

**ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019 (Unaudited but reviewed)**

**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, manufacturing and selling construction materials and invests in other projects both in Thailand and overseas, and in addition provided the soil and coal extraction and removal services.

**2. BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION AND CONSOLIDATION**

**2.1 Basis for interim financial statements preparation**

The interim financial statements are for the three-month period ended 31 March 2019 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards. These should therefore be read in conjunction with the financial statements for the year ended 31 December 2018.

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 were approved by the Company’s director on 15 May 2019.

**2.2 Basis of consolidation**

The interim financial statements included the financial statements of Italian - Thai Development Public Company Limited and its subsidiaries and are prepared on the same basis as applied for the preparation of consolidated financial statements for the year ended 31 December 2018 with some changes in the structure of the group during the period as follows :

- The Company invested in a local subsidiary company for proportion of 99.97% which has the objective for construction services.
- The Company invested in an overseas subsidiary company which was registered in the Republic of Mauritius for proportion of 100%
- The Company made additional investment for share capital of ITD Mozambique Limitada by Debt – Equity Swap of Baht 6.13 million.



### 3. SIGNIFICANTS ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Company and its subsidiaries for the year ended 31 December 2018, except for the adoption of the new and revised Thai Financial Reporting Standards, interpretations and guidance that become effective for annual accounting periods beginning on or after 1 January 2019 as follows:

- Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” (TFRS 15)

TFRS 15 is effective for annual accounting periods beginning on or after 1 January 2019, and describes new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard No.11 “Construction Contracts”, and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which are limited in details under existing Thai Financial Reporting Standards.

- Other pronouncements

Other pronouncements that are effective from 1 January 2019 are principally to align with the corresponding International Financial Reporting Standards, with most of the changes are relating to the revision of wording and terminology, the provision of interpretations and accounting guidance to the users of the standards.

The initial application of these new and revisions to Thai Financial Reporting Standards and other pronouncements have no material effect on these interim financial statements of the Company and subsidiaries.

New standards that have been issued by Thailand Federation of Accounting Professions which are effective from 1 January 2020 are as follows:

- TFRS 16 “Leases”

This financial reporting standard replaces the former standard and sets out the principles for the recognition, measurement, presentation and disclosure of leases. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and lease liability.

- TFRS 9 “Financial instruments”, TAS 32 “Financial instruments: Presentation”, TFRS 7 “Financial instruments: Disclosure”, TFRIC 16 “Hedges of a Net Investment in a Foreign Operation” and TFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”.

The new TFRS establish new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

The Company and subsidiaries will adopt these new standards when they become effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

The Company and subsidiaries have initially adopted TFRS 15 “Revenue from Contracts with Customers” for their core main revenues from construction service contracts and other service contracts including, manufacturing and selling construction materials and products and assess the performance obligation as a single performance obligation, and therefore recognize revenues according to their natures as follow:

Revenue from contracts	Revenue recognition
Construction services	Overtime
Soil and coal extraction and removal services	Overtime
Real estate	At a point in time
Manufacturing and sell of construction materials and products	At a point in time

The Company and subsidiaries recognize revenues when customer obtains control of goods or services in an amount that reflects the consideration to which the Company and subsidiaries expect to be entitled to. The Company and subsidiaries will not recognize revenues if the Company and subsidiaries is continuing involved with the goods or if there are significant uncertainties regarding recovery of the consideration due.

The Company and subsidiaries recognize contract assets if the Company and subsidiaries satisfied a performance obligation before they receives the consideration from customers by presenting them as “Earned revenues not yet billed” in the statement of financial position and recognize contract liabilities for consideration receive in respect of unsatisfied performance obligations by presented them as “Receipts in excess of contract work in progress” in the statement of financial position.

Revenue recognition of the Company and subsidiaries in accordance with TFRS 15 does not generally represent a change from the Group’s current practice. However, the change in such accounting policy has no material effect on these interim financial statements of the Company and subsidiaries.

#### 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 2018.

#### 5. RESTRICTED DEPOSITS WITH BANKS

In the year 2018, a Project Office in India has received an arbitration award in respect of the compensation of addition costs incurred from the delay and disruption to the works from the employer of Baht 925.43 million. The employer, however, has appealed the objection of such decision to the Court. The Project Office then has not received the settlement of the amount claimed.

On 1 February 2019, the Court has directed the Project Office to extend the performance bonds for the employer until further orders of the Court. The Court also ordered the employer to pay the Project Office of Baht 305.80 million but not considered as a settlement for the receivable. The Company therefore recorded such receipt as liability in the financial statements.

As at 31 March 2019, Project Office has undertaken to maintain cash deposit with bank in the amount of Baht 259.92 million for the extension of such performance bonds.

#### 6. PROMISSORY NOTES RECEIVABLE – NET

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	31 March 2019	31 December 2018
Promissory notes receivable	435,939	485,939
Less : Current portion	(50,000)	(50,000)
Net	<u>385,939</u>	<u>435,939</u>

The Company entered into an agreement with a debtor for the repayment of construction work. Such debtor agreed to settlement the debt by issuing promissory notes to the Company for installment payments of 10 years with interest at 4.18 percent per annum.

