreement. The Company entered into such agreements in order to manage foreign exchange risk. The national amounts of cross currency option agreements utilized by the Company to manage foreign exchange risk are not recognized as assets or liabilities upon inception of the agreement, but fees to be received or paid by the Company in respect of such agreements are amortized on a straight-line basis over the term of the agreement.

3.29 Use of accounting estimates

The preparation of the financial statements requires management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

3.30 Provision for liabilities and expenses, and contingent assets

The Company, subsidiaries and joint ventures recognised provision for liabilities and expenses in the financial statements when the Company, subsidiaries and joint ventures have present legal or constructive obligations as a result of past events with probable future outflows of resources to settle the obligation, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually certain.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

1. Construction revenues

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date. In this process, management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. Actual outcomes in terms of actual costs or revenues may be higher or lower than estimated at reporting date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

2. Claims income

A claim is an amount that the Company, subsidiaries and joint ventures seek to collect from their customers or another party as reimbursement for costs not included in the contract price. A claim may arise from, for example, customer caused delays, errors in specifications or design, and disputed variations in contract work. The measurement of the amounts of revenue arising from claims is subject to a high level of uncertainty and often depends on the outcome of negotiations. Therefore, the Company, subsidiaries and joint ventures recognise claims for contract revenue when:

- (a) Negotiations have reached an advanced stage such that it is probable that the customer will accept the claim; and
- (b) The amount that is probable to be accepted by the customer can be measured reliably.

3. Allowance for project losses

The Company, subsidiaries, and joint ventures review its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the statement of comprehensive income when it is probable that total contract costs will exceed total contract revenue as determined by the management.

4. Impairment of receivables

The Company, subsidiaries, and joint ventures account for allowance for doubtful accounts equal to the estimated collection losses that may incur in the collection of receivables. The estimated losses are based on historical collection experience coupled with a review of outstanding receivables at reporting date.

5. Allowance for obsolete, slow-moving and defective inventories

The Company, subsidiaries, and joint ventures provide allowances for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category and such requires management judgment.

6. Allowance for diminution in value of cost of property development projects and land held for development

The Company and subsidiaries treat cost of property development projects and land held for development, as diminution when the management judges that there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of such cost of property development projects and land held for development based on net realisable value. The determination of what is “significant” and such devaluation requires management judgment.

7. Allowance for Impairment of investments

The Company, subsidiaries, and joint ventures treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

8. Impairment of goodwill

The Company annually reviews goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of management estimates.

9. Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for plant and equipment and intangible assets of the Company, subsidiaries, and joint ventures. Management will revise the depreciation and amortization charge where useful lives and residual values previously estimated have changed or subject to be written off for their technical obsolescence or if they are no longer in use.

10. Investment property

The Company and subsidiaries presented investment property at the fair value estimated by an independent appraiser, and recognise changes in the fair value in profit or loss. The fair value of investment properties are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

11. Allowance for Impairment of assets

The Company, subsidiaries, and joint ventures consider an allowance for impairment of assets when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value below their cost, the Company, subsidiaries, and joint ventures make an estimate of the assets recoverable amount. The determination of recoverable amount requires management judgment.

12. Post-employment benefits under defined benefit plans

Obligation under defined benefit plans is determined based on actuarial techniques. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality table for the country. Actual post-retirement costs may ultimately differ from these estimates.

13. Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deductible temporary differences can be utilised. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

14. Leases

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment regarding whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

15. Litigation

The Company, subsidiaries, and joint ventures normally have contingent liabilities as a result of disputes and litigation. Management use judgment to assess the results of the disputes and litigation and recognize reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.

4.2 Capital risk management

The objectives of the Company and subsidiaries in the management of capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to minimise the cost of capital. In addition, the Company and subsidiaries are required to maintain a debt to equity ratio as stipulated in loan facility agreements.

In order to maintain or adjust the capital structure, the Company and subsidiaries may adjust the dividend payment to shareholders, issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

5. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2014, savings and fixed deposits of the Company, subsidiaries and joint ventures totaling approximately Baht 65.09 million (2013 : Baht 59.65 million) have been pledged with banks as collaterals for loans obtained by the Company, subsidiaries and joint ventures to finance specific projects, and savings deposits of approximately Baht 1.04 million (2013 : Baht 19.91 million) have been pledged with the banks and fixed deposits amounting to Baht 0.67 million (2013 : Baht 0.69 million) have been pledged as required in the normal course of businesses of the Company, subsidiaries, joint ventures, and the overseas branches. Most of these restricted deposits with banks are turned over within one year so they are classified as current assets.

6. TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES - NET

The aging of outstanding trade accounts receivable balances as at 31 December 2014 and 2013 are as follows:

Receivable Ages	Consolidated F/S		(Unit : Thousand Baht)	
	2014	2013	2014	2013
Less than 3 months	5,983,880	4,476,223	4,660,761	3,525,868
3 – 6 months	188,999	532,419	31,597	195,829
6 – 12 months	489,389	426,619	283,629	58,975
More than 12 months	2,316,391	2,535,808	590,495	668,743
Total	8,978,659	7,971,069	5,566,482	4,449,415
Less : Allowance for doubtful accounts	(1,027,683)	(964,547)	(539,804)	(510,252)
Net	7,950,976	7,006,522	5,026,678	3,939,163

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 December 2014 include trade accounts receivable and un-billed work in progress of overseas subsidiary and joint venture of Baht 721.18 million and Baht 1,468.25 million, respectively, (2013 : Baht 587.03 million and Baht 1,349.07 million, respectively) which represent a number of variation order claims recognized some years ago based on the terms and conditions implicit in the contracts. These claims are technical in nature and subject to arbitration tribunal. The subsidiary and joint venture have assessed the realization of these claims based on information from the dispute resolution board, the arbitration tribunal, High Court orders and legal opinion from an independent counsel and has not provided allowance for non collection for such matter in the accounts. In addition, the consolidated financial statement as at 31 December 2014 include trade receivables and un – billed work in progress of overseas subsidiary of Baht 119.22 million and 81.72 million, respectively. These amounts are presently under negotiation with the customers. The management consider that would be receive in full amount.

The consolidated financial statements as at 31 December 2013 include earned revenues not yet billed of a joint venture, based on the proportionate ownership of the Company of Baht 463.22 million, which represents the recognized revenues for work performed for a local government enterprise but have not been certified to accept the work beyond the normal period of certification. During the year 2014, the joint venture has received the settlement in full amount.

7. TRADE ACCOUNTS RECEIVABLE – RELATED PARTIES - NET

The outstanding balances as at 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Subsidiaries and Joint Ventures</u>				
(eliminated in consolidated financial statements)				
ITO Joint Venture	-	-	203	11,565
ITD – SQ Joint Venture	-	-	731,725	710,188
ITD – ETF – MVM Joint Venture	-	-	57,377	100,854
Asia Industrial and Port Corporation Co., Ltd.	-	-	121,980	121,980
Asian Steel Products Co., Ltd.	-	-	437	338
Thai Pride Cement Co., Ltd.	-	-	1,968	10,830
ITD – ETF Joint Venture	-	-	98,278	136,711
PT. Thailindo Bara Pratama	-	-	-	9,833
IN Joint Venture	-	-	5,054	5,046
Italthai Marine Co., Ltd.	-	-	11,728	11,344
Bhaka Bhumi Development Co., Ltd.	-	-	11,134	4,726
ITD – Nawarat (L.L.C)	-	-	74,249	74,249
Aquathai Co., Ltd.	-	-	16,438	11,458
Nha Pralan Crushing Plant Co., Ltd.	-	-	35,078	32,416
Italthai Trevi Co., Ltd.	-	-	178,530	70,632
Italian – Thai Land Co., Ltd.	-	-	21,686	8,205
Italian – Thai Power Co., Ltd.	-	-	27,498	78,408
Thai Maruken Co., Ltd.	-	-	7,915	16,954
ITD Cementation India Limited	-	-	19,918	29,409
ITD Construction SDN. BHD.	-	-	2,753	2,753
Asia Pacific Potash Corporation Limited	-	-	38,902	32,109
ITD Madagascar S.A.	-	-	104,465	98,621
Italian – Thai Hongsa Co., Ltd	-	-	47,465	73,189
First Dhaka Elevated Expressway Co., Ltd.	-	-	138,241	79,991
ITD – UNIQUE Joint Venture	-	-	46,898	48,146
SQ – ITD Joint Venture	-	-	22,841	29,099

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
TREVI – ITT Joint Venture	-	-	-	11,716
Italian Thai International Co., Ltd.	-	-	33,781	31,534
ITD – SMCC Joint Venture	-	-	17,372	80,145
Siam Concrete and Brick Products Co., Ltd.	-	-	11,681	1,587
Samsung-ITD Joint Venture	-	-	247,747	106,842
Saraburi Construction Technology Co., Ltd.	-	-	12,921	29,946
Others	-	-	540	627
Total	-	-	2,146,803	2,071,451
Less : Allowance for doubtful accounts	-	-	(346,250)	(240,668)
Net	-	-	1,800,553	1,830,783

Associated companies

MCRP Construction Corporation, Philippines	676,601	687,707	624,730	635,836
Sino Lao Aluminum Corporation Limited	142,442	140,866	142,442	140,866
Bangkok Steel Wire Co., Ltd.	16,459	591	16,459	591
Praram 9 Square Co., Ltd.	23,506	18,113	23,506	18,113
ATO – Asia Turnouts Co., Ltd.	53,751	161,724	53,751	161,528
Total	912,759	1,009,001	860,888	956,934
Less : Allowance for doubtful accounts	(676,601)	(687,707)	(624,730)	(635,836)
Net	236,158	321,294	236,158	321,098

