

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

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

1. NATURE OF OPERATIONS

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

2. BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION AND CONSOLIDATION

2.1 Basis for interim financial statements preparation

The condensed interim financial statements are for the three-month and nine-month periods ended 30 September 2017 and have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2016) “Interim Financial Reporting” which do not include all information required in annual financial statements in accordance with Thai Financial Reporting Standards. Accordingly, these financial statements should be read in conjunction with the financial statements for the year ended 31 December 2016.

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

These interim financial statements have been approved by the Company’s board of directors on 14 November 2017.

2.2 Basis of consolidation

The interim consolidated financial statements included the financial statements of Italian-Thai Development Public Company Limited and its subsidiaries and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2016 with change in the structure of the group during the period as follows:

- The Company registered to establish a branch in Bangladesh.
- The Company made additional payment of BDT 251.56 million for share capital of First Dhaka Elevated Expressway Co., Ltd.
- An indirect subsidiary registered the liquidation of 13 group companies in overseas.
- The Company registered the liquidation of 2 domestic and overseas joint ventures.

- The Company and Sinohydro Corporation Limited invested in ITD-SINOHYDRO joint venture which was incorporated under the laws of Bangladesh and is principally engaged in providing construction service. The Company has 51% investment in the Joint Venture.

2.3 The consolidated financial statements as at 30 September 2017 include investments in associated companies under the equity method of Baht 504.81 million and related share of loss accounted for under equity method for three-month and nine-month periods then ended of Baht 0.95 million and Baht 2.78 million, respectively. 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 control of the Company's management. However, the management of the Company believes that there will be no significant variances had the financial statements of those associated companies been reviewed by their auditors.

2.4 Information of joint operations

The consolidated and separate financial statements as at 30 September 2017 and 31 December 2016 and for the three-month and nine-month periods ended 30 September 2017 and 2016 include assets, liabilities, revenues and expenses of the joint operations proportionately based on the Company's interest as follows:

	(Unit : Thousand Baht)	
	30 September 2017	31 December 2016
	<hr/>	<hr/>
Current assets	209,388	233,856
Non – current assets	26,827	263,014
Current liabilities	705,625	819,158
Non – current liabilities	180,198	221,100

	(Unit : Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues	36,965	247,491	277,398	361,270
Expenses	74,742	269,410	353,450	533,748

3. SIGNIFICANTS ACCOUNTING POLICIES

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

4. ESTIMATES

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

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

5. TRADE ACCOUNTS RECEIVABLE - UNRELATED PARTIES - NET

The aging of outstanding trade accounts receivable balances as at 30 September 2017 and 31 December 2016 are as follows:

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Less than 3 months	8,673,305	5,217,266	7,922,744	4,521,537
3 - 6 months	330,422	117,340	132,797	20,697
6 - 12 months	444,262	513,656	78,876	295,639
More than 12 months	1,523,252	1,720,004	414,712	341,256
Total	10,971,241	7,568,266	8,549,129	5,179,129
Less : Allowance for doubtful accounts	(1,063,158)	(940,163)	(386,857)	(297,501)
Net	9,908,083	6,628,103	8,162,272	4,881,628

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

The consolidated financial statements as at 30 September 2017 include trade accounts receivable and unbilled work in progress of an overseas subsidiary totaling Baht 590.20 million (31 December 2016 : Baht 606.94 million) which represent some variation order claims recognized some years in the past based on the terms and conditions implicit in the agreement. These claims are technical in nature and subject to arbitration tribunal. The subsidiary has assessed the realization of these claims based on information from the dispute resolution board, the arbitration tribunal, High Court orders and the legal opinion from an independent counsel and believes that the allowance for no-collection is not yet necessary and has not provided allowance for doubtful accounts for such receivables and claims matter in the accounts.

As at 30 September 2017, trade accounts receivables of overseas subsidiary included in the consolidated financial statements of Baht 317.75 million (31 December 2016 : Baht 339.97 million) which is presently under negotiation for debt settlement plan. The subsidiary company's management considers that it would be received in full amount.

6. TRADE ACCOUNTS RECEIVABLE - RELATED PARTIES - NET

The outstanding balances as at 30 September 2017 and 31 December 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Subsidiaries	-	-	1,683,870	1,152,443
Associated companies and joint ventures	1,076,242	1,156,844	1,020,785	1,104,973
Related parties	1,487,714	1,477,357	1,358,627	1,351,155
Joint operations	22,931	33,053	22,931	33,053
Total	<u>2,586,887</u>	<u>2,667,254</u>	<u>4,086,213</u>	<u>3,641,624</u>
Less : Allowance for doubtful accounts	(616,709)	(615,627)	(684,372)	(676,591)
Trade accounts receivable – related parties – net	<u>1,970,178</u>	<u>2,051,627</u>	<u>3,401,841</u>	<u>2,965,033</u>

The ages of outstanding balances of trade accounts receivable - related parties as at 30 September 2017 and 31 December 2016 are as follows :

Outstanding Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Less than 3 months	342,625	284,214	1,345,190	636,063
3 - 6 months	90,531	182,580	212,710	306,837
6 - 12 months	89,022	68,305	231,528	179,609
More than 12 months	2,064,709	2,132,155	2,296,785	2,519,115
Total	2,586,887	2,667,254	4,086,213	3,641,624
Less : Allowance for doubtful accounts	(616,709)	(615,627)	(684,372)	(676,591)
Net	1,970,178	2,051,627	3,401,841	2,965,033

As at 30 September 2017, the consolidated financial statements and separate financial statement include trade accounts receivable and short - term loans to related companies totaling Baht 184.15 million and Baht 103.57 million, respectively (31 December 2016 : Baht 176.65 million and Baht 103.57 million, respectively). Such receivables are presently under the process of project feasibility study and negotiation with strategic investors to join their operations in the future. Debt repayment from such debtors depends on the materialization of the project feasibility. The management, therefore, believes to make full collection from such receivables and has not considered setting up allowance for non - collection in the accounts.