As at 31 March 2019 and 31 December 2018, the Company has long-term loan from a local financial institution of Baht 435.94 million and Baht 485.94 million, respectively. Such loan bears interest at 4 percent per annum. The principal and interest are repayable when the Company received debt settlement from the promissory notes receivable from the debtor mentioned above.

## 7. TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES – NET

The aging of outstanding trade accounts receivable balances as at 31 March 2019 and 31 December 2018 are as follows :

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Less than 3 months	8,598,243	8,387,542	7,257,099	6,536,377
3 – 6 months	983,096	438,802	740,474	243,969
6 – 12 months	1,451,298	1,459,357	1,125,552	1,168,619
More than 12 months	1,339,421	1,180,290	424,435	260,046
Total	12,372,058	11,465,991	9,547,560	8,209,011
Less : Allowance for doubtful accounts	(956,852)	(953,801)	(321,381)	(326,274)
Net	11,415,206	10,512,190	9,226,179	7,882,737

The Company sets up a full allowance for doubtful accounts for receivables from private enterprises that have been overdue for more than 12 months and at 50 percent for those receivables account that have been overdue for more than 6 months, except for the following receivables

- At as 31 March 2019, the consolidated financial statements include trade account receivable of an overseas subsidiary of Baht 264.07 million (net of an allowances for doubtful account amount to Baht 36.84 million) (31 December 2018 : Net of Baht 269.76 million) which the debtor had complied with the repayments schedule as planned. The subsidiary's management considered recognizing an allowance for impairment in value of such receivable by using discounted cash flow from the repayment plan of such receivable. The subsidiary's management believes that such allowance for impairment is reasonable.
- As at 31 March 2019, the consolidated and separate financial statements include trade account receivable from the State Enterprise for a construction project which has been under process of negotiation to extend the construction period from the end of contract date. The Company has not received payment for outstanding receivable totaling Baht 825.33 million (31 December 2018 : Baht 825.33) since the Company has not completed some construction work according to the milestone plan. However, the Company has completed such construction work within the contract period and the work has been inspected by the project consultant and employer. The repayment of construction work depends on the approval for the extension of the construction period from the end of the contract date.

As at 28 February 2019, the project consultant agreed and submit details for the employer to consider approving for the extension of construction period to 17 May 2019. The management believes that the Company will obtain the approval for the extension of the construction period and will receive the payment for the outstanding receivable in full amount. The Company therefore has not set up provision for loss on the delay submission of some part of construction work which was not completed according with the plan.

## 8. TRADE ACCOUNTS RECEIVABLE – RELATED PARTIES – NET

The outstanding balances as at 31 March 2019 and 31 December 2018 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Subsidiaries	-	-	2,224,486	2,083,301
Associated companies and joint ventures	984,337	1,020,417	908,123	940,977
Related parties	404,766	624,458	299,166	512,039
Joint operations	-	5,368	-	5,368
<b>Total</b>	<b>1,389,103</b>	<b>1,650,243</b>	<b>3,431,775</b>	<b>3,541,685</b>
Less : Allowance for doubtful accounts	(733,311)	(734,464)	(762,768)	(766,421)
<b>Net</b>	<b>655,792</b>	<b>915,779</b>	<b>2,669,007</b>	<b>2,775,264</b>

The aging of outstanding balances of trade accounts receivable – related parties as at 31 March 2019 and 31 December 2018 are as follows :

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Less than 3 months	267,632	508,252	888,036	1,027,870
3 – 6 months	10,971	13,244	182,202	163,297
6 – 12 months	9,301	62,112	280,510	426,939
More than 12 months	1,101,199	1,066,635	2,081,027	1,923,579
<b>Total</b>	<b>1,389,103</b>	<b>1,650,243</b>	<b>3,431,775</b>	<b>3,541,685</b>
Less : Allowance for doubtful accounts	(733,311)	(734,464)	(762,768)	(766,421)
<b>Net</b>	<b>655,792</b>	<b>915,779</b>	<b>2,669,007</b>	<b>2,775,264</b>

## 9. SHORT – TERM LOANS AND ADVANCES TO SUBSIDIARIES AND RELATED PARTIES – NET

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Subsidiaries	-	-	3,326,713	3,377,042
Associated companies and joint ventures	277,131	280,113	220,994	222,620
Related parties	15,177	15,481	-	-
Other joint venture partner	2,225	2,278	2,225	2,278
<b>Total</b>	<b>294,533</b>	<b>297,872</b>	<b>3,549,932</b>	<b>3,601,940</b>
Less : Allowance for doubtful accounts	(26,699)	(27,003)	(2,180,373)	(2,180,373)
<b>Net</b>	<b>267,834</b>	<b>270,869</b>	<b>1,369,559</b>	<b>1,421,567</b>

Movements in short - term loans and advances to subsidiaries and related parties for the three-month period ended 31 March 2019 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S			31 March 2019
	1 January 2019	During the period		
		Increase	Decrease	
Associated companies and joint ventures	280,113	-	2,982	277,131
Related companies	15,481	-	304	15,177
Other joint venture partner	2,278	-	53	2,225
<b>Total</b>	<b>297,872</b>	<b>-</b>	<b>3,339</b>	<b>294,533</b>

(Unit : Thousand Baht)

	Separate F/S			31 March 2019
	1 January 2019	During the period		
		Increase	Decrease	
Subsidiaries	3,377,042	-	50,329	3,326,713
Associated company and joint ventures	222,620	-	1,626	220,994
Other joint venture partner	2,278	-	53	2,225
<b>Total</b>	<b>3,601,940</b>	<b>-</b>	<b>52,008</b>	<b>3,549,932</b>