Related parties

NWR – SBCC Joint Venture	867,635	797,886	857,536	795,499
Italthai Engineering Co., Ltd.	38,190	74,787	38,154	74,194
Siam Steel Syndicate Plc.	7,432	13,059	5,310	13,059
Italthai Industrial Co., Ltd.	746	373	746	373
Ao Siam Marine Co., Ltd.	-	6,605	-	6,605
Ao Po Grand Marina Co., Ltd.	104,326	101,472	104,326	101,472
Ao Po Grand Marina & Residence Co., Ltd.	201,936	-	201,936	-
Suvarnnabhumi Entertainment Co., Ltd.	-	56,108	-	56,108
Saraburi Coal Co., Ltd.	1,866	41,806	1,866	41,806
Saraburi Coal International Co., Ltd.	12,626	12,626	12,626	12,626
PAN AFRICAN MINING CORP.	95,110	90,046	95,110	90,046
Asia Thai Mining Co., Ltd.	32,450	29,631	5,079	2,865

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Amari Estate Co., Ltd.	5,777	34,771	5,777	34,771
Amari Huahin Co., Ltd.	8,660	40,111	8,660	40,111
Amari Estate Phuket Co., Ltd.	91,032	101,052	91,032	101,052
PAM SAKOA COAL SA.	47,862	48,735	-	-
Sahakol Equipment Co., Ltd.	22,506	22,490	-	-
Lao Metal Industry Co., Ltd.	50,411	50,413	50,411	50,413
Thai Nippon Steel & Sumikin Engineering & Construction Co., Ltd.	798	13,279	798	13,279
Charoong Thai Wire and Cable Plc.	24,493	745	24,493	745
Others	41,349	17,054	30,459	16,334
Total	1,655,205	1,553,049	1,534,319	1,451,358
Less : Allowance for doubtful accounts	(60,042)	(109,744)	(38,659)	(101,372)
Net	1,595,163	1,443,305	1,495,660	1,349,986

Outstanding balances and portion of otherJoint venture partners

ITD – SQ Joint Venture	365,863	355,094	-	-
TREVI – ITT Joint Venture	-	11,131	-	-
ITD – ETF – MVM Joint Venture	25,676	45,132	-	-
ITO Joint Venture	122	6,939	-	-
ITD – UNIQUE Joint Venture	18,759	19,258	-	-
SQ – ITD Joint Venture	11,421	14,550	-	-
ITD – SMCC Joint Venture	10,423	48,088	-	-
ITD – ETF Joint Venture	34,397	47,849	-	-
IN Joint Venture	2,477	2,473	-	-
Samsung – ITD Joint Venture	188,288	81,200	-	-
Total	657,426	631,714	-	-
Trade accounts receivable – related parties – net	2,488,747	2,396,313	3,532,371	3,501,867

The ages of outstanding balances of trade receivable – related parties as at 31 December 2014 and 2013 are as follows :

Outstanding Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Less than 3 months	528,488	794,925	931,740	1,176,455
3 – 6 months	288,478	106,440	357,229	274,284
6 – 12 months	266,415	145,280	387,016	262,140
More than 12 months	2,142,547	2,147,119	2,866,025	2,766,864
Total	3,225,928	3,193,764	4,542,010	4,479,743
Less : Allowance for doubtful accounts	(737,181)	(797,451)	(1,009,639)	(977,876)
Net	2,488,747	2,396,313	3,532,371	3,501,867

8. FINANCE LEASE RECEIVABLE – RELATED PARTY - NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Finance lease receivable				
Less than 1 year	33,801	11,267	67,603	22,534
Over 1 year but not over 5 years	129,573	163,374	259,145	326,749
Total	163,374	174,641	326,748	349,283
Less : Unearned finance income	(41,153)	(57,588)	(82,305)	(115,176)
	122,221	117,053	244,443	234,107
Less : Current portion	(19,650)	(6,026)	(39,300)	(12,052)
Net	102,571	111,027	205,143	222,055

The Company has a lease agreement for machinery and equipment with a Joint Venture for the period of nine years.

9. OTHER RECEIVABLES – RELATED PARTIES

Balance as at 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Joint Venture</u>				
(eliminated in consolidated financial statements)				
ITD – SQ Joint Venture	-	-	346,833	383,553
<u>Related party</u>				
NWR – SBCC Joint Venture	-	53,416	-	53,416
<u>Outstanding balance and portion of other joint venture partner</u>				
ITD - SQ Joint Venture	173,416	191,776	-	-
Total	173,416	245,192	346,833	436,969

The Company sold some equipment to a related company and a joint venture with payment terms for the year 2014 to 2019.

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Subsidiaries and Joint Ventures</u>				
(eliminated in consolidated financial statements)				
PT. Thailindo Bara Pratama	-	-	1,918,268	2,099,122
Italthai Marine Co., Ltd.	-	-	232,685	232,685
ITD – EGC Joint Venture	-	-	291,159	318,901
ITD – Nawarat (L.L.C.)	-	-	195,034	187,141
SQ – ITD Joint Venture	-	-	352,000	352,000
ITD – SQ Joint Venture	-	-	196,500	-
Bhaka Bhumi Development Co., Ltd.	-	-	259,309	259,309
First Dhaka Elevated Expressway Co., Ltd.	-	-	17,566	16,484
ITD Cementation India Limited	-	-	12,364	12,676
Aquathai Co., Ltd.	-	-	65,200	7,200
IOT Joint Venture	-	-	9,801	-

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
ITD – POWERCHINA JV	-	-	214	214
ITD – ITDCEM JV	-	-	4,672	4,672
Total	-	-	3,554,772	3,490,404
Less : Allowance for doubtful accounts	-	-	(2,079,298)	(1,770,017)
Net	-	-	1,475,474	1,720,387

Associated companies

Sino Lao Aluminum Corporation Limited	40,087	21,991	40,087	21,991
Bangkok Steel Wire Co., Ltd.	-	9,360	-	-
Total	40,087	31,351	40,087	21,991

Related companies

Sahakol Equipment Co., Ltd.	12,500	12,500	-	-
Unique Engineering and Construction Pcl.	-	7,128	-	-
Others	21,325	18,756	-	-
Total	33,825	38,384	-	-

Short – term loans and advances to

related parties – net	73,912	69,735	1,515,561	1,742,378
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Significant movements in the short - term loans and advances to subsidiaries and related parties for the year ended 31 December 2014 are as follows :

	(Unit : Thousand Baht)			
	1 January		During the year	
	2014	Increase	Decrease	2014
<u>Subsidiaries and Joint Ventures</u>				
PT. Thailindo Bara Pratama	2,099,122	44,778	225,632	1,918,268
Italthai Marine Co., Ltd.	232,685	-	-	232,685
ITD – EGC Joint Venture	318,901	-	27,742	291,159
ITD – Nawarat (L.L.C.)	187,141	7,893	-	195,034
SQ – ITD Joint Venture	352,000	-	-	352,000
ITD – SQ Joint Venture	-	196,500	-	196,500
Bhaka Bhumi Development Co., Ltd.	259,309	-	-	259,309
First Dhaka Elevated Expressway Co., Ltd.	16,484	1,082	-	17,566

(Unit : Thousand Baht)

	1 January	During the year		31 December
	2014	Increase	Decrease	2014
ITD Cementation India Limited	12,676	-	312	12,364
Aquathai Co., Ltd.	7,200	58,000	-	65,200
IOT Joint Venture	-	10,201	400	9,801
ITD – POWERCHINA JV	214	-	-	214
ITD – ITDCEM JV	4,672	-	-	4,672
Total	3,490,404	318,454	254,086	3,554,772
<u>Associated company</u>				
Sino Lao Aluminum Corporation Limited	21,991	18,096	-	40,087
Total	3,512,395	336,550	254,086	3,594,859

11. INVENTORIES AND WORK IN PROCESS - NET

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Work in process	346,179	234,884	-	-
Materials	4,137,906	3,456,270	2,383,568	1,875,743
Total	4,484,085	3,691,154	2,383,568	1,875,743
Less : Allowance for obsolete inventories	(21,545)	(15,424)	-	-
Net	4,462,540	3,675,730	2,383,568	1,875,743

During the years 2014 and 2013, movements in the allowance for obsolete inventories are as follows :

(Unit : Thousand Baht)

	Consolidated F/S	
	2014	2013
Balance as at 1 January	15,424	21,078
Add : Additional allowance	7,216	12
Less : Reversal of allowance	(1,095)	(5,666)
Balance as at 31 December	21,545	15,424

12. COSTS OF PROPERTY DEVELOPMENT PROJECTS – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2014	2013
Land	687,026	666,903
Cost of property development projects	1,385,677	1,192,357
Utilities installation	103,907	60,312
Capitalized borrowing costs	42,927	32,069
Total	<u>2,219,537</u>	<u>1,951,641</u>
Less : Accumulated amounts transferred to cost of sales	(1,901,037)	(1,428,897)
Less : Allowance for revaluation of assets	-	(322)
Net	<u>318,500</u>	<u>522,422</u>

As at 31 December 2014, the above land and constructions have been pledged as collaterals for overdraft, loan and credit facilities with local banks as discussed in Note 29.

During the years 2014 and 2013 the Company capitalized interest amounting to Baht 10.86 million and Baht 15.81 million, respectively, to the cost of property development project. The capitalization rates of interest are based on the borrowing costs as discussed in Note 29.

