



Annual Report 2020



**ITALIAN-THAI
DEVELOPMENT
PUBLIC COMPANY LIMITED**

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Message from the President

Towards the end of 2020, the Government has continuously brought forward large-scale infrastructure construction projects including projects related to the Eastern Economic Corridor Zone (EEC), the High-Speed Rail Link Project, new railway projects, Mass Rapid Transit lines projects, motorway projects as well as the expansion and development of Sea Ports to establish jobs and distribute income throughout the country. Several research studies have predicted that the construction business will grow in line with the overall construction investment value which is expected to expand 4.5 to 5.0% this year. This will cause private sector investment in construction to expand accordingly from the projects that the public and private sectors are pursuing. The Company is confident that it will be able to bid on new projects to replace completed projects as it has been, which consequently yields no less than 200 billion to the Company's backlog and continuous flow of work.

At the end of 2020, the Myanmar Government announced the termination of the Concession Agreements for all contracted initial phase projects at Dawei Special Economic Zone development (DSEZ). The Company has initiated a rebuttal process with the Dawei Special Economic Zone Management Committee (DSEZ MC) of the Myanmar Government as to discuss and negotiate the above issue. The Thai Government recognizes the importance of international projects and the protection of Thai investors investing abroad. Accordingly, the Thai Government has coordinated the negotiations with the Government of Myanmar as the project is considered strategic importance to the country. The Office of the National Economics and Social Development Council had studied and proposed the Government to include the Dawei project as a national strategic plan to connect DSEZ deep-sea port on the Indian Ocean with DSEZ, which is the main production base of Thailand. The Thai side has invested the Bang Yai-Kanchanaburi motorway to the border to support said cooperation. The Company is confident that with the Government's assistance the outcome of the negotiations will be favorable.

The Potash Mining Project in Udon Thani, has been progressing. The Company expects to be awarded the concession soon and is ready to go into action immediately.

The COVID-19 outbreak has no significant impact on the Company's operation, however it has caused the public and private sectors to focus on workplace health and safety, hygiene, the environment and quality management.

This year, it is also a great pleasure to pronounce that the Company has obtained the ISO certification for all these aspects of its operations as follows:

- 1) ISO 9001: 2015 Quality management systems
- 2) ISO 14001: 2015 Environmental management systems
- 3) ISO 45001: 2018 Occupational health and safety management systems

Our Company is considered the first construction company in Thailand to receive all three ISO certifications and special thanks are due to all executives and employees for their cooperation in achieving this successful outcome.



(Mr. Premchai Karnasuta)
President

Report of Audit Committee For The Year 2020

The Audit Committee of Italian Thai Development Public Company Limited was duly appointed by the resolution of the Annual General Meeting of Shareholders on July 24, 2020. The three members of the Audit Committee have been appointed for a three - year term, comprising: Dr. Krisorn Jittorntrum as Chairman, Mr. William Lee Zentgraf and Mr. Sai Wah Simon Suen as Committee Members. In addition, Mr. Withit Ouaysinprasert, the Vice President of Internal Audit Division, served as secretary of the Audit Committee.

In 2020, six Audit Committee Meetings were held. Each of which was met by presence of all members. The significant activities undertaken by the Audit Committee assigned by the Company's Board of Directors in the year 2020 were as follows:

1. Review and approval of the Quarterly Financial Statements, Annual Financial Statements for 2020, Certified Public Accountant's Report, Financial Status Report and Company's Performance Report.
2. Review of the Company's Internal Control Systems and the Audit Plan for 2020 of the Internal Audit Division. Also, review of Audit Report for 2020 and Follow Up of Operation Improvement Report.
3. Review of legal compliance, the laws and regulations relating to the Stock Exchange of Thailand and other laws concerning the company business.
4. Consideration of the risk assessment of increasing cost that caused by potential increasing price of main materials in 2020 and the measures against direct impact to the Company.
5. Review of the connected transaction and those of conflicts of interest disclosed by the responsible executives in full and correct compliance with the laws and regulations of the Stock Exchange of Thailand.
6. Selection and recommendation for appointment of the Certified Public Accountant of the Company for 2020, including holding an official meeting with the Certified Public Accountant without the management representative once a year.