## 10. INVESTMENTS

### 10.1 Investments in subsidiaries – net

Movements in investments in subsidiaries for the three-month period ended 31 March 2019 are as follows:

	(Unit : Thousand Baht) Separate F/S
Balance as at 1 January 2019	7,226,954
Add : Additional investments during the period	6,134
Less : Cash received from return on investment during the period	(3,963)
Balance as at 31 March 2019	<u>7,229,125</u>

Investments in subsidiaries as at 31 March 2019 and 31 December 2018 comprise investments as follows :

Nature of business	Paid-up Capital	Percentage of shareholding		Separate F/S Cost		
		31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018	
		Percent	Percent			
<b>Investments in subsidiaries</b>						
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					(30,999)	(30,999)
Net					-	-
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products	126,000	99.80	99.80	124,296	124,296
Italthai 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					-	-
Italthai 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					-	-

(Unit : Thousand Baht)						
Nature of business	Paid-up Capital	Percentage of shareholding		Separate F/S Cost		
		31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018	
		Percent	Percent			
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	650,000	99.99	99.99	650,000	650,000
Less : Allowance for impairment					(650,000)	(650,000)
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
ITD-ETF Joint venture	Construction services	23,878	100.00	100.00	23,878	27,841
Asian Rail Co., Ltd.	Construction services	-	99.97	-	-	-
<b><u>Overseas subsidiary companies</u></b>						
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	172	46.64	46.64	2,143,951	2,143,951
		Million INR				
ITD–Madagascar S.A.	Mining business	20	99.98	99.98	99,527	99,527
		Million MGA				
Less : Allowance for impairment					(99,527)	(99,527)
Net					-	-
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	1,941	99.99	99.99	798,627	798,627
		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	1,373,615	99.00	99.00	46,120	39,986
		USD				

(31 December 2018 : 1,187,915 USD)

		(Unit : Thousand Baht)				
		Paid-up Capital	Percentage of shareholding		Separate F/S Cost	
Nature of business			31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
			Percent	Percent		
Thai Mozambique Logistica SA	Concession for constructing Port and Railway in the Republic of Mozambique	302,000 USD	60.00	60.00	10,018	10,018
Momaz Logistics	Not yet operational	-	100.00	100.00	-	-
		USD				
Italian - Thai Development (Myanmar) Co., Ltd.	Construction services in the Republic of the Union of Myanmar	25,000 USD	99.90	99.90	814	814
CargoTrans Logistics SA	Not yet operational	-	100.00	-	-	-
		USD				
Total Investments in subsidiaries – net					<u>7,229,125</u>	<u>7,226,954</u>

## 10.2 Investments in associated companies – net

Movements in investments in associated companies, which are accounted for by the equity method in the consolidated financial statements, for the three-month period ended 31 March 2019 are as follows:

			(Unit : Thousand Baht)	
			Consolidated F/S	Separate F/S
Balance as at 1 January 2019			602,020	697,963
Add : Share of profit from associated companies			7,492	-
Less : Translation adjustment for foreign currency financial statements			(6,662)	-
Balance as at 31 March 2019			<u>602,850</u>	<u>697,963</u>

Investments in associated companies as at 31 March 2019 and 31 December 2018, comprise investments as follow :

		(Unit : Thousand Baht)							
Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S Equity method		Separate F/S Cost			
		31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018		
		Percent	Percent						
<b><u>Investments in associated companies</u></b>									
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	38,591	31,700	2,450	2,450	
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,534	26,534	27,373	27,373	
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	101,937	100,287	71,603	71,603	
Oriental Residence Bangkok Co., Ltd.	Real estate development	500,000	15.00	15.00	-	-	75,000	75,000	
<b><u>Overseas companies</u></b>									
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25 Million PHP	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 PHP	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	433,263	440,974	521,537	521,537	
Total investments in associated companies – net					600,325	599,495	697,963	697,963	
<b><u>Investment in associated company held by subsidiary</u></b>									
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					2,525	2,525	-	-	
Total investments in associated companies – net					602,850	602,020	697,963	697,963	

### 10.3 Investments in joint ventures – net

Movements in investments in joint ventures, which are accounted by the equity method in the consolidated financial statements, during the three-month period ended 31 March 2019 are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2019	217,475	-
Add : Share of profit from joint ventures	85,475	-
Add : Invested during the period	39,409	39,409
Less : Translation adjustment for foreign currency financial statements	(1,237)	-
Balance as at 31 March 2019	341,122	39,409

Investments in joint ventures as at 31 March 2019 and 31 December 2018, comprise investments in the following:

		(Unit : Thousand Baht)					
		Proportion of investments		Consolidated F/S Equity		Separate F/S Cost	
Nature of business		31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
		Percent	Percent				
<b><u>Investments in joint ventures</u></b>							
ITD-EGC Joint Venture	Construction services in Republic of China	55.00	55.00	292,164	299,430	283,405	295,206
Less : Allowance for impairment				(283,405)	(289,977)	(283,405)	(295,206)
Net				8,759	9,453	-	-
IOT Joint Venture	Construction services	40.00	40.00	-	-	-	-
CMC/ITD/SONG DA Joint Venture	Construction services	30.00	30.00	163,525	125,388	-	-
ITD SINOHYDRO Joint Venture	Construction services	51.00	51.00	92,948	16,138	39,409	-
Total investments in joint ventures – net				265,232	150,979	39,409	-
<b><u>Investments in joint ventures held by subsidiary</u></b>							
CEC-ITD Cem-TPL Joint Venture	Construction services	18.66	18.66	75,890	66,496	-	-
Total investments in joint venture held by subsidiary – net				75,890	66,496	-	-
<b>Total investments in subsidiaries, associated companies and joint ventures – net</b>				943,972	819,495	7,966,497	7,924,917

## 11. OTHER LONG – TERM INVESTMENTS – NET

Movements in other long – term investments during the three-month period ended 31 March 2019 are as follows :

		(Unit : Thousand Baht)	
		Consolidated F/S	Separate F/S
Balance as at 1 January 2019		909,765	749,030
Less : Unrealized losses from changes in value of investments		(3,900)	(2,306)
Balance as at 31 March 2019		905,865	746,724

Other long - term investments as at 31 March 2019 and 31 December 2018 comprise investments as follows :

		(Unit : Thousand Baht)					
Nature of business	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018	
	Percent	Percent					
<b>Investments in other companies</b>							
a) <u>Non-listed companies</u>							
M-Home SPV 3 Co., Ltd.	Real estate development	11.54	11.54	12	12	12	12
Less : Allowance for impairment				(12)	(12)	(12)	(12)
Net				-	-	-	-
Siam Steel Syndicate Plc.	Manufacture and distribution for construction	1.15	1.15	55,885	55,885	55,885	55,885
Siam Fiber Optics Co., Ltd.	Manufacture and distribution of optic fibers	10.00	10.00	24,000	24,000	24,000	24,000
Bell Development Co., Ltd.	Real estate development	2.29	2.29	47,313	47,313	47,313	47,313
The Bangkok Club Co., Ltd.	Entertainment services	0.44	0.44	3,000	3,000	3,000	3,000
Less : Allowance for impairment				(1,985)	(1,985)	(1,985)	(1,985)
Net				1,015	1,015	1,015	1,015
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery Rental	15.00	15.00	7,500	7,500	7,500	7,500
Praram 9 Square Co., Ltd.	Real estate development and rental	6.32	6.32	200,000	200,000	200,000	200,000
Total Investment in other non – listed companies – net				335,713	335,713	335,713	335,713
b) <u>Listed companies</u>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	12.90	12.90	308,715	308,715	308,715	308,715
Add : Unrealized gain from changes in value of investments				99,336	101,902	99,336	101,902
Net market value				408,051	410,617	408,051	410,617
TTCL Plc.	Construction services	0.07	0.07	400	400	400	400
Add : Unrealized gain from changes in value of investments				2,560	2,300	2,560	2,300
Net market value				2,960	2,700	2,960	2,700
Total Investment in other listed companies – net				411,011	413,317	411,011	413,317
Total Investments in other companies – net				746,724	749,030	746,724	749,030
<b>Investments held by subsidiaries</b>							
a) <u>Non-listed companies</u>							
Bell Development Co., Ltd.	Real estate development	6.55	6.55	135,226	135,226	-	-
b) <u>Listed company</u>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	0.80	0.80	19,178	19,178	-	-
Add : Unrealized gain from changes in value of investments				4,737	6,331	-	-
Net market value				23,915	25,509	-	-
Total investment held by subsidiaries – net				159,141	160,735	-	-
<b>Total other long-term investments – net</b>				<b>905,865</b>	<b>909,765</b>	<b>746,724</b>	<b>749,030</b>

## 12. LAND LEASE CONCESSION AND PROJECT UNDER DEVELOPMENT

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Land lease concession	30,198	30,198	-	-
Project under development	7,704,127	7,708,226	5,205,964	5,205,964
Total	<u>7,734,325</u>	<u>7,738,424</u>	<u>5,205,964</u>	<u>5,205,964</u>

As at 31 March 2019 and 31 December 2018, the Company has costs for acquisition of the right to develop the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone (“DSEZ”) amounting to Baht 7,734.33 million and Baht 7,738.42 million, respectively.

This project has been supported by the governments of Thailand and the Republic of the Union of Myanmar who have established the Special Purpose Vehicle (“SPV”) to mutually manage the development policy of the project. It was agreed that the Company has the right to reimburse such costs and other investments from new investors or to be granted the right to develop additional industrial estate land in accordance to the due diligence results as conducted by the advisory firm of the SPV under the Tripartite Memorandum and Supplemental Memorandum of Understanding to the Tripartite Memorandum as signed by and between the Company, SPV, and the Dawei SEZ Management Committee (“DSEZ MC”).

At present, the Company along with its partners were granted for the DSEZ Initial Phase concessions under the concession agreements as signed with the DSEZ MC on the 5th August 2015 to develop 27 square kilometers of industrial estate land and its related infrastructure and utilities. Wherein each respective partner of the individual concessions will be responsible for the Company’s previous investment through the due diligence. The progress of the project development is as follows:

### 1. Land lease agreements from the Government of the Republic of Union of Myanmar

The concessionaires have had ongoing discussions with the DSEZ MC and its Legal Advisory Team in order to finalize the agreements in due course. Recently, the DSEZ MC and its Legal Advisory Team held an internal meeting in January 2019 to discuss the content and principle of the land lease agreements to be in line with international practice in order to further continue discussions with the concessionaires going forward.