The changes in cost of property development for the years ended 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2014	2013
Balance as at 1 January	522,422	460,614
Add : Cost of construction	281,441	442,489
Less : Cost of sales	(485,363)	(380,681)
Balance as at 31 December	<u>318,500</u>	<u>522,422</u>

13. INVESTMENTS IN RELATED PARTIES - NET

13.1 Investments in subsidiaries, associated companies and joint venture - net

Investments in subsidiaries and joint venture

Movements in investments in subsidiaries and joint venture for the years ended 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)	
	Separate F/S	
	2014	2013
Balance as at 1 January	6,586,087	8,087,431
Add : Additional investments during the year	65,269	2,294,643
Less : Disposal	-	(3,795,987)
Less : Allowance for impairment	(109,160)	-
Balance as at 31 December	<u>6,542,196</u>	<u>6,586,087</u>

Investments in subsidiaries and joint venture as at 31 December 2014 and 2013 comprise investments as follows:-

Nature of business	Paid-up Capital	Percentage		(Unit : Thousand Baht)	
		of shareholding		Separate F/S	
		2014 Percent	2013 Percent	2014	2013
<u>Investments in subsidiaries</u>					
Italian-Thai International Co., Ltd.	Holding company	400,000	99.99	99.99	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
Thai Pride Cement Co., Ltd.	Manufacture and distribution of cement	1,300,000	99.99	99.99	1,585,000
Nha Pralan Crushing Plant Co., Ltd.	Rock quarrying, processing and distribution	11,000	99.99	99.99	10,999
Less : Allowance for impairment				(10,999)	(10,999)
Net				-	-
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products	126,000	99.80	99.80	124,296
Italthai Marine Co., Ltd.	Production and sale of vessels and equipment	810,000	92.59	92.59	430,000
Less : Allowance for impairment				(430,000)	(430,000)
Net				-	-
Italthai Trevi Co., Ltd.	Foundation and piling work services	80,000	90.94	90.94	84,189
Asian Steel Product Co., Ltd.	Manufacture and distribution of large steel pipes	20,000	69.90	69.90	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
Italian-Thai Land Co., Ltd.	Not yet operational	10,000	99.99	99.99	50
Less : Allowance for impairment				(50)	(50)
Net				-	-

(Unit : Thousand Baht)

Nature of business	Capital	Percentage		Separate F/S	
		Paid-up	of shareholding	Cost	
		2014 Percent	2013 Percent	2014	2013
Palang Thai Kaowna Co., Ltd.	Not yet operational	1,000	99.94	99.94	650
Less : Allowance for impairment				(650)	(650)
Net				-	-
Khunka Palang Thai Co., Ltd.	Not yet operational	-	-	98.05	-
Less : Allowance for impairment				-	(16,271)
Net				-	-
Palit Palang Ngan Co., Ltd.	Not yet operational	1,000	74.93	74.93	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
Less : Allowance for impairment				(100,000)	-
Net				-	100,000
Saraburi Construction Technology Co., Ltd.	Manufacture, distribution and installation of concrete sheet	250	99.93	99.93	250
Asia Logistics Development Co., Ltd.	Not yet operational	1,000	99.93	99.93	999
Asia Industrial and Port Corporation Co., Ltd.	Not yet operational	1,000	99.93	99.93	999
Myanmar Italian-Thai Power 1 Co., Ltd.	Not yet operational	250	99.95	99.95	250
Italian - Thai Hongsa Co., Ltd.	Coal mining contractor	250	99.97	99.97	250
APPC Holding Co., Ltd.	Holding company	3,795,987	60.00	60.00	2,277,592
Overseas subsidiary companies					
Myanmar ITD Co., Ltd.	Service agent for Myanmar companies	1,483	99.99	99.99	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
		Million IDR			108,071
ITD Cementation India Limited	Construction services in India	155	51.63	69.57	2,143,951
		Million INR			2,143,951
ITD-Madagascar S.A.	Mining business	20	99.98	99.98	4,553
		Million MGA			4,553
Italian-Thai International SDN.BHD.	Not yet operational	1	99.99	99.99	10,169
		Million MYR			10,169
Less : Allowance for impairment				(10,169)	(10,169)
Net				-	-
ITD Construction SDN.BHD.	Construction services in Malaysia	0.75	99.99	99.99	7,312
		Million MYR			7,312
Less : Allowance for impairment				(7,312)	(7,312)
Net				-	-
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	397	99.99	99.99	160,110
		Million BDT			122,706
		(2013 : 308 Million BDT)			
ITD Bangladesh Company Limited	Construction services in Bangladesh	4	99.99	99.99	1,546
		Million BDT			1,546

(Unit : Thousand Baht)

Nature of business	Capital	Percentage		Separate F/S	
		of shareholding		Cost	
		2014	2013	2014	2013
Italian-Thai Development Vietnam Co., Ltd.	Not yet operational Million VND	6,000	80.00	80.00	9,160
Less : Allowance for impairment		(9,160)			-
Net		-			9,160
ITD Mozambique Limitada	Construction services in the Republic of Mozambique USD	682,815	99.00	-	22,096
Thai Mozambique Logistics SA.	Concession for constructing Port and Railway in the Republic of Mozambique USD	250,000	60.00	-	4,955
Italian - Thai Development (Myanmar) Co., Ltd	Construction services in the Republic of the Union of Myanmar USD	25,000	99.90	-	814
Total Investments in subsidiaries - net				6,542,196	6,586,087

Investment in joint venture

ITD - Nawarat (L.L.C)	Construction services in United Arab Emirates UAE	300,000	60.00	60.00	977	977
Less : Allowance for impairment		(977)			(977)	
Net		-			-	
Total Investment in joint venture					-	-

Total Investments in subsidiaries and joint venture

Investments in associated companies

Movements in investments in associated companies, which are accounted for by the equity method in the consolidated financial statements, for the years ended 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Balance as at 1 January	680,813	633,543	697,963	697,963
Add: Share of profit from associated companies	26,143	22,348	-	-
Less: Dividend	(14,489)	-	-	-
Add (Less): Translation adjustment for foreign currency financial statements	(69)	24,922	-	-
Balance as at 31 December	692,398	680,813	697,963	697,963

Investments in associated companies as at 31 December 2014 and 2013, comprise investments in the following :

Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S		Separate F/S		(Unit : Thousand Baht)		
		2014	2013	2014	2013	2014	2013	Cost		
		Percent	Percent							
<u>Investments in associated companies</u>										
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	49.00	49.00	62,366	54,344	2,450	2,450		
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,877	26,971	27,373	27,373		
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	98,992	82,283	71,603	71,603		
Praram 9 Square Co., Ltd.	Shopping center development	1,000,000	20.00	20.00	200,000	200,000	200,000	200,000		
Less : Allowance for impairment				(200,000)	(200,000)	(200,000)	(200,000)	(200,000)		
Net										
Oriental Residence Bangkok Co., Ltd.	Real estate development	500,000	15.00	15.00	-	10,209	75,000	75,000		
<u>Overseas companies</u>										
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25	24.00	24.00	12,000	12,000	12,000	12,000		
Less : Allowance for impairment				(12,000)	(12,000)	(12,000)	(12,000)	(12,000)		
Net										
MCRP Holding Corporation, Philippines	Holding company in Philippines	5	24.00	24.00	3,000	3,000	3,000	3,000		
Less : Allowance for impairment				(3,000)	(3,000)	(3,000)	(3,000)	(3,000)		
Net										
Sino Lao Aluminum Corporation Limited	Bauxite mine business in Laos	32	34.00	34.00	501,638	504,481	521,537	521,537		
Total Investments in associated companies – net					689,873	678,288	697,963	697,963		
<u>Investments in associated companies held by subsidiaries</u>										
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	-	-		
Total investments in associated companies held by subsidiaries					2,525	2,525	-	-		
Total Investments in associated companies - net							692,398	680,813	697,963	697,963
Total investments in subsidiaries, associated companies, and joint venture – net							692,398	680,813	7,240,159	7,284,050

The Company's and its subsidiaries' equity interests in the above associated companies are generally determined based on the financial statements compiled by the management of those companies which have not been reviewed by their auditors. However, the Company's management believes that there will be no significant adjustments to be made to the consolidated financial statements.

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.

Significant financial information of the associates in the aggregate amounts are summarized as follows :

	For the years ended 31 December							
	Assets		Liabilities		Revenues		Net income (loss)	
	2014	2013	2014	2013	2014	2013	2014	2013
ATO-Asia Turnouts Co., Ltd.	337	580	210	469	530	486	36	53
Bangkok Steel Wire Co., Ltd.	1,023	929	533	517	1,253	1,257	107	167
Oriental Residence Bangkok Co., Ltd.	3,479	3,075	3,582	3,007	243	268	(142)	(195)
Sino Lao Aluminum Corporation Limited	1,198	403	213	65	-	-	(8)	-
Siam Pacific Holding Co., Ltd.	64	64	6	6	-	-	-	-
Total	6,101	5,051	4,544	4,064	2,026	2,011	(7)	25

13.2 Other long - term investments

Movements in other long - term investments for the years ended 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Balance as at 1 January	1,430,428	1,386,569	1,264,776	1,348,968
Less : Disposal of investment during year	(1,250)	-	-	-
Add (less) : Reversal of allowance (allowance) for impairment of investment	(12,751)	161,920	(12,751)	26,694
Less : Unrealized loss from changes in value of investments	(100,488)	(118,061)	(105,750)	(110,886)
Balance as at 31 December	1,315,939	1,430,428	1,146,275	1,264,776

Other long - term investments as at 31 December 2014 and 2013 comprise investments as follows :

		(Unit : Thousand Baht)					
Nature of business	Percentage of Shareholding 2014 Percent	Consolidated F/S		Separate F/S			
		2014	2013	2014	2013	2014	2013
		Percent	Percent	Percent	Percent	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
Medical Device Manufacturer (Thailand) Limited	Manufacture and distribution of medical products	-	6.95	-	50,069	-	50,069
Less : Allowance for impairment				-	(50,069)	-	(50,069)
Net				1,015	1,015	1,015	1,015
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
Imperial Technology Management Service Plc.	Initiation and establishment of Asian University of Science and Technology	4.93	19.72	175,000	175,000	175,000	175,000
Less : Allowance for impairment				(149,331)	(139,975)	(149,331)	(139,975)
Net				25,669	35,025	25,669	35,025
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery Rental	15.00	15.00	7,500	7,500	7,500	7,500
Lao Metal Industry Co., Ltd.	Manufacture steel wires.	10.00	10.00	10,000	10,000	10,000	10,000
Less : Allowance for impairment				(10,000)	(6,605)	(10,000)	(6,605)
Net				-	3,395	-	3,395
Total Investment in other non – listed companies – net				161,382	174,133	161,382	174,133
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				245,618	160,928	245,618	160,928
Net market value				554,333	469,643	554,333	469,643
Toyo-Thai Corporation Plc.	Construction services	3.29	3.29	18,400	18,400	18,400	18,400
Add : Unrealized gain from changes in value of investments				412,160	602,600	412,160	602,600
Net market value				430,560	621,000	430,560	621,000
Total Investment in other listed companies – net				984,893	1,090,643	984,893	1,090,643
Total Investments in other companies - net				1,146,275	1,264,776	1,146,275	1,264,776

(Unit : Thousand Baht)

Nature of business	Percentage of Shareholding		Consolidated F/S		Separate F/S	
	2014	2013	2014	2013	2014	2013
	Percent	Percent				
<u>Investments held by subsidiaries</u>						
a) <u>Non-listed companies</u>						
Premus (Thailand) Co., Ltd.	Real estate management services	-	10.00	-	1,250	-
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			15,260	9,998	-	-
Net market value			34,438	29,176	-	-
Total			169,664	165,652	-	-
Total other long-term investments – net			1,315,939	1,430,428	1,146,275	1,264,776

14. LAND LEASE CONCESSION AND PROJECT UNDER DEVELOPMENT

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Land lease concession	30,198	30,198	-	-
Project under development	6,000,523	6,000,822	3,734,887	3,731,608
Total	6,030,721	6,031,020	3,734,887	3,731,608

In November 2010, the Company entered into a Framework Agreement with the Myanma Port Authority (MPA), Ministry of Transportation of the Republic of the Union of Myanmar to develop the Dawei Deep Sea Port, Industrial Estate and Road and Rail Link to Thailand Project.