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Subsidiaries	-	-	3,056,021	2,797,404
Associated companies and joint ventures	252,143	249,876	196,575	199,190
Related companies	17,286	16,151	-	-
Total	269,429	266,027	3,252,596	2,996,594
Less : Allowance for doubtful accounts	(10,724)	(10,374)	(1,936,608)	(1,786,199)
Short – term loans and advances to subsidiaries and related parties – net	258,705	255,653	1,315,988	1,210,395

Movements in short - term loans and advances to subsidiaries and related parties for the nine-month period ended 30 September 2017 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S			
	1 January	During the period		30 September
	2017	Increase	Decrease	2017
Associated companies and joint ventures	249,876	2,267	-	252,143
Related companies	16,151	1,135	-	17,286
Total	266,027	3,402	-	269,429

(Unit : Thousand Baht)

	Separate F/S			
	1 January	During the period		30 September
	2017	Increase	Decrease	2017
Subsidiaries	2,797,404	258,617	-	3,056,021
Associated companies and joint ventures	199,190	-	2,615	196,575
Total	2,996,594	258,617	2,615	3,252,596

8. INVESTMENTS

8.1 Investments in subsidiaries - net

Movements in investments in subsidiaries for the nine-month period ended 30 September 2017 are as follows:

(Unit : Thousand Baht)

	Separate F/S
Balance as at 1 January 2017	6,635,355
Add : Additional investments during the period	109,980
Balance as at 30 September 2017	6,745,335

Investments in subsidiaries as at 30 September 2017 and 31 December 2016 comprise investments as follows :

		(Unit : Thousand Baht)				
		Paid-up Capital	Percentage of shareholding		Separate F/S	
			30 Sep 2017	31 Dec 2016	Cost	
Nature of business			Percent	Percent	30 Sep 2017	31 Dec 2016
<u>Investments in subsidiaries</u>						
Italian-Thai International Co., Ltd.	Holding company	400,000	99.99	99.99	400,000	400,000
	Less : Allowance for impairment				(400,000)	(400,000)
	Net				-	-
Bhaka Bhumi Development Co., Ltd.	Real estate development	5,075	99.99	99.99	5,075	5,075
Thai Pride Cement Co., Ltd.	Manufacture and distribution of cement	1,300,000	99.99	99.99	1,585,000	1,585,000
Nha Pralan Crushing Plant Co., Ltd.	Rock quarrying, processing and distribution	31,000	99.99	99.99	30,999	30,999
	Less : Allowance for impairment				(10,999)	(10,999)
	Net				20,000	20,000
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products	126,000	99.80	99.80	124,296	124,296
Ialthai Marine Co., Ltd.	Production and sale of vessels and equipment	810,000	92.59	92.59	430,000	430,000
	Less : Allowance for impairment				(430,000)	(430,000)
	Net				-	-
Ialthai Trevi Co., Ltd.	Foundation and piling work services	80,000	90.94	90.94	84,189	84,189
Asian Steel Product Co., Ltd.	Manufacture and distribution of large steel pipes	20,000	69.90	69.90	7,004	7,004
Thai Maruken Co., Ltd.	Lease and sale of sheet piles and beams for foundation construction work	20,000	50.96	50.96	10,196	10,196
Italian-Thai Land Co., Ltd.	Not yet operational	10,000	99.99	99.99	50	50
	Less : Allowance for impairment				(50)	(50)
	Net				-	-
Palang Thai Kaowna Co., Ltd.	Not yet operational	1,000	99.94	99.94	650	650
	Less : Allowance for impairment				(650)	(650)
	Net				-	-
Palit Palang Ngan Co., Ltd.	Not yet operational	1,000	74.93	74.93	50	50
	Less : Allowance for impairment				(50)	(50)
	Net				-	-
Italian Thai Power Co., Ltd.	Production and distribution of electricity	100,000	99.99	99.99	100,000	100,000
	Less : Allowance for impairment				(100,000)	(100,000)
	Net				-	-
Saraburi Construction Technology Co., Ltd.	Manufacture, distribution and installation of concrete sheet	250	99.93	99.93	250	250
Asia Logistics Development Co., Ltd.	Not yet operational	1,000	99.93	99.93	999	999
Asia Industrial and Port Corporation Co., Ltd.	Not yet operational	1,000	99.93	99.93	999	999
Myanmar Italian-Thai Power 1 Co., Ltd.	Not yet operational	250	99.95	99.95	250	250
Italian - Thai Hongsa Co., Ltd.	Coal mining contractor	250	99.97	99.97	250	250
APPC Holding Co., Ltd.	Holding company	3,795,987	60.00	60.00	2,277,592	2,277,592
<u>Overseas subsidiary companies</u>						
Myanmar ITD Co., Ltd.	Service agent for Myanmar companies	1,483	99.99	99.99	1,483	1,483
	Less : Allowance for impairment				(1,483)	(1,483)
	Net				-	-
PT. Thailindo Bara Pratama	Coal mining contractor	25,250	99.99	99.99	108,071	108,071
		Million IDR				
ITD Cementation India Limited	Construction services in India	155	51.63	51.63	2,143,951	2,143,951
		Million INR				