In February and March 2019, the Myanmar authorities overseeing the Myanmar Special Economic Zones namely the Central Working Body of the Myanmar Special Economic Zone chaired by the Union Minister of the Ministry Commerce and the Central Body of the Myanmar Special Economic Zone chaired by the Vice President held official meetings and also discuss about the expedite of the development of the Dawei SEZ Initial Phase Project in this meeting. The Company and partners expect to further negotiate the land lease agreements with the DSEZ MC and the DSEZ MC Legal Advisory Team going forward.

## **2. Government support for construction of the 2-lane road linking the DSEZ to the Thailand-Myanmar border**

In March 2018, the Government of the Republic of the Union of Myanmar approved the terms and conditions of a loan offered by the Government of Thailand for construction of the 2-lane road linking the DSEZ to the Thailand-Myanmar border. In May 2018, the Joint Technical Taskforce under both governments arranged the meeting to discuss the engineering issues of the 2-lane road as well as discuss the terms of loan offered by the Government of Thailand. Thereafter, it was agreed by both governments to select an engineering advisory firm to conclude the construction plan of the 2-lane road and related information necessary for the construction tendering process and the loan document between the two governments and the selected engineering advisory firm was later engaged in February 2019.

There have been several road surveys conducted by the engineering advisory firm along with the relevant Myanmar and Thai authorities along the road alignment. This support from both governments is an advancement for the cooperation between the two countries. The development of this road linkage infrastructure will effectively generate economic and social benefits for both countries and will also create a positive impact to the DSEZ Initial Phase project development and the betterment of the well-being and livelihood of the population in DSEZ and the surrounding areas of both countries.

## **13. POTASH MINING RIGHT**

The Company holds a 90% investment in a potash mine project through a group of subsidiary companies with has total investment of Baht 2,293.49 million. The Ministry of Finance also holds 10% of the registered share capital.

The subsidiary company has the right to do potash exploration in Udon Thani Province in Northeast of Thailand, and has successfully identified two large potash resources at South Udon and North Udon. Such project is under process application for potash mining concessions from the government. The progress of mining project are as follows :

At the present, the Department of Primary Industries and Mines (DPIM) is in process review the documents for the mining license application approval for the approval of subsidiary to the Ministry of Industry. In June 2018, DPIM made the legal consultations letter to the Office of the Council of State to request an opinion for proper implementations and compliance with both the concession agreement and the Mineral Act. B.E. 2560.

In January 2019, the Office of the Council of State has responded such letter to DPIM in order to continued process consideration for the approval of mining concession of subsidiary company in accordance with the Mineral Act. B.E. 2560 and adhere to the commitment made between the subsidiary company and the Government to proceed the consideration process for the concession application. DPIM has to establish the Committee to determine the compensation and gather the information and documentation of subsidiary company for mining application to submit to the Mineral's Board for the consideration and propose to the Director-General of DPIM to sign for the grant of mining license of subsidiary company.



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.

#### 14. DEFERRED CONCESSION COSTS AND COSTS OF PROJECT UNDER DEVELOPMENT

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Project under development				
– Mozambique	2,066,370	2,061,382	1,879,829	1,863,679
– Bangladesh	2,636,819	2,532,915	-	-
<b>Total</b>	<b>4,703,189</b>	<b>4,594,297</b>	<b>1,879,829</b>	<b>1,863,679</b>

During the year 2011, the Company entered into a Concession Agreement with Bangladesh Bridge Authority of the Government of the People's Republic of Bangladesh to proceed with the development of the Dhaka Elevated Expressway. Total project development value is approximately Baht 41,192 million. The Company established and registered Project Company as the concessionaire, to operate the project according to the legal of the People's Republic of Bangladesh. The Company will appoint as the EPC Contractor for the design, construction and completion of the project.

On 1 April 2018, Bangladesh Bridge Authority has issued the Construction Commencement Date notification which is considered as formal permission to start the project. The construction and inception of concession period is 25 years included 42 months of construction period. Currently, the Company has performed the construction work for the 1st Tranche of construction distance of 7.45 kilometer which has work progress of approximately 32.06%.

#### 15. LONG – TERM LOANS AND ADVANCES TO SUBSIDIARIES – NET

The outstanding balances as at 31 March 2019 and 31 December 2018 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Subsidiaries	-	-	6,688,120	6,667,554
Less : Allowance for doubtful accounts	-	-	(935,598)	(933,449)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>5,752,522</b>	<b>5,734,105</b>

Movements in the long - term loans and advances to subsidiaries for the three-month period ended 31 March 2019 are as follows :

	(Unit : Thousand Baht)			
	Separate F/S			
	1 January	During the period		31 March
2019	Increase	Decrease	2019	
Subsidiaries	6,667,554	20,566	-	6,688,120

#### 16. PROPERTY, PLANT AND EQUIPMENT – NET

During the three-month period ended 31 March 2019, condensed movements in property, plant and equipment are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2019	23,390,010	13,450,377
Purchases / transferred in	1,657,036	1,126,284
Disposal / transferred out	(329,487)	(157,851)
Depreciation for the period	(855,556)	(541,767)
Accumulated depreciation for disposal of fixed assets	119,066	48,310
Translation adjustment for foreign currency financial statements	(61,750)	(30,386)
Net book value as at 31 March 2019	23,919,319	13,894,967