Consequently, Governments has established the Thai-Myanmar Joint Coordinating Committee for the Comprehensive Development in the Dawei Special Economic Zone and its Related Projects Area and also established the Special Purpose Vehicle (“SPV”) named Dawei SEZ Development Company Limited to promote and manage the development of the Dawei Project. Moreover, the Myanmar Government established the Dawei SEZ Management Committee (“DSEZMC”) to be the responsible integrated Myanmar Authority to support the SPV’s development plan.

On 21 November 2013, SPV, DSEZMC and the Company has signed development plan in 3 relevant agreements as follow :

1. Agreement of Termination between the Company and Myanma Port Authority (“MPA”). Termination of the previous Framework Agreement between the Company and MPA which was signed in November 2010.
2. New Framework Agreement between the DSEZMC and SPV. This agreement gives the right to the SPV to be the promoter and facilitator of the Dawei Project.
3. Tripartite Memorandum between the Company, DSEZ Management Committee and Dawei SEZ Development Co., Ltd (“SPV”). The agreement also mentions:
 - 3.1 Investment in advance, the Company will receive the settlement from SPV. Consequently, SPV will collect such amount from the company who will development this project by hired consultant to perform due diligence to summarize total investment pay back to the Company fairly.
 - 3.2 The Company has the right to continue the Maintenance Work of the existing infrastructure in the Dawei Project. The scope of the Maintenance Work and the agreed budget between the Company and the DSEZMC.

As at 31 December 2014 and 2013, the Company has land lease concessions and projects under development in the Dawei Special Economic amounting to Baht 6,031 million. This project depends on the cooperation of the governments of Thailand and Myanmar as the new concessionaires and promoter 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.

During this year, the Special Purpose Vehicle awarded consultants firm for investing analysis, including technical consulting and legal. The process begins in April 2014 and is in process of finalizing the due diligence for reimbursement to the Company.

The Special Purpose Vehicle and the Dawei SEZ Management committee issue the condition in TOR for the Dawei SEZ Initial Phase Development for the potential interested investors. It includes the development of an initial industrial estate area along with the development of the corresponding basic infrastructure and utilities. The Company has submitted the bid application to the Republic of the Union of Myanmar’s Government and under the negotiation process of concession agreement.

15. 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.

During the year, the Expert Committee on Mining, Smelting and Ore Dressing, Office of Natural Resources and Environmental Policy and Planning, and the Ministry of Natural Resources and Environment approved the study of the environment impact assessment report of the potash mine project of the Company.

The Department of Primary Industries and Mines under the Ministry of Industry had already finished the process of the selection of stakeholder representatives in the project area and set up research support fund for the stakeholder. The stakeholder representatives selected a consultant to do a research for the stakeholder representatives in the potash mine project. The study was finished and the consultant report was approved by the stakeholder representatives.

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

16. DEFERRED EXPLORATION AND DEVELOPMENT COSTS

All costs incurred in relation to the exploration for mineral reserves and expenses for the application of mining concession are recorded as deferred exploration and development costs until the commencement of the commercial production or abandonment of the project. These costs will be amortized based on the proportion of the units of production and the total estimated proven and probable reserves, from the commencement of the commercial operations. When the project is proven not commercially feasible and the property is abandoned or becomes worthless, these costs will be written off as expenses.

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2014	2013
<u>Exploration expenditures cost</u>		
Beginning balance	566,570	566,570
Increase during the year	-	-
Ending balance	<u>566,570</u>	<u>566,570</u>
<u>Mining license expenditures cost</u>		
Beginning balance	363,782	355,642
Increase during the year	20,378	8,140
Ending balance	<u>384,160</u>	<u>363,782</u>
Total deferred exploration and development costs	<u>950,730</u>	<u>930,352</u>

17. LONG - TERM LOANS AND ADVANCES TO SUBSIDIARIES AND RELATED PARTIES - NET

The outstanding balances as at 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Subsidiaries and Joint Ventures</u>				
(eliminated in consolidated financial statements)				
ITD – NCC Joint Venture (NT-2)	-	-	1,841,612	1,841,612
Italian – Thai International Co., Ltd.	-	-	3,767,454	3,682,463
Italian – Thai Land Co., Ltd.	-	-	555,178	556,095
ITO Joint Venture	-	-	105,680	528,400
Palang Thai Kaowna Co., Ltd.	-	-	456,970	456,770
Italian – Thai Power Co., Ltd.	-	-	486,139	453,041
Thai Pride Cement Co., Ltd.	-	-	300,303	300,303
ITD Construction SDN. BHD.	-	-	295,738	295,738
IN Joint Venture	-	-	119,602	119,340
Palit Palang Ngan Co., Ltd.	-	-	94,966	94,842
ITD Mozambique Limitada	-	-	24,382	-
Thai Mozambique Logistics SA	-	-	168,665	-
ITD – Madagascar S.A.	-	-	85,356	72,367
Italian – Thai Development Vietnam Co., Ltd.	-	-	38,078	33,889
Italian – Thai Development (Myanmar) Co., Ltd.	-	-	1,293	-
Myanmar ITD Co.,Ltd	-	-	12,506	12,035
APPC Holding Co., Ltd	-	-	249,081	162,197
ITD Unique Joint Venture	-	-	3,500	-
Total	<hr/>	<hr/>	8,606,503	8,609,092
Less : Allowance for doubtful accounts	-	-	(3,678,895)	(3,634,414)
Net	<hr/>	<hr/>	4,927,608	4,974,678
	<hr/>	<hr/>	<hr/>	<hr/>

Significant movements in the long - term loans and advances to subsidiaries and related parties for the year ended 31 December 2014 are as follows :

	(Unit : Thousand Baht)			
	1 January 2014	During the year	31 December 2014	
		Increase	Decrease	
<u>Subsidiaries and Joint Ventures</u>				
ITD – NCC Joint Venture (NT-2)	1,841,612	-	-	1,841,612
Italian – Thai International Co., Ltd.	3,682,463	96,531	11,540	3,767,454
Italian – Thai Land Co., Ltd.	556,095	83	1,000	555,178
ITO Joint Venture	528,400	-	422,720	105,680
Palang Thai Kaowna Co., Ltd.	456,770	200	-	456,970
Italian – Thai Power Co., Ltd.	453,041	33,098	-	486,139
Thai Pride Cement Co., Ltd.	300,303	-	-	300,303
ITD Construction SDN. BHD.	295,738	-	-	295,738
IN Joint Venture	119,340	262	-	119,602
Palit Palang Ngan Co., Ltd.	94,842	124	-	94,966
ITD Mozambique Limitada	-	27,665	3,283	24,382
Thai Mozambique Logistics SA	-	170,431	1,766	168,665
ITD – Madagascar S.A.	72,367	12,989	-	85,356
Italian – Thai Development Vietnam Co., Ltd.	33,889	4,189	-	38,078
Italian – Thai Development (Myanmar) Co., Ltd	-	1,293	-	1,293
Myanmar ITD Co., Ltd.	12,035	471	-	12,506
APPC Holding Co., Ltd.	162,197	86,884	-	249,081
ITD Unique Joint Venture	-	3,500	-	3,500
Total	8,609,092	437,720	440,309	8,606,503

18. LOAN AND ADVANCES TO UNRELATED PARTY

As at 31 December 2014 and 2013, the Company also has made loans to an unrelated party of Baht 88.61 million for the investment in a foreign company which is under the negotiation process. Currently, there has been no further development in the project because the Electricity Generating Authority of Thailand is in the process of concluding the development plan for the capacity of Power plant. Such loan to unrelated party is to support the acquisition of the concession license from the Government of Cambodia to develop a 3,600 megawatt Coal-Fired Power Plant at Koh Kong. Such loan and advances are refundable should the Power Plant project not materialize. The Company has filed claims for refund of such loan and in the process of consideration by Court. However, the Company recognised full allowance for non – refund of such amount.

19. LAND AWAITING DEVELOPMENT - NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Land awaiting development	783,541	783,541	474,846	474,846
Less : Disposal during the year	(13,074)	-	-	-
Less : Allowance for impairment	(624)	(624)	-	-
Land awaiting development – net	<u>769,843</u>	<u>782,917</u>	<u>474,846</u>	<u>474,846</u>

As at 31 December 2014 and 2013, land awaiting for development of Baht 282.32 million is the land located in Udonthani province for use in the potash mining project.

20. INVESTMENT PROPERTIES

As at 31 December 2014, investment properties presented at fair value consist of :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Land	1,390,430	723,130
Building	19,870	19,870
Total	<u>1,410,300</u>	<u>743,000</u>

During the year, the Company hired independent appraisers to re-appraise the value of land and building under the market approach.