				(Unit : Thousand Baht)		
		Percentage of shareholding		Separate F/S Cost		
Nature of business		Paid-up Capital	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
			Percent	Percent		
ITD–Madagascar S.A.	Mining business	20	99.98	99.98	99,527	99,527
		Million MGA				
	Less : Allowance for impairment				(99,173)	(99,173)
	Net				354	354
ITD Construction SDN.BHD.	Construction services in Malaysia	0.75	99.99	99.99	7,312	7,312
		Million MYR				
	Less : Allowance for impairment				(7,312)	(7,312)
	Net				-	-
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	786	99.99	99.99	331,097	221,117
		Million BDT				
		(31 December 2016 : 534 Million BDT)				
ITD Bangladesh Company Limited	Construction services in Bangladesh	4	99.99	99.99	1,546	1,546
		Million BDT				
Italian–Thai Development Vietnam Co., Ltd	Not yet operational	6,000	80.00	80.00	9,160	9,160
		Million VND				
	Less : Allowance for impairment				(9,160)	(9,160)
	Net				-	-
ITD Mozambique Limitada	Construction services in the Republic of Mozambique	1,141,815	99.00	99.00	38,447	38,447
		USD				
Thai Mozambique Logistica SA	Concession for constructing Port and Railway in the Republic of Mozambique	250,000	60.00	60.00	4,955	4,955
		USD				
Italian - Thai Development (Myanmar) Co., Ltd.	Construction services in the Republic of the Union of Myanmar	25,000	99.90	99.90	814	814
		USD				
Total investments in subsidiaries - net					6,745,335	6,635,355

8.2 Investments in associated companies - net

Movements in investments in associated companies, which are accounted for by the equity method in the consolidated financial statements, for the nine-month period ended 30 September 2017 are as follows :

		(Unit : Thousand Baht)	
		Consolidated F/S	Separate F/S
Balance as at 1 January 2017		658,947	697,963
Add : Share of profit from associated companies		25,007	-
Less : Dividend from associated company		(2,064)	-
Less : Translation adjustment for foreign currency financial statements		-	-
Balance as at 30 September 2017		650,855	697,963

Investments in associated companies as at 30 September 2017 and 31 December 2016, comprise investments in the following :

		(Unit : Thousand Baht)						
Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S Equity method		Separate F/S Cost		
		30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016	
		Percent	Percent					
<u>Investments in associated companies</u>								
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	46,100	23,540	2,450	2,450
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,701	26,701	27,373	27,373
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	99,941	96,774	71,603	71,603
Oriental Residence Bangkok Co., Ltd.	Real estate development	500,000	15.00	15.00	-	-	75,000	75,000
<u>Overseas companies</u>								
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25 Million Peso	24.00	24.00	12,000	12,000	12,000	12,000
Less : Allowance for impairment					(12,000)	(12,000)	(12,000)	(12,000)
Net					-	-	-	-
MCRP Holding Corporation, Philippines	Holding company in Philippines	5 Million Peso	24.00	24.00	3,000	3,000	3,000	3,000
Less : Allowance for impairment					(3,000)	(3,000)	(3,000)	(3,000)
Net					-	-	-	-
Sino Lao Aluminum Corporation Limited	Bauxite mine business in Laos	32 Million USD	34.00	34.00	475,588	509,407	521,537	521,537
Total investments in associated companies - net					<u>648,330</u>	<u>656,422</u>	<u>697,963</u>	<u>697,963</u>
<u>Investment in associated company held by subsidiary</u>								
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	-	-
Total investment in associated company held by subsidiary					<u>2,525</u>	<u>2,525</u>	<u>-</u>	<u>-</u>
Total investments in associated companies - net					<u>650,855</u>	<u>658,947</u>	<u>697,963</u>	<u>697,963</u>

8.3 Investments in joint ventures - net

Movements in investments in joint ventures, which are accounted for by the equity method in the consolidated financial statements, during the nine-month period ended 30 September 2017 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	90,812	-
Add : Share of profit from joint ventures	36,624	-
Less : Loss from liquidation of joint venture	(5,146)	-
Less : Translation adjustment for foreign currency financial statements	(2,018)	-
Balance as at 30 September 2017	120,272	-

Investments in joint ventures as at 30 September 2017 and 31 December 2016, comprise investments in the following :