#### 17. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

The outstanding balances of bank overdrafts and short – term loans from financial institutions as at 31 March 2019 and 31 December 2018 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Bank overdrafts	1,224,773	1,590,879	29,702	122,913
Short – term loans from financial institutions	5,306,765	6,163,363	3,440,148	4,343,835
Total	6,531,538	7,754,242	3,469,850	4,466,748

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

(Unit : Million)

	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
THB	4,049	4,975	3,374	4,327
INR	2,589	2,521	-	-
USD	-	0.5	-	0.5
BDT	175	-	175	-

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

The subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 196.74 million. These loans bear interest per annum at MLR – 0.75%. Such long-term loans are collateralized by its land and structure thereon, including present and future construction, and the guarantee of the Company and subsidiary. The subsidiary companies are obliged to reduce credit facilities when 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 within 36 – 42 months from agreements date.

As at 31 March 2019 and 31 December 2018, part of loans amounted to Baht 2,508.43 million and Baht 2,760.92 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company's accounts with those banks.

As at 31 March 2019 and 31 December 2018, bank overdrafts and short - term loans credit facilities that have not been drawn down amounted to Baht 14,717.88 million and Baht 13,067.15 million, respectively.

## 18. TRADE ACCOUNTS PAYABLE – RELATED PARTIES

The outstanding balances as at 31 March 2019 and 31 December 2018 are as follows :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Subsidiaries	-	-	1,076,236	986,426
Associated companies and joint ventures	268,864	285,176	249,100	260,647
Related companies	1,575,692	1,602,129	1,500,000	1,555,697
Total	1,844,556	1,887,305	2,825,336	2,802,770

## 19. LONG – TERM LOANS – NET

As at 31 March 2019 and 31 December 2018, the outstanding balance of long - term loans are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Outstanding balances	22,651,860	21,084,335	16,617,253	15,068,794
Less : Current portion	(11,210,869)	(10,608,923)	(8,713,606)	(8,300,934)
Net	11,440,991	10,475,412	7,903,647	6,767,860

Movements in the long - term loans for the three-month period ended 31 March 2019 are summarized below :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2019	21,084,335	15,068,794
Add : Additional borrowings	2,405,410	2,185,880
Less : Repayments	(795,283)	(635,359)
Less : Translation adjustment for foreign currency financial statements	(42,602)	(2,062)
Balance as at 31 March 2019	22,651,860	16,617,253

The outstanding balance of long – term loans as at 31 March 2019 and 31 December 2018 are as follows :

Loan	Credit amount (Million Baht)	Interest rate (Percentage)	Condition	Guarantee	Million Baht			
					Consolidated F/S		Separate F/S	
					31 March 2019	31 December 2018	31 March 2019	31 December 2018
<b>Parent Company</b>								
	20,026	MLR – 0.50 per annum	Repayable within 2018 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract	16,617	15,069	16,617	15,069
		MLR – 1 per annum	Repayable within 2019 – 2020 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		MLR – 1.25 per annum	Repayable within 2018 and 2020 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		MLR – 1.50 per annum	Repayable within 2019 – 2021 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		MLR – 1.375 per annum	Repayable within 2017 – 2021 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		MLR - 2 per annum	Repayable within 2028 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		Libor + 4% per annum	Repayable per contract	Machinery				
		Market rate per annum	Repayable within 2019 – 2020 upon completion of the project, whichever is earlier	Bank account opened for receive revenue from construction				
		4% per annum	Repayable per contract	-				
<b>Subsidiaries</b>								
1	250	MLR –1 and MLR –1.70 per annum	Repayable within 36 months from initial drawdown	Machinery	219	234	-	-
2	951	MLR per annum	Repayable per contract	Land and Machinery	281	296	-	-
3	10,242	MLR –1.50 per annum	Repayable within 2018 – 2026	Assignment of collection from construction contract	3,629	3,758	-	-
4	8,000 Million BDT	Floating rate of Bank of Bangladesh plus 6 percent per annum	Repayable per contract	Guaranteed by parent company	1,906	1,727	-	-
				Total	22,652	21,084	16,617	15,069
				Less : Current portion	(11,211)	(10,609)	(8,713)	(8,301)
				Net	11,441	10,475	7,904	6,768

## 20. DEBENTURES – NET

Movements in debentures for the three-month period ended 31 March 2019 are as follows :

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<hr/>
Balance as at 1 January 2019	14,781,049
Add : Newly issued debentures	2,000,000
Less : Redemption of old debentures	(850,000)
Less : Cost of issuing debentures	(7,500)
Add : Amortization of debentures issuing costs	2,087
Balance as at 31 March 2019	<hr/> 15,925,636
Less : Current portion	(649,915)
Net	<hr/> <hr/> 15,275,721

On 15 February 2019, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 2,000 million with 5 years tenure and with a face value of Baht 1,000. These bear interest at a rate of 5.25 percent per annum which is payable quarterly. The debentures will be due for redemption on 15 February 2024. 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.