During the year ended 31 December 2014, movements in investment properties are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2014	1,363,733	740,614
Disposal during the year	(90,571)	(90,571)
Gain on revaluation of assets	137,138	92,957
Net book value as at 31 December 2014	<u>1,410,300</u>	<u>743,000</u>

21. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit : Thousand Baht)

Consolidated F/S

			Machinery, furniture, fixtures and office equipment	Site office and temporary camps	Machinery and equipment under installation	Total
	Land	Building and factories				
<u>Cost</u>						
1 January 2014		1,328,461	5,803,389	23,254,280	1,085,572	546,645
Acquisitions/Transfer in		226	139,413	2,687,182	138,309	4,144,311
Disposals/Transfer out		-	(5,793)	(1,289,503)	(47,919)	(704,753)
Translation adjustment		(20)	(2,019)	(119,888)	(1,104)	(4,335)
31 December 2014		1,328,667	5,934,990	24,532,071	1,174,858	3,981,868
						36,952,454
<u>Accumulated depreciation</u>						
1 January 2014		-	3,519,348	14,763,319	564,459	-
Depreciation for the year		-	260,171	1,661,366	100,054	-
Depreciation for disposals		-	(5,793)	(690,855)	(47,919)	-
Translation adjustment		-	(541)	(83,976)	(1,104)	-
31 December 2014		-	3,773,185	15,649,854	615,490	-
						20,038,529
<u>Less Allowance for impairment</u>						
31 December 2013		2,219	1,818	68,385	-	72,422
31 December 2014		2,219	1,818	68,423	-	72,460
<u>Net book value</u>						
31 December 2013		1,326,242	2,282,223	8,422,576	521,113	546,645
31 December 2014		1,326,448	2,159,987	8,813,794	559,368	3,981,868
						13,098,799
Depreciation for the year 2013						1,971,616
Depreciation for the year 2014						2,021,591

(Unit : Thousand Baht)

Separate F/S

		Machinery, furniture, fixtures and office equipment	Site office and temporary camps	Machinery and equipment under installation	Total
	Land and factories	Building and factories			
<u>Cost</u>					
1 January 2014	1,124,175	4,228,171	11,750,331	938,221	129,697
Acquisitions/Transfer in	-	135,964	1,146,375	36,254	421,583
Disposals/Transfer out	-	-	(318,293)	(32,977)	(381,906)
Translation adjustment	-	-	(23,509)	(1,104)	-
31 December 2014	<u>1,124,175</u>	<u>4,364,135</u>	<u>12,554,904</u>	<u>940,394</u>	<u>169,374</u>
<u>Accumulated depreciation</u>					
1 January 2014	-	2,839,591	8,582,481	475,832	-
Depreciation for the year	-	183,079	618,100	84,137	-
Depreciation for disposals	-	-	(295,132)	(32,977)	-
Translation adjustment	-	-	(22,338)	(1,104)	-
31 December 2014	<u>-</u>	<u>3,022,670</u>	<u>8,883,111</u>	<u>525,888</u>	<u>-</u>
<u>Net book value</u>					
31 December 2013	1,124,175	1,388,580	3,167,850	462,389	129,697
31 December 2014	<u>1,124,175</u>	<u>1,341,465</u>	<u>3,671,793</u>	<u>414,506</u>	<u>169,374</u>
Depreciation for the year 2013					820,502
Depreciation for the year 2014					<u>885,316</u>

As at 31 December 2014 and 2013, certain building, machinery and equipment items of the Company, subsidiaries and joint ventures have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 9,421.26 million and Baht 10,525.94 million, respectively (Separate F/S : Baht 8,233.45 million and Baht 6,427.97 million, respectively).

As at 31 December 2014 and 2013, the Company's, subsidiaries' and joint ventures' machinery, equipment and vehicles with a total net book value of Baht 1,868.88 million and Baht 2,062.59 million, respectively, were acquired under finance lease/ hire purchase agreements.

22. GOODWILL

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2014	2013
Goodwill	958,785	958,785
Less : Allowance for impairment	(16,673)	(16,673)
Net	<u>942,112</u>	<u>942,112</u>

23. DEFERRED CONCESSION COST

In the year 2011, the Company entered into a Concession agreement with Bangladesh Bridge Authority of the Government of People's Republic of Bangladesh to proceed with the development of the Dhaka Elevated Expressway. The Company shall establish and incorporate in the Republic of Bangladesh a Project Company as the Concessionaire, which will be a limited liability company. In addition, the Company will be appointed as the EPC Contractor for the design, construction and completion of the Dhaka Elevated Expressway. The period of concession agreement is 25 years. Total project development is approximately Baht 38,044.98 million. Currently, the Company is waiting for handover project area from government and expect to be accessed in the year 2015.

24. 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 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Bank overdrafts	3,664,644	3,366,427	-	7,432
Short – term loans from financial institutions	4,005,036	4,991,134	3,252,842	3,864,501
Total	<u>7,669,680</u>	<u>8,357,561</u>	<u>3,252,842</u>	<u>3,871,933</u>

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

	(Unit : Million)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Thai Baht	3,668	4,536	3,253	3,865
INR	653	861	-	-

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.

As at 31 December 2014 and 2013, part of loans amounting to Baht 978.84 million and Baht 1,846.50 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 December 2014 and 2013, bank overdrafts and short - term credit facilities that have not been drawn down amounted to Baht 7,425.27 million and Baht 6,376.50 million, respectively.

25. TRADE ACCOUNTS PAYABLE - RELATED PARTIES

The outstanding balances as at 31 December 2014 and 2013 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Subsidiaries and Joint Ventures</u>				
(eliminated in consolidated financial statements)				
ITD – ETF – MVM Joint Venture	-	-	222,430	429,706
Siam Concrete and Brick Products Co., Ltd.	-	-	295,073	162,688
Thai Maruken Co., Ltd.	-	-	109,547	123,872
Asian Steel Product Co., Ltd.	-	-	14,189	33,706
Italthai Trevi Co., Ltd.	-	-	416,488	252,380
TREVI – ITT Joint Venture	-	-	-	18,675
ITD Cementation India Limited	-	-	12,481	12,803
Thai Pride Cement Co., Ltd.	-	-	44,926	43,192
Aquathai Co., Ltd.	-	-	2,579	1,367
Italthai Marine Co., Ltd.	-	-	9,894	37
ITD – ETF Joint Venture	-	-	107,687	96,478
Nha Pralan Crushing Plant Co., Ltd.	-	-	14,210	4,148
IN Joint Venture	-	-	1,669	1,669
ITO Joint Venture	-	-	117	232
Saraburi Construction Technology Co., Ltd.	-	-	30,989	34,033
ITD – SQ Joint Venture	-	-	-	769
Italian Thai Power Co., Ltd.	-	-	-	49,972
Samsung – ITD Joint Venture	-	-	6,460	19,324
ITD – SMCC Joint Venture	-	-	805	1,980
Others	-	-	6,817	7,968
Total	<hr/>	<hr/>	<hr/> 1,296,361	<hr/> 1,294,999

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Associated companies</u>				
MCRP Construction Corporation, Philippines	152,601	150,047	152,601	150,047
Praram 9 Square Co., Ltd.	19,512	45,114	19,512	45,114
Bangkok Steel Wire Co., Ltd	163,737	111,276	144,227	85,175
ATO – Asia Turnouts Ltd.	132,101	89,441	132,101	89,441
Total	467,951	395,878	448,441	369,777

Related companies

Sahakol Equipment Co., Ltd.	185,594	138,699	-	-
Siam Steel Syndicate Plc.	43,467	31,971	43,467	31,971
Takenaka Corporation	-	54,885	-	-
Italthai Engineering Co., Ltd.	267,653	95,914	267,450	95,886
Italthai Industrial Co., Ltd.	108,623	109,174	78,458	62,154
Nishio Rent All (Thailand) Co., Ltd.	82,666	78,001	78,414	74,193
Charoong Thai Wire & Cable Plc.	87,731	44,758	70,968	39,687
Obayashi Corporation	-	14,409	-	-
Unique Engineering and Construction Plc.	83,976	34,811	-	-
Sumitomo Mitsui Construction Co., Ltd.	27,230	33,297	-	-
ETF – Eurovia Travaux Ferroviaires	12,558	21,523	-	-
Thai Nippon Steel & Sumikin Engineering & Construction Co., Ltd.	-	1,850	-	1,850
LNG PLUS International	36,644	36,644	36,644	36,644
Asia Thai Mining Co., Ltd.	108,973	-	-	-
Samsung C & T Corporation	26,378	18,420	-	-
Construction Concrete Co., Ltd.	62,367	-	62,367	-
Others	5,771	4,613	5,586	3,078
Total	1,139,631	718,969	643,354	345,463

Outstanding balances and portion of joint ventures partners

ITD – ETF – MVM Joint Venture	99,537	192,294	-	-
TREVI – ITT Joint Venture	-	17,741	-	-
ITD – ETF Joint Venture	37,690	33,767	-	-
ITO Joint Venture	70	139	-	-
IN Joint Venture	818	818	-	-
ITD – SQ Joint Venture	-	384	-	-
ITD – SMCC Joint Venture	483	1,188	-	-

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Samsung – ITD Joint Venture	4,910	14,686	-	-
Others	790	2,049	-	-
Total	144,298	263,066	-	-
 Total	 1,751,880	 1,377,913	 2,388,156	 2,010,239

26. SHORT - TERM LOANS AND ADVANCES FROM RELATED PARTIES

The outstanding balances as at 31 December 2014 and 2013 are as follows :

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
<u>Subsidiary</u>				
(eliminated in consolidated financial statements)				
Italian Thai Hongsa Co., Ltd.	-	-	-	65,175
Total	-	-	-	65,175
<u>Related companies</u>				
Sumitomo Mitsui Construction Co., Ltd	72,419	55,860	-	-
Samsung C&T Corporation	1,576	1,576	-	-
Unique Engineering and Construction Plc.	5,153	-	-	-
Total	79,148	57,436	-	-
Short – term loans and advances from related parties	79,148	57,436	-	65,175