Nature of business	Percentage		Consolidated F/S		Separate F/S		
	of shareholding		Equity method		Cost		
	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	
	2017	2016	2017	2016	2017	2016	
	Percent	Percent					
Investments in joint ventures							
Evergreen –Italian Thai – PEWC Joint Venture	Construction services in Republic of China	-	25.00	-	194	-	-
ITD-EGC Joint Venture	Construction services in Republic of China	55.00	55.00	296,972	306,737	293,431	296,569
Less : Allowance for impairment Net				(293,431)	(296,569)	(293,431)	(296,569)
				3,541	10,168	-	-
ITD – ETF Joint Venture	Construction services	65.00	65.00	69,050	46,723	-	-
IN Joint Venture	Construction services	51.00	51.00	-	108,337	-	103,192
Less : Allowance for impairment Net				-	(103,192)	-	(103,192)
				-	5,145	-	-
IOT Joint Venture	Construction services	40.00	40.00	-	-	-	-
ITD – ETF – MVM Joint Venture	Construction services	55.25	55.25	19,984	23,420	-	-
CMC/ITD/SONG DA Joint Venture	Construction services	30.00	30.00	27,106	5,162	-	-
ITD SINOHYDRO Joint Venture	Construction services	51.00	-	591	-	-	-
Total investments in joint ventures - net				120,272	90,812	-	-
Total investments in subsidiaries, associated companies and joint ventures - net				771,127	749,759	7,443,298	7,333,318

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

9. OTHER LONG - TERM INVESTMENTS - NET

Movements in other long - term investments during the nine-month period ended 30 September 2017 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	845,703	677,315
Add : Unrealized loss from changes in value of investments	(6,691)	(6,372)
Balance as at 30 September 2017	<u>839,012</u>	<u>670,943</u>

Other long - term investments as at 30 September 2017 and 31 December 2016 comprise investments as follows :

Nature of business	(Unit : Thousand Baht)						
	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016	
	Percent	Percent					
<u>Investments in other companies</u>							
a) <u>Non-listed companies</u>							
M-Home SPV 3 Co., Ltd.	Real estate development	11.54	11.54	12	12	12	12
Less : Allowance for impairment				(12)	(12)	(12)	(12)
Net				-	-	-	-
Siam Steel Syndicate Pcl.	Manufacture and distribution for construction	1.15	1.15	55,885	55,885	55,885	55,885
Siam Fiber Optics Co., Ltd.	Manufacture and distribution of optic fibers	10.00	10.00	24,000	24,000	24,000	24,000
Bell Development Co., Ltd.	Real estate development	2.29	2.29	47,313	47,313	47,313	47,313
The Bangkok Club Co., Ltd.	Entertainment services	0.44	0.44	3,000	3,000	3,000	3,000
Less : Allowance for impairment				(1,985)	(1,985)	(1,985)	(1,985)
Net				<u>1,015</u>	<u>1,015</u>	<u>1,015</u>	<u>1,015</u>
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery rental	15.00	15.00	7,500	7,500	7,500	7,500
Praram 9 Square Co., Ltd.	Shopping center development	6.32	6.32	200,000	200,000	200,000	200,000
Less : Allowance for impairment				(200,000)	(200,000)	(200,000)	(200,000)
Net				-	-	-	-
Total investments in other non – listed companies – net				<u>135,713</u>	<u>135,713</u>	<u>135,713</u>	<u>135,713</u>
b) <u>Listed companies</u>							
Charoong Thai Wire and Cable Pcl.	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				219,955	225,087	219,955	225,087
Net market value				<u>528,670</u>	<u>533,802</u>	<u>528,670</u>	<u>533,802</u>

(Unit : Thousand Baht)

Nature of business	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016	
	Percent	Percent					
TTCL Pcl.	0.07	0.07	400	400	400	400	
Add : Unrealized gain from changes in value of investments			6,160	7,400	6,160	7,400	
Net market value			6,560	7,800	6,560	7,800	
Total investments in other listed companies - net			535,230	541,602	535,230	541,602	
Total investments in other companies - net			670,943	677,315	670,943	677,315	
<u>Investments held by subsidiaries</u>							
a) <u>Non-listed companies</u>							
Bell Development Co., Ltd.	Real estate development	6.55	6.55	135,226	135,226	-	-
b) <u>Listed company</u>							
Charoong Thai Wire and Cable Pcl.	Manufacture and distribution of wire and cable	0.80	0.80	19,178	19,178	-	-
Add : Unrealized gain from changes in value of investments			13,665	13,984	-	-	
Net market value			32,843	33,162	-	-	
Total			168,069	168,388	-	-	
Total other long-term investments – net			839,012	845,703	670,943	677,315	

10. LAND LEASE CONCESSION AND PROJECT UNDER DEVELOPMENT

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Land lease concession	30,198	30,198	-	-
Project under development	7,619,311	7,528,794	5,125,156	5,025,204
Total	7,649,509	7,558,992	5,125,156	5,025,204

As at 30 September 2017 and 31 December 2016, the Company has costs for acquisition of land lease concessions and projects under development in the Dawei Special Economic Zone (“Dawei SEZ”) amounting to Baht 7,649.51 million and Baht 7,558.99 million, respectively. This project depends on the cooperation of the governments of Thailand and Myanmar as the concessionaires and promoters of the Dawei Project. The Company has the right to reimburse such costs including other expenses during negotiation from Special Purpose Vehicle after the completion of the due diligence work performed by the consultants of the two governments.

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

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

On 30 June 2017, the Myanmar - Thailand Joint Coordination Committee for the comprehensive development in the Dawei SEZ and its related project areas (JCC) established the Joint Technical Task Forces for the Road Project and Joint Technical Task Force for the DSEZ Initial Phase which purpose is to establish a plan, timeframe and guidelines for further project development.