The Audit Committee's opinion states that the Financial Report for 2020 (Ended December 31, 2020) is accurate and reliable in its substance in accordance with the Generally Accepted Accounting Principles. Also the disclosure of sufficient information was carried out. The adequate Internal Control Systems were proceeded without substance errors. The Company has been in full compliance with the laws and regulation of the Securities and Exchange Commission, the Stock Exchange of Thailand and other related laws as well. Moreover, the connected transaction are accurate and reliable and fairly priced according to the market price index.

Finally, the Audit Committee's opinion states that Mr. Somkid Tiatragul, Certified Public Accountant no.2785 and/or Miss Kanyanat Sriratchatchaval Certified Public Accountant no.6549 and/or Mr. Teerasak Chuasrisakul, Certified Public Accountant no.6624 and/or Mr. Narin Churamongkol, Certified Public Accountant no.8593 from Grant Thornton Company Limited which is independent and has no conflict of interest with the Company, to qualifiedly be the Company's auditor for 2020.



(Dr.Krisorn Jittorntrum)
Audit Committee Chairman

March 15, 2021

Report of the Risk Management Committee for the year 2020

To the Shareholders

The Risk Management Committee was established by resolution of the Board of Directors Meeting No.1/9/2010, held on September 2, 2010. Currently, the Committee comprises of 8 members who are particularly capable of balancing and managing business risks. Dr. Krisorn Jittorntrum is serving as Chairman of the Risk Management Committee.

The Risk Management Committee takes the primary role to intensively respond to the Company's overall risk management policy and framework covering several major aspects as the financial risk, investment risk, operational risk and corporate reputation risk to keep to these risks at an acceptable level. The Committee considers the risks using a methodical system and supports the Board of Directors' and Board of Management's decisions in the investment activities that may significantly affect the Company's financial status.

In 2020, the Risk Management Committee held the meetings to oversee, review, and monitor some particular construction projects by inviting the Management and persons concerned to participate the meetings. The Committee thoroughly supervised and reviewed the significant risks of the Company, namely;

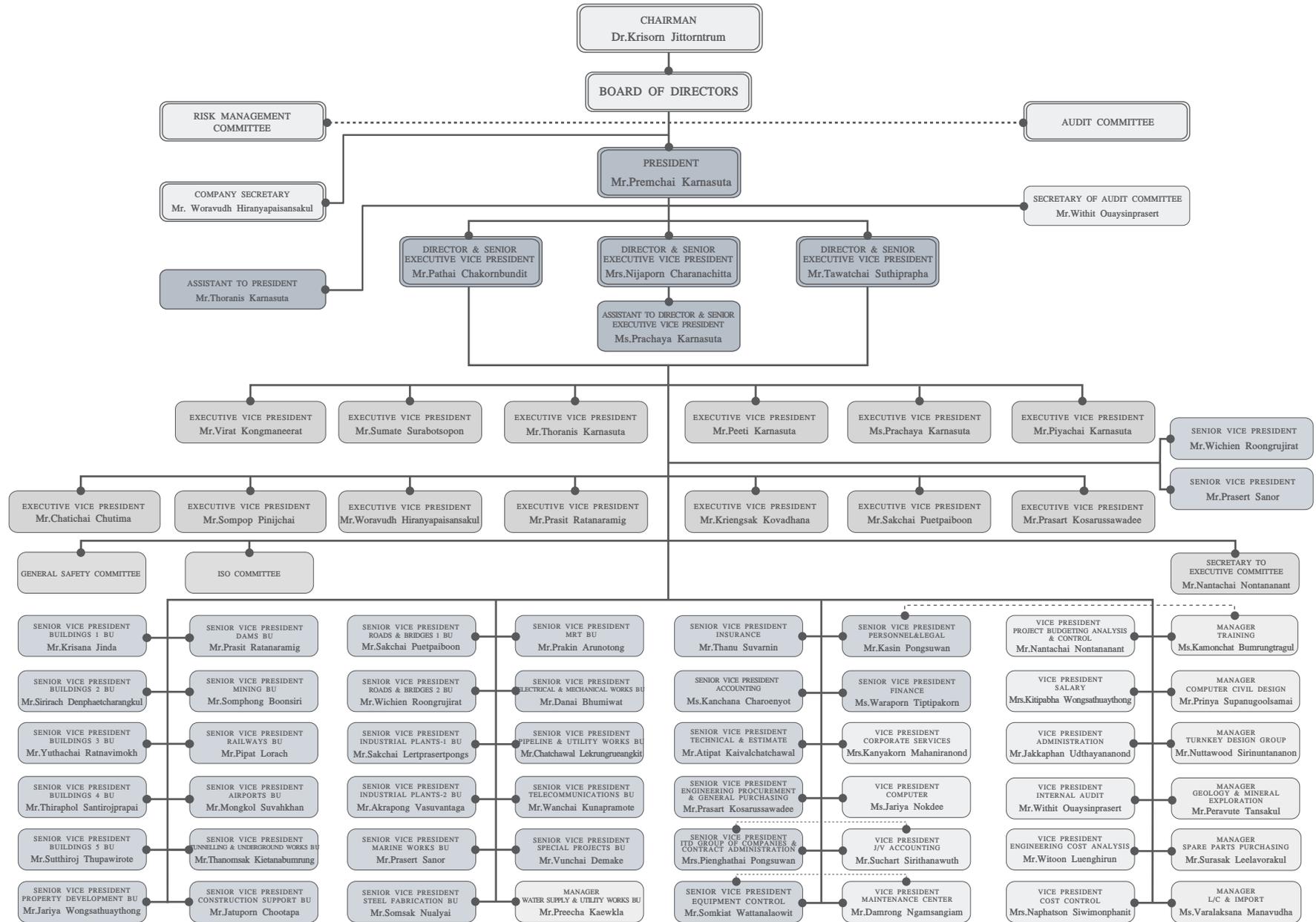
1. High-Speed Rail Linked 3 Airports Project
2. The Cooperation between the Government of the Kingdom of Thailand and the Government of the People's Republic of China on Bangkok - Nong Khai HSR Development for Regional Connectivity
3. Potash Mining Project
4. Financial Risks (Debentures)