Significant movements in the short - term loans and advances from related parties for the year ended 31 December 2014 are as follows :

<u>Subsidiary</u> (eliminated in consolidated financial statements)	(Unit : Thousand Baht)		
	1 January 2014	During the year	31 December 2014
		Increase	Decrease
Italian Thai Hongsa Co., Ltd.	65,175	70,000	135,175
Total	65,175	70,000	135,175

27. FINANCE LEASE PAYABLE – RELATED PARTY

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Not over one year	77,376	100,345	-	-
Over one year but not over five years	329,691	334,275	-	-
Over five years	-	71,672	-	-
Total	407,067	506,292	-	-
Less : Deferred interest	(91,488)	(125,639)	-	-
	315,579	380,653	-	-
Less : Current portion	(45,717)	(66,194)	-	-
Net	269,862	314,459	-	-

The above finance lease is for machinery and equipment leased from a joint venture, with scheduled repayment terms of nine years

28. FINANCE LEASE PAYABLE – UNRELATED PARTIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Not over one year	515,828	501,859	489,179	456,460
Over one year but not over five years	829,728	1,040,946	793,943	1,007,139
Total	1,345,556	1,542,805	1,283,122	1,463,599
Less : Deferred interest	(147,295)	(150,062)	(140,349)	(141,477)
	1,198,261	1,392,743	1,142,773	1,322,122
Less : Current portion	(467,726)	(433,614)	(445,019)	(392,866)
Net	730,535	959,129	697,754	929,256

The above finance leases payable are for machinery, equipment and vehicles leases with scheduled repayment terms of two - five years

29. LONG - TERM LOANS - NET

As at 31 December 2014 and 2013, the outstanding balance of long - term loans are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Outstanding balances	7,989,342	5,533,899	5,083,572	3,372,397
Less : Current portion	(3,800,181)	(2,049,163)	(2,326,161)	(1,313,901)
Net	<u>4,189,161</u>	<u>3,484,736</u>	<u>2,757,411</u>	<u>2,058,496</u>

Movements in the long – term loans during the years ended 31 December 2014 and 2013 are summarized below :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Balance as at 1 January	5,533,899	5,341,172	3,372,397	2,570,678
Add : Additional borrowings	4,940,799	1,999,343	3,045,055	1,396,974
Less : Repayments	(2,448,894)	(1,769,935)	(1,313,901)	(622,177)
Add (Less): Translation adjustment for foreign currency financial statements	<u>(36,462)</u>	<u>(36,681)</u>	<u>(19,979)</u>	<u>26,922</u>
Balance as at 31 December	<u>7,989,342</u>	<u>5,533,899</u>	<u>5,083,572</u>	<u>3,372,397</u>

The Company entered into loan agreements with a bank for credit facilities of Baht 2,170 million. These credit facilities bear interest at the rate of MLR per annum. In addition, the loan agreement contains covenants relating to various matters such as the payment of dividends and limitations on the execution of new loan obligations.

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

A joint venture entered into loan agreement with a financial institution for credit facilities of Baht 8,330 million of which Baht 4,165 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 joint venture entered into loan agreement with a financial institution for credit facilities of Baht 5,365 million of which Baht 2,683 million is for the portion of the Company. These credit facilities bear interest at the rates of MLR – 1.50 and MOR per annum.

During the year, a subsidiary entered into refinance agreement with a local bank for credit facilities of Baht 1,471 million which bear interest at the rates of MLR per annum.

Loans of joint ventures and subsidiaries contain covenants relating to various matters including maintenance of financial ratios, limitations on the execution of new loan obligations and others. Loans are collateralized by the mortgages of machinery, equipment and vehicles, the assignment of the beneficiary of insurance and guarantees by the Company and joint venture partners.

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

The subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 120 million. These loans bear interest per annum at MLR – 0.75%. Such long – term loans are collateralized by its land and structure including most present and future thereon, and the guarantee of the Company and subsidiary as described in Note 12. 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 December 2014, subsidiaries have mortgaged part of land and construction thereon with a net carrying value of Baht 161.40 million (2013 : Baht 296.53 million) as collateral for loans.

30. DEBENTURES – NET

Debenture	Duration	Date of issue	Maturity date	Interest (% p.a.)	(Unit : Thousand Baht)	
					Consolidated and Separate F/S	2014
Debenture	Duration	Date of issue	Maturity date	rate	2014	2013
1	5 years	26 June 2009	26 June 2014	6.50	-	4,992,532
2	5 years	16 September 2010	16 September 2015	6.25	999,033	997,666
3	5 years	8 June 2011	8 June 2016	6.72	3,493,111	3,488,311
4	2 years	20 September 2013	20 September 2015	5.80	2,494,830	2,487,654
5	5 years	26 June 2014	26 June 2019	6.15	5,964,492	-
Total					12,951,466	11,966,163
Less: Current Portion					(3,493,863)	(4,992,532)
Debentures – net					9,457,603	6,973,631

Movements of debentures during the years ended 31 December 2014 and 2013 in the consolidated and separate financial statements are as follows :

	(Unit : Thousand Baht)	
	2014	2013
Balance as at 1 January	11,966,163	11,953,037
Newly issued debentures	6,000,000	2,500,000
Old redeemed debentures	(5,000,000)	(2,500,000)
Cost of issuing debentures	(39,607)	(14,371)
Amortization of costs of issuing debentures	24,910	27,497
Balance as at 31 December	<u>12,951,466</u>	<u>11,966,163</u>
Less : Current Portion	(3,493,863)	(4,992,532)
Net	<u>9,457,603</u>	<u>6,973,631</u>

On 26 June 2014, the Company issued new unsecured, unsubordinated and unrepresented debentures with a principal amount of Baht 6,000 million to specific persons with five-year tenure and with a face value of Baht 1,000. These bear interest at a rate of 6.15 percent per annum which is payable quarterly. The debentures will be due for redemption on 26 June 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.

31. EMPLOYEE BENEFITS OBLIGATION

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Present value of employee benefits obligation				
as at 31 December	788,220	675,278	578,869	502,134
Fair value of plan assets as at 31 December	(70,534)	(64,826)	-	-
Obligation – net	<u>717,686</u>	<u>610,452</u>	<u>578,869</u>	<u>502,134</u>
 <u>Employee benefits obligation</u>				
Balance as at 1 January	675,278	576,226	502,134	418,621
Current service costs	56,396	44,021	36,022	28,218
Interest on obligation	36,729	28,859	24,444	18,850
Actuarial loss	56,160	68,949	40,439	67,269
Benefit paid	(32,425)	(36,162)	(23,202)	(29,987)
Translation adjustments for foreign currency				
financial statements	(3,918)	(6,615)	(968)	(837)
Balance as at 31 December	<u>788,220</u>	<u>675,278</u>	<u>578,869</u>	<u>502,134</u>

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Plan assets				
Balance as at 1 January	64,826	68,106	-	-
Expected returns on plan assets	5,830	5,713	-	-
Contribution	5,320	3,941	-	-
Benefit paid	(6,176)	(4,867)	-	-
Actuarial gain (loss)	2,556	(4,323)	-	-
Translation adjustments for foreign currency financial statements	(1,822)	(3,744)	-	-
Balance as at 31 December	70,534	64,826	-	-

Plan assets invested with two insurance companies as at 31 December 2014 and 2013 are Baht 70.53 million and Baht 64.83 million, respectively. The management understands that the assets in these portfolios are well diversified and, as such, the long term return thereon is expected to be higher than the rate of return on Government Bonds.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The amount of employee benefits obligation, plan assets, the deficit thereof and the experiences of adjustments on plan assets and plan liabilities of overseas entities for the current and previous three years are as follow :

	(Unit : Thousand Baht)			
	2014	2013	2012	2011
Employee benefits obligation	111,637	93,205	96,210	85,421
Plan assets	70,534	64,826	68,106	62,663
Deficit	(41,103)	(28,379)	(28,104)	(22,758)
Experience adjustments on plan assets	(2,556)	4,323	(5,237)	7,027
Experience adjustment on plan liabilities	(7,746)	9,800	(6,842)	(1,818)

The employee benefit obligations of the Company and subsidiaries are measured using actuarial techniques. The estimated amount is computed by the discounted cash flows for amounts to be paid in the future based on the government bond interest rate with a term to maturity that approximates the term of the related obligation. The estimated future cash outflows are based on employee wages, turnover rate, retirement ages, mortality, length of service and others. The employee benefits expenses are recognised in the statement of comprehensive income to allocate the expenses through the hiring period. Principal actuarial assumptions are as follows :

	2014	2013
Discount rates	4.00 – 8.80 percent per annum	4.30 – 9.25 percent per annum
Future average salary increment rates	3.21 – 6.65 percent per annum	3.54 – 8.69 percent per annum
Mortality rate	Thai Mortality Table 2008	Thai Mortality Table 2008
Normal retirement ages	55 – 65 years	55 – 65 years

32. INCOME TAX

The analysis of deferred tax assets and liabilities are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Deferred tax assets	277,701	234,587	-	-
Deferred tax liabilities	(934,491)	(789,456)	(265,263)	(234,042)
Deferred tax – net	<u>(656,790)</u>	<u>(554,869)</u>	<u>(265,263)</u>	<u>(234,042)</u>

The movements in deferred tax assets and liabilities are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S			
	1 January 2014	Statement of income	Shareholders' Equity	31 December 2014
Deferred tax assets				
From allowance for doubtful accounts	37,037	15,270	945	53,252
From allowance for obsolete inventories	560	253	-	813
From allowance for impairment of assets	444	412	113	969
From depreciation of assets	100,074	35,585	3,541	139,200
From loss carry forward	-	5,471	-	5,471
From employee benefits obligations	42,586	10,053	2,324	54,963
From finance lease payables	31,994	(30,058)	-	1,936
From provision for liabilities	18,414	-	-	18,414
From other timing differences	3,478	(795)	-	2,683
Total	<u>234,587</u>	<u>36,191</u>	<u>6,923</u>	<u>277,701</u>