On 20 - 21 September 2017, the two Joint Technical Task Force held their first meeting to discuss the project status and the action plan going forward. Discussions were made on the terms and conditions of the public financing offer from the Thai Government to the Myanmar Government for the Road Project connecting border from Kanchanaburi Province to the DSEZ Initial Phase. Recommendations for the way forward at the policy level will be made in the next JCC meeting.

11. POTASH MINING RIGHT

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

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

As a result, the Company has met the requirements and takes to proceed to a step for obtaining a mining license. The Department of Primary Industries and Mines is now scrutinizing the documents to The Ministry of Industry for mining license approval.

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

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

The outstanding balances as at 30 September 2017 and 31 December 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Subsidiaries	-	-	7,003,055	6,939,870
Less : Allowance for doubtful accounts	-	-	(1,343,663)	(1,327,992)
Net	-	-	5,659,392	5,611,878

Movements in long - term loans and advances to subsidiaries for the nine-month period ended 30 September 2017 are as follows :

	(Unit : Thousand Baht)			
	1 January 2017	Separate F/S		30 September 2017
		Increase	Decrease	
Subsidiaries	6,939,870	63,185	-	7,003,055

13. INVESTMENT PROPERTIES

As at 30 September 2017, investment properties presented at fair value consist of :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Land	1,602,420	717,100
Building	350,994	350,994
Total	1,953,414	1,068,094

Movements in investment properties for the nine-month period ended 30 September 2017 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	<u> </u>	<u> </u>
Net book value as at 1 January 2017	1,925,363	1,040,043
Purchase during the period	34,777	34,777
Disposal during the period	(6,726)	(6,726)
Net book value as at 30 September 2017	<u>1,953,414</u>	<u>1,068,094</u>

During the period, the Company received the transfer of a condominium unit from a related company for debt settlement of construction services of Baht 34.78 million.

14. PROPERTY, PLANT AND EQUIPMENT - NET

During the nine-month period ended 30 September 2017, condensed movements in property, plant and equipment are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	<u> </u>	<u> </u>
Net book value as at 1 January 2017	18,895,094	8,815,217
Purchases / transferred in	2,375,854	1,282,606
Disposal / transferred out	(882,935)	(543,740)
Depreciation for the period	(1,846,729)	(902,149)
Accumulated depreciation for disposal of fixed assets	690,477	445,307
Allowance for impairment of fixed assets	(23,597)	(23,597)
Translation adjustment for foreign currency financial statements	(79,123)	(4,643)
Net book value as at 30 September 2017	<u>19,129,041</u>	<u>9,069,001</u>

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

The outstanding balances of bank overdrafts and short - term loans from financial institutions as at 30 September 2017 and 31 December 2016 are as follows :

	Consolidated F/S		(Unit : Thousand Baht) Separate F/S	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Bank overdrafts	1,678,250	753,657	157,683	-
Short – term loans from financial institutions	5,989,852	7,536,884	4,392,500	5,110,778
Total	7,668,102	8,290,541	4,550,183	5,110,778

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

	Consolidated F/S		(Unit : Million) Separate F/S	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
THB	4,799	5,577	4,393	5,111
INR	2,329	3,727	-	-

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

The subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 208.23 million. These loans bear interest at MLR-0.75 per annum. Such loans are collateralized by its land and structure including most present and future structures thereon, and the guarantee of the Company and subsidiary. The subsidiary companies will reduce credit facilities upon the redemption of the mortgage at 70%–80% of selling price of the projects' assets as stipulated in the agreements. The payback period for the principals are for 36 – 42 months from agreements date.

As at 30 September 2017 and 31 December 2016, part of loans amounting to Baht 3,047.42 million and Baht 1,606.97 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company's accounts with those banks.

As at 30 September 2017 and 31 December 2016, bank overdrafts and short - term credit facilities that have not been drawn down amounted to Baht 7,052.61 million and Baht 4,332.72 million, respectively.

16. TRADE ACCOUNTS PAYABLE - RELATED PARTIES

The outstanding balances as at 30 September 2017 and 31 December 2016 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Subsidiaries	-	-	618,873	823,453
Associated companies and joint ventures	362,731	445,255	341,697	431,419
Related companies	1,226,138	785,333	1,151,637	758,662
Total trade accounts payable – related parties	<u>1,588,869</u>	<u>1,230,588</u>	<u>2,112,207</u>	<u>2,013,534</u>

17. LONG - TERM LOANS - NET

As at 30 September 2017 and 31 December 2016, the outstanding balance of long - term loans are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Outstanding balances	15,441,041	10,994,098	9,565,163	6,138,104
Less : Current portion	(8,108,189)	(3,623,801)	(7,054,875)	(2,903,816)
Net	<u>7,332,852</u>	<u>7,370,297</u>	<u>2,510,288</u>	<u>3,234,288</u>

Movements in the long - term loans for the nine - month period ended 30 September 2017 are summarized as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2017	10,994,098	6,138,104
Add : Additional borrowings	6,649,708	4,802,800
Less : Repayments	(2,021,024)	(1,375,741)
Less : Translation adjustment for foreign currency financial statements	(181,741)	-
Balance as at 30 September 2017	<u>15,441,041</u>	<u>9,565,163</u>

During the period, the Company entered loan agreements with three local banks for credit facilities of Baht 3,444 million. These credit facilities bear interest at the rate of MLR-1 percent and MLR-1.5 percent per annum. The loans are collateralized by the transfer of right to receive revenue from the construction project, and is payable within year 2019 or upon completion of the project, whichever is earlier.