## 21. EMPLOYEE BENEFITS OBLIGATION - NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Present value of employee benefits obligation as at beginning period	1,404,661	1,383,694	1,010,171	989,484
Fair value of plan assets as at ending period	(100,651)	(99,088)	-	-
Obligation – net	<u>1,304,010</u>	<u>1,284,606</u>	<u>1,010,171</u>	<u>989,484</u>
<u>Employee benefits obligation</u>				
Balance as at beginning period	1,383,694	1,245,173	989,484	903,064
Current service costs	28,932	117,393	20,233	58,429
Interest on obligation	13,917	41,963	8,340	22,012
Actuarial loss (gain)	(165)	90,032	-	69,849
Benefit paid	(30,989)	(92,185)	(7,839)	(63,806)
Translation adjustments for foreign currency financial statements	9,272	(18,682)	(47)	(64)
Balance as at ending period	<u>1,404,661</u>	<u>1,383,694</u>	<u>1,010,171</u>	<u>989,484</u>
Less : Current Portion	(523,580)	(523,580)	(453,581)	(453,581)
Net	<u>881,081</u>	<u>860,114</u>	<u>556,590</u>	<u>535,903</u>
<u>Plan assets</u>				
Balance as at beginning period	99,088	91,125	-	-
Expected returns on plan assets	1,836	6,643	-	-
Contribution	24,662	28,440	-	-
Actuarial loss	(893)	(17,347)	-	-
Benefit paid	(21,926)	(1,291)	-	-
Translation adjustments for foreign currency financial statements	(2,116)	(8,482)	-	-
Balance as at ending period	<u>100,651</u>	<u>99,088</u>	<u>-</u>	<u>-</u>

Subsequent to the period end, on 5 April 2019, the National Legislative Assembly published Labor Protection Act No.7 B.E. 2562 in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive retirement compensation for 400 days based on their salary as at the date of retirement. The revised legislation will be effective from 5 May 2019, and will result in an increase in the employment benefit obligation of Baht 310.64 million in the consolidated financial statements and Baht 277.95 million in the separate financial statements, respectively.

## 22. RELATED PARTY TRANSACTION

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

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

The significant related party transactions are summarized during the period as follow :

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2019	2018	2019	2018
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	156	148
Purchases of construction materials and services	-	-	380	76
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	67	45	48	27
Purchases of construction materials and services	98	-	84	-
<u>Transactions with related companies</u>				
Construction services, sales and other income	112	177	79	158
Purchases of construction materials and services	888	231	817	162
Purchases of assets and equipment	134	232	125	192
<u>Key management personnel compensation</u>				
Short-term employee benefits	38	32	30	25
Post-employment benefits	5	3	1	-



As at 31 March 2019, a subsidiary has loan to director amounted to Baht 7.00 million which bear interest at rate 2.00 percent per annum and repayment at call.

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

Accrued rental expenses

As at 31 March 2019, a subsidiary has accrued rental expenses of Baht 79.07 million (31 December 2018 : Baht 79.94 million).

**23. GUARANTEES**

As at 31 March 2019, the Company and subsidiaries have outstanding guarantees totaling approximately Baht 69,696.45 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 31 March 2019, the Company has outstanding guarantees approximately Baht 6,677.05 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., First Dhaka Elevated Expressway Co., Ltd., and ITD Cementation India Limited for which the Company issued full guarantees for the credit facilities).

**24. COMMITMENTS**

24.1 As at 31 March 2019, 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	6,986.79	6,651.29
INR	1,730.20	-
BDT	1,092.03	1,026.73

24.2 As at 31 March 2019, the Company and subsidiaries have the following outstanding commitments for purchases of materials, machinery, related services and service contracts classified by currencies as follow :

Currency	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	4,296.45	4,236.23
USD	898.28	174.89
INR	71.46	-
EUR	2,169.39	2,159.59
VND	10.78	10.78
BDT	4,615.50	4,615.50
SGD	1.07	-
GBP	25.63	25.63

24.3 As at 31 March 2019, the Company has outstanding commitments in respect of the un-call portion of investments in nine subsidiary companies of Baht 2.25 million, USD 1.50 million, BDT 26,579.13 million and MMK 344.17 million.

24.4 As at 31 March 2019, the Company has outstanding commitments of USD 8.35 million for purchase shares transfer agreement of an associated company from existing shareholder.

24.5 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 5.00 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 subsidiary company.

24.6 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 1.58 million for the land purchase, and the balance will be paid according to the terms of the agreements.

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

24.8 An overseas subsidiary has a commitment to pay fees Environmental and Social Impact Assessment license (ESIA License) for the construction of Deep-Sea Port and Heavy Haul Railway amount of USD 1.60 million and USD 3.90 million, respectively.

## **25. CONTINGENT LIABILITIES**

As at 31 March 2019, the Company has certain pending litigation that has been brought against it. The Company's management has considered such litigation to be unjustifiable, and therefore, has not set any provision in the financial statements. There has been no significant change in litigation from the year ended 31 December 2018.