(Unit : Thousand Baht)

Consolidated F/S

	Recognised as income (expense)		
	1 January 2014	Statement of income	Shareholders' Equity
			31 December 2014
Deferred tax liabilities			
From unrealized gain on changes in the value of investments	154,706	-	(20,098)
From finance lease receivable	20,574	8,511	-
From finance lease payables	26,703	23,776	-
From depreciation of machinery	80,192	104,429	7,405
From debentures	6,767	2,939	-
From potash mining right	458,699	-	-
From investment properties	41,815	18,073	-
Total	789,456	157,728	(12,693)
			934,491

(Unit : Thousand Baht)

Consolidated F/S

	Recognised as income (expense)		
	1 January 2013	Statement of income	Shareholders' Equity
			31 December 2013
Deferred tax assets			
From allowance for doubtful accounts	30,159	8,572	(1,694)
From allowance for obsolete inventories	558	2	-
From allowance for impairment of assets	444	-	-
From depreciation of assets	77,567	26,231	(3,724)
From provision for construction projects	873	(873)	-
From provision loss for construction projects	169	(169)	-
From employee benefits obligations	29,163	12,640	783
From finance lease payables	14,000	17,994	-
From provision for liabilities	18,414	-	-
From other timing differences	16,977	(10,871)	(2,628)
Total	188,324	53,526	(7,263)
			234,587

Deferred tax liabilities

From unrealized gain on changes in the value of

investments	178,318	-	(23,612)	154,706
From finance lease receivable	1,792	18,782	-	20,574
From finance lease payables	12,381	14,322	-	26,703
From depreciation of machinery	39,822	40,376	(6)	80,192
From debentures	9,392	(2,625)	-	6,767
From potash mining right	458,699	-	-	458,699
From investment properties	41,815	-	-	41,815
Total	742,219	70,855	(23,618)	789,456

(Unit : Thousand Baht)

Separate F/S

	Recognised as income (expense)			
	1 January 2014	Statement of income	Shareholders' Equity	31 December 2014
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	152,706	-	(21,150)	131,556
From finance lease receivable	20,574	8,511	-	29,085
From Investment properties	-	13,090	-	13,090
From finance lease payables	26,703	23,776	-	50,479
From depreciation of machinery	27,292	4,055	-	31,347
From debentures	6,767	2,939	-	9,706
Total	234,042	52,371	(21,150)	265,263

(Unit : Thousand Baht)

Separate F/S

	Recognised as income (expense)			
	1 January 2013	Statement of income	Shareholders' Equity	31 December 2013
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	174,883	-	(22,177)	152,706
From finance lease receivable	1,792	18,782	-	20,574
From finance lease payables	12,381	14,322	-	26,703
From depreciation of machinery	21,453	5,839	-	27,292
From debentures	9,392	(2,625)	-	6,767
Total	219,901	36,318	(22,177)	234,042

Income tax consist of :

(Unit : Thousand Baht)

Consolidated F/S Separate F/S

	2014	2013	2014	2013
Domestic income tax				
Current tax	196,549	137,875	48,977	-
Overseas income tax				
Current tax	(2,664)	180,891	-	-
	193,885	318,766	48,977	-

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Deferred tax				
Change in temporary differences	121,537	17,329	52,371	36,318
Total	315,422	336,095	101,348	36,318
Total current tax and deferred tax recognized in other comprehensive income				
Decrease in unrealised loss on changes in value of investments	20,098	23,612	21,150	22,177
Decrease in actuarial losses	1,548	2,353	-	-
Others	(2,030)	(9,610)	-	-
Total	19,616	16,355	21,150	22,177

Income tax expenses for the years ended 31 December 2014 and 2013 consist of :

	Consolidated F/S							
	2014				2013			
	Thailand	India	Other	Total	Thailand	India	Other	Total
Accounting profit (loss) before income tax	1,304,394	(453,347)	(156,546)	694,501	730,927	448,414	148,869	1,328,210
Add: Tax effect of income and expenses that are not taxable income or not deductible	613,291	444,404	(35,840)	1,021,855	342,249	481,888	(475,051)	349,086
Less: Loss of subsidiary companies and loss carried forward per tax base	(934,845)	-	(152,787)	(1,087,632)	(859,031)	(10,512)	(27,578)	(897,121)
Profit (loss) per tax base	982,840	(8,943)	(345,173)	628,724	214,145	919,790	(353,760)	780,175
Tax rate (Percentage)	20	30	-	-	20	30	-	-
Current income tax rate recognized in profit or loss	196,568	(2,683)	-	193,885	42,829	275,937	-	318,766
Separate F/S								
	2014				2013			
	Thailand	India	Other	Total	Thailand	India	Other	Total
Accounting profit (loss) before income tax	563,546	(108,163)	(18,231)	437,152	504,170	(365,451)	(14,647)	124,072
Add: Tax effect of income and expenses that are not taxable income or not deductible	92,658	14,996	6,188	113,842	597,094	-	-	597,094
Less: Loss carry forward per tax base	(306,109)	-	-	(306,109)	(1,027,082)	-	-	(1,027,082)
Profit (loss) per tax base	350,095	(93,167)	(12,043)	244,885	74,182	(365,451)	(14,647)	(305,916)
Tax rate (Percentage)				20				20
Current income tax rate recognized in profit or loss				48,977				-

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statement are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Temporary differences	1,599,080	1,825,864	1,593,732	1,721,327
Unused loss carried forward	256,731	430,841	-	61,183
Total	1,855,811	2,256,705	1,593,732	1,782,510

The tax losses will expire in 2014 to 2018. The deductible temporary differences do not expire under current tax legislation. The Company, subsidiaries and joint ventures have not been recognised deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Company, subsidiaries and joint ventures can utilize the benefits.

33. RELATED PARTY TRANSACTIONS

During the year, the Company, subsidiaries and joint ventures had significant business transactions with related parties, which have been conducted on commercial terms and base 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 prices
Interest on loans with related parties	Mutually agreed rate
Rental expenses	Mutually agreed rate

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

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2014	2013	2014	2013
<u>Transactions with subsidiaries and joint ventures</u>				
Construction services, sales income and other income	-	-	1,655	1,361
Sales of equipment	-	-	2	61
Purchases of construction materials and services	-	-	2,299	2,904
Purchases of equipment	-	-	186	1
<u>Transactions with associated companies</u>				
Construction services, sales income and other income	264	275	264	275
Purchases of construction materials and services	672	396	600	281
<u>Transactions with related parties</u>				
Construction services, sales income and other income	1,320	1,355	761	677
Sales of equipment	1	-	1	-
Purchases of construction materials and services	2,361	2,085	1,154	430
Purchases of equipment	200	163	53	161
Rental expense	14	14	-	-
<u>Key management personnel compensation</u>				
Short-term employee benefits	97	87	77	72
Post-employment benefits	5	4	1	1

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.

Loans from directors

As at 31 December 2014, an indirect subsidiary company repayment all of loans from directors (2013 : Baht 44.07 million). Such loans bear no interest.

Accrued rental expenses

As at 31 December 2014, a subsidiary has accrued rental expenses of Baht 54.17 million (2013 : Baht 40.02 million).

34. ALLOWANCE FOR LOSSES ON CONSTRUCTION WORK

Movements of allowance for losses on construction work for the years ended 31 December 2014 and 2013 are as follow:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Balance as at 1 January	4,476	7,737	2,300	6,891
Allowance (reversal of allowance) for loss on construction projects	140,652	(3,261)	10,400	(4,591)
Balance as at 31 December	<u>145,128</u>	<u>4,476</u>	<u>12,700</u>	<u>2,300</u>

35. PROVIDENT FUND

The Company and subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company, and subsidiaries, contributed to the fund monthly at the rate of 2.00 - 5.00 percent of basic salary. The fund, which is managed by Finansa Asset Management Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2014 and 2013, the Company and its subsidiaries contributed Baht 51.26 million and Baht 48.44 million, respectively, to the fund (Separate F/S: Baht 42.02 million and Baht 40.99 million, respectively).

36. COST OF CONSTRUCTION WORK

As at 31 December 2014 and 2013, construction costs of the Company after adjustment to reflect gains or losses recognized for current construction projects, amounted to Baht 74,479 million and Baht 67,653 million, respectively.

37. STATUTORY RESERVE

Pursuant to Section 116 of the Public Company Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

38. OTHER INCOME

Significant other income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Rental income	109,828	85,466	70,397	78,558
Insurance claim	10,904	28,889	2,220	1,152
Reversal allowance for devalue of land deposit	-	30,000	-	-
Gain on disposal of assets	102,443	15,623	84,101	21,559
Service income	-	80,171	-	-
Income from tax refund	-	16,789	-	-
Penalty income	-	21,010	-	-
Bad debt written back	10,290	-	-	-
Income from claims for debt settlement	158,104	-	-	-
Others	331,759	301,604	41,750	54,035
Total	<u>723,328</u>	<u>579,552</u>	<u>198,468</u>	<u>155,304</u>

39. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2014	2013	2014	2013
Salaries, wages and other employee benefits	9,434,389	8,993,987	7,000,991	6,690,661
Depreciation	2,021,591	1,971,616	885,316	820,502
Amortisation	7,613	6,004	5,783	4,226
Rental expenses	1,732,014	1,845,052	1,014,934	1,262,951
Materials and supplies used	19,543,155	15,483,996	13,025,734	9,912,532
Subcontract costs	9,885,466	8,730,932	5,896,690	5,461,110
Utilities expenses	827,688	971,163	321,771	297,483
Transportation expenses	837,120	705,061	385,468	475,677
Repair and maintenance expenses	803,948	421,371	121,657	95,197
Prebid expenses	90,317	268,765	88,506	268,194
Professional fee	413,845	468,771	78,344	240,453
Fuel expenses	1,428,731	1,646,576	784,828	913,186

40. GUARANTEES

As at 31 December 2014, the Company, subsidiaries and joint ventures have outstanding guarantees totaling approximately Baht 42,884.52 million issued by financial institutions on behalf of the Company, subsidiaries, and joint ventures in respect of certain performance bonds required in the normal course of business. The Company does not expect to incur losses from these guarantees.