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

The Company has credit facilities for long-term loan of Baht 10,242 million with interest rate at MLR-0.5 percent to MLR-1.5 percent per annum. The loans are secured by the assignment of proceeds or the power of attorney to receive payment from the construction projects, and are payable within year 2018-2020 or upon completion of the project, whichever is earlier.

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

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

A subsidiary has loan agreement with a local bank for credit facilities of Baht 951 million which bear interest at the rates of MLR per annum. Such loan agreement contains covenants relating to various matters including the maintenance of financial ratios, limitations on the execution of new loan obligations and others. Loans are guarantees by the Company and mortgages of land and machinery of the subsidiary.

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

Loan of an overseas subsidiary bears interest rate at 9.50-13.50 percent per annum and is repayable as specified in agreements. This loan is secured by office premises and specific equipment.

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

18. DEBENTURES - NET

Movements of debentures for the nine-month period ended 30 September 2017 are as follows :

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<hr/>
Balance as at 1 January 2017	13,662,803
Newly issued debentures	6,880,000
Redemption of old debentures	(6,200,000)
Costs of issuing debentures	(14,988)
Amortization of debentures issuing costs	24,149
Balance as at 30 September 2017	<hr/> 14,351,964
Less : Current portion within 1 year	(929,935)
Net	<hr/> 13,422,029 <hr/>

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

On 26 June 2017, the Company exercised its right for early redemption of the debenture under the terms and conditions of ITD196A of Baht 6,000 million, with 0.25 percent per annum redemption fee. On the same day, the Company issued new debenture to specific persons, unsecured, unsubordinated with representative holder for the same amount of principal with five-years and three-days tenure with a face value of Baht 1,000. This bears interest at a rate of 4.70 percent per annum which is payable quarterly. The new debenture will be due for redemption on 29 June 2022.

On 29 August 2017, the Company issued new short-term debenture to specific persons, unsecured, unsubordinated with on representative holders, for a principle amount of Baht 630 million with two hundred and sixty-nine days tenure with a face value of Baht 1,000. This bears interest at a rate of 3.00 percent per annum which is payable on the redemption date. The debentures will be due for redemption on 25 May 2018. The Company used the proceeds from this issuance to repay debts.

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

19. SHARE CAPITAL AND WARRANT

19.1 Share capital

At the Annual General Shareholders Meeting held on 27 April 2017, shareholders passed a resolution to increase the registered share capital from Baht 6,335,808,993 (6,335,808,993 shares at Baht 1 par value) to Baht 6,337,920,861 (6,337,920,861 shares at Baht 1 par value) to reserve for the adjustment of the warrants no.1 (ITD-W1) exercising. The Company registered such changes with the Department of Business Development on 19 May 2017.

19.2 Warrant

At the Annual General Shareholders Meeting held on 27 April 2017, shareholders passed a resolution to adjust the exercising price and exercising ratio of the warrant no.1 (ITD-W1), from the existing rights offering 1 unit of warrant for 1 common share at Baht 14 each, to 1 unit of warrant for 1.002 common share at Baht 13.971 each.

20. DIVIDEND PAYMENT

At the Annual General Shareholders Meeting held on 27 April 2017, shareholders passed a resolution to approve the dividend payment from the operations for the year 2016 at Baht 0.01026 per share for 5,279.84 million shares, totaling of Baht 54.17 million. The Company paid for such dividend on 26 May 2017.

21. RELATED PARTY TRANSACTIONS

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

Transactions

Construction service income
Construction service income, exclusive the procurements of materials
Land rental income
Sales of equipment
Sales of investment
Purchases of construction materials
Construction expenses
Hire of construction services, exclusive procurements of materials
Purchases of investments
Purchases of assets
Interest on loans with related parties
Rental expenses

Pricing policy

Cost plus margin
Cost or cost plus margin
Mutually agreed rate
Cost or mutually agreed price
Market price
Approximate market price
Cost plus margin
Cost
Approximate net book value
Mutually agreed price
Mutually agreed rate
Mutually agreed rate

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

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	177	16
Purchases of construction materials and services	-	-	279	295
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	52	49	52	49
Purchases of construction materials and services	69	40	57	35
<u>Transactions with related companies</u>				
Construction services, sales and other income	79	284	52	255
Sales of equipment	1	-	1	-
Purchases of construction materials and services	677	437	617	280
Purchases of assets	41	377	41	377
<u>Key management personnel compensation</u>				
Short-term employee benefits	31	31	27	24
Post-employment benefits	3	3	-	-

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	467	552
Sales of assets	-	-	37	-
Purchases of construction materials and services	-	-	1,234	947
<u>Transactions with associated companies and joint vent</u>				
Construction services, sales and other income	142	149	135	148
Sales of equipment	25	-	24	-
Purchases of construction materials and services	241	198	174	178

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2017	2016	2017	2016
<u>Transactions with related companies</u>				
Construction services, sales and other income	291	698	225	607
Sales of equipment	1	-	1	-
Purchases of construction materials and services	2,018	1,485	1,779	976
Purchases of assets and equipment	171	672	171	670
<u>Key management personnel compensation</u>				
Short-term employee benefits	99	94	76	74
Post-employment benefits	8	7	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.