## 26. SEGMENT REPORTING

The operations of the Company and subsidiaries for the three-month periods ended 31 March 2019 and 2018 are principally engaged in a single industry segment, construction services and are conducted in the following geographical segments as follows :

(Unit : Million Baht)

	Consolidated F/S											
	For the three-month periods ended 31 March											
	Thailand		India		Other countries		Total		Eliminate		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<u>Revenue from construction work</u>												
Revenues from external sources	9,183	8,685	2,745	3,567	1,434	597	13,362	12,849	-	-	13,362	12,849
Inter - segment revenues	144	171	115	62	-	-	259	233	(259)	(233)	-	-
Total segment revenues	<u>9,327</u>	<u>8,856</u>	<u>2,860</u>	<u>3,629</u>	<u>1,434</u>	<u>597</u>	<u>13,621</u>	<u>13,082</u>	<u>(259)</u>	<u>(233)</u>	<u>13,362</u>	<u>12,849</u>
<u>Revenue from sales and services</u>												
Revenues from external sources	1,184	910	-	-	715	634	1,899	1,544	-	-	1,899	1,544
Inter - segment revenues	277	46	-	-	-	-	277	46	(277)	(46)	-	-
Total segment revenues	<u>1,461</u>	<u>956</u>	<u>-</u>	<u>-</u>	<u>715</u>	<u>634</u>	<u>2,176</u>	<u>1,590</u>	<u>(277)</u>	<u>(46)</u>	<u>1,899</u>	<u>1,544</u>
Gross profit	<u>775</u>	<u>776</u>	<u>164</u>	<u>489</u>	<u>429</u>	<u>310</u>	<u>1,368</u>	<u>1,575</u>	<u>(12)</u>	<u>(13)</u>	<u>1,356</u>	<u>1,562</u>
Other income											161	186
Interest income											26	15
Financial costs											(636)	(558)
Depreciation and amortization											(898)	(685)
Provision for doubtful accounts											(3)	(13)
Loss on exchange rate											(87)	(179)
Share of profit from investment in associated companies and joint ventures											93	38
Income tax expense											(142)	(84)
Profit (loss) for the period											<u>(61)</u>	<u>133</u>

(Unit : Million Baht)

	Thailand		India		Other countries		Total		Elimination		Grand total	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Property, plant and equipment – net	15,075	14,466	2,442	2,460	6,410	6,475	23,927	23,401	(8)	(11)	23,919	23,390
Other assets	67,999	66,681	12,685	13,437	14,975	14,404	95,659	94,522	(19,856)	(19,897)	75,803	74,625
<b>Total assets</b>	<b>83,074</b>	<b>81,147</b>	<b>15,127</b>	<b>15,897</b>	<b>21,385</b>	<b>20,879</b>	<b>119,586</b>	<b>117,923</b>	<b>(19,864)</b>	<b>(19,908)</b>	<b>99,722</b>	<b>98,015</b>
<b>Total liabilities</b>	<b>60,645</b>	<b>58,632</b>	<b>14,123</b>	<b>14,682</b>	<b>23,088</b>	<b>22,603</b>	<b>97,856</b>	<b>95,917</b>	<b>(14,404)</b>	<b>(14,373)</b>	<b>83,452</b>	<b>81,544</b>

## 27. FINANCIAL INSTRUMENTS

### *Foreign currency risk*

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2019 are summarized below :

Foreign currency	Consolidated F/S		Separate F/S		Average exchange rate as at 31 March 2019 (Baht per foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
USD	28	14	50	6	31.5114
JPY	-	1	-	1	0.2907

Forward exchange contracts which remain outstanding as at 31 March 2019 are summarized below :

Currency	Balance (Million)	Forward contract exchange rate
USD (buy)	3	31.7695 – 31.9010
EUR (buy)	10	35.6000 – 38.6800

As at 31 March 2019, significant foreign currency denominated assets and liabilities of the Company, subsidiaries and joint venture which are unhedged are as follows :

	Consolidated F/S (Net)	
	USD	JPY
	Million	Million
Trade accounts receivable and retention	10	-
Trade accounts receivable and loan to related companies	18	-
Trade accounts payable	3	1
Loans from financial institutions	3	-

	Separate F/S (Net)	
	USD	JPY
	Million	Million
Trade accounts receivable and loan to related companies	50	-
Trade accounts payable	3	1
Loans from financial institutions	3	-

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

## 28. SHARE CAPITAL AND WARRANT

During the period, the warrant holders exercised 27,816 warrants to purchase 27,871 common shares. As a result, the Company's issued and fully paid-up share capital as at 31 March 2019 become Baht 5,279,868,719.

## 29. EARNINGS PER SHARE

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

### 30. FAIR VALUE MEASUREMENT

The following table present financial assets and liabilities that are measured at fair value as at 31 March 2019 :

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Current investments	-	46	-	46
Other long – term investments	434,926	-	-	434,926
Investment properties	-	2,030,872	-	2,030,872
<b>Total</b>	<b>434,926</b>	<b>2,030,918</b>	<b>-</b>	<b>2,465,844</b>
<u>Liabilities</u>				
Forward contract liabilities	-	17,579	-	17,579
<b>Total</b>	<b>-</b>	<b>17,579</b>	<b>-</b>	<b>17,579</b>

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Other long – term investment	411,011	-	-	411,011
Investment properties	-	1,068,821	-	1,068,821
<b>Total</b>	<b>411,011</b>	<b>1,068,821</b>	<b>-</b>	<b>1,479,832</b>
<u>Liabilities</u>				
Forward contract liabilities	-	17,579	-	17,579
<b>Total</b>	<b>-</b>	<b>17,579</b>	<b>-</b>	<b>17,579</b>