As at 31 December 2014, the Company has outstanding guarantees approximately Baht 3,550.43 million issued to financial institutions and its venture partners to collateralize credit facilities granted by those financial institutions and joint venture partners to subsidiaries, associates, related companies and joint ventures. The Company issued guarantees in proportion to its shareholding (except for Italthai Trevi Co., Ltd., Italthai Marine Co., Ltd., Aquathai Co., Ltd., Sarithorn Co., Ltd, Asian Steel Product Co., Ltd., and ITD Cementation India Limited for which the Company issued full guarantees for the credit facilities).

41. COMMITMENTS

41.1 As at 31 December 2014, the Company, subsidiaries and joint ventures have outstanding commitments with major subcontractors, classified by currencies as follows :

<u>Currency</u>	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	3,342.88	3,288.99
TWD	7.92	7.92
INR	2,153.58	2,153.58

41.2 As at 31 December 2014, the Company, subsidiaries and joint ventures have the following outstanding commitments, proportionately, for purchases of materials, machinery, software and related services :

<u>Currency</u>	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	135.78	82.45
USD	353.78	122.88
INR	78.41	-
TWD	0.55	0.55
EUR	385.92	82.33

- 41.3 As at 31 December 2014, the Company has outstanding commitments of USD 0.70 million in respect of the uncallable portion of investments in a related company, and seven subsidiary companies of Baht 2.25 million, USD 1.43 million, BDT 27,017.93 million and MMK 344.17 million.
- 41.4 A subsidiary company has a commitment to apply for and 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.
- 41.5 A subsidiary company entered into 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 2 million for the land purchase, and the balance will be paid according to the terms of the agreements.
- 41.6 A subsidiary company has a commitment relating to housing and building construction agreements with several companies of approximately Baht 59.13 million.

42. CONTINGENT LIABILITIES

- a) In year 1997, the Company and seven other parties were jointly sued for compensation totaling approximately Baht 654.89 million. On 30 December 2005, the Court of First Instance ordered the defendant to pay for damages amounting to Baht 440.03 million, plus interest at the rate of 7.50 percent per annum from 11 June 1992 to the payment date. On 17 March 2006, the Company submitted an appeal and a petition to stay execution to the order of the Court - Chonburi Province defending that the plaintiffs did not file the claims with the Bankruptcy Court within the prescribed period. The Appeal Court had issued a verdict in favour of the Company (co-defendant) whereby the Company has no responsibility to the plaintiff. Currently, such case is in the process of consideration to submit the petition by plaintiff. The Company believes that there will be no damage from such case. The Company therefore, has not set up any provision in its accounts. There has been no progress on this matter during the year.
- b) Certain customers of the Company have taken legal actions against the Company, subsidiary companies, and joint venture for breaches of service agreements, claiming compensation totaling approximately Baht 839.53 million. The cases are currently pending for judgment from the Civil Courts. Management is of the opinion that such lawsuits are a normal part of businesses and some are brought without proper justifiable grounds, and believes that no material liabilities will be incurred as a result of those lawsuits. Therefore, the Company has not set up provision for those in the accounts.

43. SEGMENT REPORTING

Consolidated financial statements as at 31 December 2014 and 2013 and for the years ended 31 December 2014 and 2013 combined geographic segment reporting as follow :

(Unit : Million Baht)

	Consolidated F/S			
	Revenues from construction		Non - current assets*	
	work		Non - current assets*	
	2014	2013	2014	2013
<u>Geographic information</u>				
Thailand	32,798	29,430	25,052	25,815
India	11,095	10,279	1,915	1,873
Others	1,444	1,744	4,808	874
Total	45,337	41,453	31,775	28,562

* Exclude deferred tax asset and goodwill

Revenues from external customers in the Group, Thailand as well as its major markets, and India, have been identified on the basis of the customer's geographical location. Non - current assets are allocated based on their physical location.

The operations of the Company, its subsidiaries and joint ventures for the years ended 31 December 2014 and 2013 are mainly engaged in a single industry segment, construction services, and are conducted in the following geographical segments.

(Unit : Million Baht)

	Consolidated F/S											
	For the years ended 31 December											
	Thailand		India		Other countries		Total		Eliminate		Grand Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from construction work												
Gross segment revenues	32,798	29,430	11,095	10,279	1,444	1,744	45,337	41,453	-	-	45,337	41,453
Inter - segment revenues	2,583	2,146	82	148	-	-	2,665	2,294	(2,665)	(2,294)	-	-
Net revenues from third parties	35,381	31,576	11,177	10,427	1,444	1,744	48,002	43,747	(2,665)	(2,294)	45,337	41,453
Revenue from sale and service												
Gross segment revenues	2,634	2,456	-	-	3	4	2,637	2,460	-	-	2,637	2,460
Inter - segment revenues	779	812	-	-	-	-	779	812	(779)	(812)	-	-
Net revenues from third parties	3,413	3,268	-	-	3	4	3,416	3,272	(779)	(812)	2,637	2,460
Gross profit (loss)	4,009	4,207	693	856	(175)	(422)	4,527	4,641	(172)	14	4,355	4,655
Other income											723	580
Interest income											96	195
Interest expense											(2,518)	(2,204)
Depreciation and amortization											(2,029)	(1,978)
Allowance (reversal of allowance) for doubtful accounts											(5)	131
Gain (loss) on exchange rate											150	(162)
Equity in net income of associated companies											26	22
Income tax expense											(315)	(336)
Income for the year											379	992

	(Unit : Million Baht)											
	Thailand		India		Other countries		Total		Elimination		Grand total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Property, plant and equipment - net	14,959	10,879	1,590	1,619	429	703	16,978	13,201	(137)	(102)	16,841	13,099
Other assets	55,803	52,546	13,252	12,177	6,171	4,933	75,226	69,656	(18,310)	(17,604)	56,916	52,052
Total assets	70,762	63,425	14,842	13,796	6,600	5,636	92,204	82,857	(18,447)	(17,706)	73,757	65,151

Major Customer

For the year ended 31 December 2014, the Company and subsidiaries and joint venture's revenue come from Government agencies amounting of Baht 25,586.09 million (2013 : Baht 27,944.01 million).

44. SHARE CAPITAL

At the General Shareholders' Meeting held on 7 November 2014, the shareholders approved the Company's registered share capital with general mandate of Baht 1,010.68 million (1,010.68 million ordinary shares at Baht 1 par value) to offer the 591.31 million ordinary shares proportionally to the existing shareholders and the 419.37 million ordinary shares for private placement. The Company has received the paid - up totaling Baht 2,117,807,481.

At the Special Shareholder's Meeting of an oversea subsidiary held on 11 August 2014, the shareholders pass a resolution to approve the increase share capital to private placement not exceeding Rupee 1,500 million. On 4 September 2014, the shareholders approved the allocation of increase share capital of 4,000,000 shares at par Rupee 10 per share and at offer price of Rupee 360 per share. The subsidiary company has received the paid-up totaling Rupee 1,440 million.

At the Board of Director's Meeting held on 4 July 2013, the board of directors passed a resolution to approve the allocation of increased share capital in accordance with an ordinary meeting approval of 666,794,830 shares to existing shareholders at a proportion of 1 existing share to 0.159 new shares at an offer price of Baht 3 per share. On 19 August 2013, the Company registered the increased share capital with Department of Business Development. The Company has received the paid - up totaling Baht 2,000,348,490.

45. FINANCIAL INSTRUMENTS

Financial risk management

The Company, subsidiaries and joint ventures have financial instruments principally comprise cash and cash equivalent pledged deposits at banks, trade accounts receivable, loans, investments, bank overdrafts and short - term loans from financial institutions, loans, finance lease payables, debentures and long-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company, subsidiaries and joint ventures have exposure to credit risk primarily with respect to trade accounts receivable, loans, and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses since most of the credit grantings are covered with contracts and guarantees. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, and other receivables as presented in the statement of financial position.

Interest rate risk

The Company, subsidiaries and joint ventures exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and short-term loans from financial institutions, short-term loans, finance lease payables, debentures and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company, subsidiaries and joint ventures have exposure to foreign currency risk from trading transactions and borrowings that are denominated in foreign currencies. The Company, subsidiaries and joint ventures seek to manage this risk by entering into forward exchange and currency swap contracts when it considers appropriate. Generally, the forward and currency swap contracts mature within one year.

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2014 are summarized below :

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2014
	(Million)	(Million)	(Baht per foreign currency unit)
USD	88	3	32.9630
EUR	-	5	40.3552
INR	44	1	0.5159
JPY	144	45	0.2738
AUD	-	2	27.0788

Forward exchange contracts which remain outstanding as at 31 December 2014 are summarized below :

Currency	Balance (Million)	Forward contract exchange rate
JPY (sell)	186	0.399550 – 0.402100
USD (buy)	3	32.3000
EUR (buy)	1	41.2400 – 41.3100

As at 31 December 2014, significant foreign currency denominated assets and liabilities which are unhedged of the Company, subsidiaries and joint ventures as follow:

	Consolidated F/S (Net)				
	EUR Million	USD Million	JPY Million	INR Million	AUD Million
Assets	-	88	-	44	-
Trade accounts payable	-	-	23	-	2
Trade accounts payable – related parties	-	-	-	1	-
Loan from financial institutions	4	-	-	-	-
Advance received for construction	-	-	22	-	-

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

Fair values of financial instruments

Since the majority of the Company, subsidiaries and joint ventures financial instruments are short-term in nature, and the significant financial assets and liabilities comprise loans to, loans from and debentures which bear interest at rates close to market rates, the fair value of these financial assets and liabilities are not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length basis. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

46. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Company's authorized director on 2 March 2015.