Accrued rental expenses

As at 30 September 2017, a subsidiary has accrued rental expenses of Baht 76.41 million (31 December 2016 : Baht 70.31 million).

22. GUARANTEES

As at 30 September 2017, the Company and subsidiaries have outstanding guarantees totaling approximately Baht 52,818.41 million issued by financial institutions on behalf of the Company and subsidiaries 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 30 September 2017, the Company has outstanding guarantees approximately Baht 5,658.29 million issued to financial institutions to collateralize credit facilities granted by those financial institutions to the subsidiaries and joint venture. 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).

23. COMMITMENTS

23.1 As at 30 September 2017, the Company, subsidiaries and joint ventures have outstanding commitments with major subcontractors, classified by currencies as follows :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	6,131.60	5,887.17
INR	1,551.07	99.53
BDT	317.87	-

23.2 As at 30 September 2017, the Company and subsidiaries have the following outstanding commitments, proportionately, for purchases of materials, machinery, related services and service contracts :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	254.48	168.18
USD	1,708.81	339.25
INR	68.60	-
EUR	1,266.86	36.98
VND	317.55	317.55
JPY	99.17	99.17

23.3 As at 30 September 2017, the Company has outstanding commitments of nine subsidiary companies of Baht 2.25 million, USD 1.65 million, BDT 26,629.26 million and MMK 344.17 million.

23.4 As at 30 September 2017, the Company has outstanding commitments of USD 8.35 million for purchase shares transfer agreement of an associated company from existing shareholder.

23.5 A subsidiary company has a commitment to obtain a mining concession from the Government of Thailand prior to the commencement of the potash mining operations. A fee of USD 5 million is payable to the Ministry of Industry upon receipt of the mining concession and an annual fee subsidizing the Education Fund of USD 0.20 million is payable to the Department of Primary Industries and Mines in accordance with an agreement between the Ministry of Industry and the Department of Primary Industries and Mines and the Company.

23.6 A subsidiary company entered a land purchase and sale agreement for the land located in the mining project area in Udon Thani Province. The total area of land is approximately 1,239 Rais for a total cost of Baht 279 million. The subsidiary company has paid a deposit of Baht 1.58 million for the land purchase, and the balance will be paid according to the terms of the agreements.

23.7 Several indirect subsidiary companies entered service agreements for project consultant which have commitment to pay at the rate as specified in agreements.

23.8 As at 30 September 2017, the Company has a commitment to support the construction projects of an overseas joint venture within year 2018 of Baht 365.65 million (INR 715 million).

24. CONTINGENT LIABILITIES

During the prior year, litigation has been brought against the Company. As at 30 September 2017, management has considered such litigation to be unjustified. The Company, therefore, has not set any provision in the financial statements. During the period, the Company has significant change in litigation from the previous year financial statement for the year ended 31 December 2016 as follows;

- Certain creditor has taken legal actions against the Company for breaches of service agreements amounting to Baht 382.56 million. The cases are currently pending for judgment from the Court. Management 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.
- A creditor has taken legal actions against an indirect subsidiary company for breaches of service agreements amounting to Baht 4.03 million since October 2016. During the period, an indirect subsidiary negotiated and settled some of debt to creditor. Creditors have withdrawn the such legal case.
- A State Enterprise has claim for damage with a bank of Baht 83.85 million from issues bank guarantee for indirect subsidiary since the Company has obligation from bank guarantee for credit facilities and compliance with agreement for an indirect subsidiary. Currently, an indirect subsidiary is under process negotiation with a State Enterprise. The Company therefore has pledged deposit of Baht 83.85 million as collateral with such bank.

25. SEGMENT REPORTING

The operations of the Company and subsidiaries for the three-month and nine-month periods ended 30 September 2017 and 2016 are principally engaged in a single industry segment, construction services, and sales and services and are conducted in the following geographical segments.

(Unit : Million Baht)

	Consolidated F/S											
	For the three-month periods ended 30 September											
	Thailand		India		Other countries		Total		Eliminate		Grand Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<u>Revenue from construction work</u>												
Revenues from external sources	10,011	6,229	2,876	2,679	754	390	13,641	9,298	-	-	13,641	9,298
Inter - segment revenues	211	245	1	2	-	-	212	247	(212)	(247)	-	-
Total segment revenues	10,222	6,474	2,877	2,681	754	390	13,853	9,545	(212)	(247)	13,641	9,298
<u>Revenue from sales and services</u>												
Revenues from external sources	609	533	-	-	1	1	610	534	-	-	610	534
Inter - segment revenues	180	121	-	-	-	-	180	121	(180)	(121)	-	-
Total segment revenues	789	654	-	-	1	1	790	655	(180)	(121)	610	534
Gross profit	566	591	581	277	281	11	1,428	879	9	-	1,437	879
Other income											101	58
Interest income											36	48
Financial costs											(554)	(595)
Depreciation and amortization											(630)	(621)
Provision for doubtful accounts											(105)	(3)
Loss on exchange rate											(88)	(23)
Share of profit (loss) from investment in associated companies and joint ventures											16	(10)
Income tax expense											(64)	(15)
Profit (loss) for the period											217	(154)

(Unit : Million Baht)

	Consolidated F/S											
	For the nine-month periods ended 30 September											
	Thailand		India		Other countries		Total		Eliminate		Grand Total	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
<u>Revenue from construction work</u>												
Revenues from external	26,947	18,897	9,127	12,963	2,046	1,229	38,120	33,089	-	-	38,120	33,089
Inter - segment revenues	975	854	23	7	-	-	998	861	(998)	(861)	-	-
Total segment revenues	<u>27,922</u>	<u>19,751</u>	<u>9,150</u>	<u>12,970</u>	<u>2,046</u>	<u>1,229</u>	<u>39,118</u>	<u>33,950</u>	<u>(998)</u>	<u>(861)</u>	<u>38,120</u>	<u>33,089</u>
<u>Revenue from sales and services</u>												
Revenues from external	1,532	1,617	-	-	2	2	1,534	1,619	-	-	1,534	1,619
Inter - segment revenues	639	421	-	-	-	-	639	421	(639)	(421)	-	-
Total segment revenues	<u>2,171</u>	<u>2,038</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>2,173</u>	<u>2,040</u>	<u>(639)</u>	<u>(421)</u>	<u>1,534</u>	<u>1,619</u>
Gross profit	<u>2,451</u>	<u>2,171</u>	<u>1,650</u>	<u>1,042</u>	<u>560</u>	<u>130</u>	<u>4,661</u>	<u>3,343</u>	<u>(8)</u>	<u>(2)</u>	<u>4,653</u>	<u>3,341</u>
Other income											292	175
Interest income											128	106
Financial costs											(1,780)	(1,821)
Depreciation and amortization											(1,891)	(1,822)
Provision for doubtful accounts											(178)	(68)
Gain on revaluation of investment property											-	37
Loss on impairment of assets											(27)	-
Loss on exchange rate											(239)	(47)
Share of profit (loss) from investment in associated companies and joint ventures											62	(21)
Income tax expense											(251)	(6)
Profit (loss) for the period											<u>453</u>	<u>(169)</u>

	Thailand		India		Other countries		Total		Elimination		(Unit : Million Baht) Grand total	
	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Property, plant and equipment - net	11,323	11,325	2,452	2,182	5,380	5,440	19,155	18,947	(26)	(52)	19,129	18,895
Other assets	62,515	56,727	12,458	12,082	10,537	7,652	85,510	76,461	(18,624)	(17,236)	66,886	59,225
Total assets	73,838	68,052	14,910	14,264	15,917	13,092	104,665	95,408	(18,650)	(17,288)	86,015	78,120
Total liabilities	51,724	45,821	15,619	15,145	17,856	15,059	85,199	76,025	(13,804)	(12,239)	71,395	63,786

26. FINANCIAL INSTRUMENTS

Foreign currency risk

The significant balances of financial assets and liabilities denominated in foreign currencies as at 30 September 2017 are summarized below :

Foreign currency	Consolidated F/S		Separate F/S		Average exchange rate as at 30 September 2017 (Baht per foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
USD	23	8	50	3	33.3684
EUR	-	8	-	-	39.6762
LAK	-	1,748	-	-	0.0040

Forward exchange contracts which remain outstanding as at 30 September 2017 are summarized below :

Currency	Balance (Million)	Forward contract exchange rate
USD (sell)	7	32.8000
EUR (buy)	8	39.4100 – 43.7500
USD (buy)	18	33.2300 – 34.0850
CNY (buy)	1	4.9300 – 4.9740
JPY (buy)	2,287	0.3015 – 0.3076

As at 30 September 2017, significant foreign currency denominated assets and liabilities which are unhedged of the Company, subsidiaries and joint venture as follow:

	Consolidated F/S (Net)		
	USD	EUR	LAK
	Million	Million	Million
Trade accounts receivable and retention	9	-	-
Trade accounts receivable and loan to - related companies	14	-	-
Trade accounts payable	3	1	1,748

	Separate F/S (Net)		
	USD	EUR	LAK
	Million	Million	Million
Trade accounts receivable and loan to - related companies	50	-	-
Trade accounts payable	3	-	-

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

As at 25 September 2017, a subsidiary has restructured the detail of derivatives totaling Baht 2,702.39 million signed with a financial institution in Year 2015 to be Baht 2,706 million, starting from 25 September 2017 to 30 December 2022. The objective is to reduce financial cost by adjusting the hedging management in terms of foreign currency exchange risk and interest risk in present situation.

27. EARNINGS PER SHARE

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

28. FAIR VALUE MEASUREMENT

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

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

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

The following table present assets and liability that are measured at fair value as at 30 September 2017 :

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Investment properties	-	1,953,414	-	1,953,414
Current investments	-	46	-	46
Other long – term investments	568,073	-	-	568,073
Forward contract assets	-	2,334	-	2,334
Total	568,073	1,955,794	-	2,523,867
<u>Liability</u>				
Forward contract liabilities	-	29,992	-	29,992
Total	-	29,992	-	29,992

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Investment properties	-	1,068,094	-	1,068,094
Other long - term investment	535,230	-	-	535,230
Forward contract assets	-	2,334	-	2,334
Total	535,230	1,070,428	-	1,605,658

29. RECLASSIFICATION

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

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