The Risk Management Committee considered and provided beneficial suggestions to all the projects mentioned in order to maintain the operations for the Company's optimum productivity and profitability.



Dr. Krisorn Jittorntrum
Chairman of the Risk Management Committee
March 1, 2021

Organization Chart



Policy and Business Overview

Italian-Thai Development Public Company Limited (“the Company”) is formed on August 15, 1958 with a registered capital of Baht 2,000,000 under the former name Italian-Thai Development Corporation Limited, by Dr. Chaijudh Karnasuta (Thai) and Mr. Giorgio Berlingieri (Italian), the co-founders who both intended to establish the competitive Thai construction company.

In 1985, the Company honorably obtained the Royal Seal of The Garuda awarded by His Majesty King Bhumibol Adulyadej on November 22. It was reckoned as the highest and most honorable achievement under the Royal Patronage of His Majesty the King.

Another milestone reached occurred in 1994, the Company registered as a Public Company Limited on March 24, and was respectively listed on the Stock Exchange of Thailand on August 9.

With over 6 decades in construction field, the Company has been recognized as one of the largest construction companies in Thailand with excellent performance by high quality of work. The Company’s high-standard construction quality has also been officially certified with ISO 9001:2015, the standard for the Quality Management Systems, ISO 14001:2015, the standard for the Environmental Management Systems, and ISO 45001:2018, the standard for the Occupational Health and Safety Management Systems.

Vision, Mission, Motto, Strategy, Objectives and Main Goal

With the strong intention to grow further with best care to all stakeholders, the Company shall always revise the vision, mission, motto, strategy, objectives and main goal every year. In 2021, the Board of Directors’ Meeting No. 4(1)/12/2020, held on December 16, 2020 reviewed them all and resolved as follows:

Vision: To be the leading contractor in Southeast Asia

Mission

- To be an integrated construction firm with wide experience and expertise in all construction activities
- To have the potential and readiness to undertake the large construction projects utilising advanced technological construction with competitive tendering
- To be accountable for our construction projects with quality and safety in accordance with international standards
- To maintain the reputation as a leader among construction firms
- To deliver the highest satisfaction to all customers
- To further expand the Company’s construction business and capacity throughout the international market, particularly in Asia

Motto

Commitment, Reliability, Quality

Strategy

- To build the Company’s credibility and trust through high quality construction
- To complete our construction works with professional quality and punctuality
- To develop and apply the advanced construction technologies and techniques
- To develop knowledge and extend the construction experiences of all-levels of employees to be skillful and able to work efficiently
- To develop and enhance the potential of the organization and its human resources management

Corporate Objectives

- To be the leading contractor in building, civil and structural works nationally and internationally
- To operate our construction projects for optimum profit
- To operate the business with Quality (ISO9001), Environment (ISO 14001) and Occupational Health and Safety (ISO 45001) in line with international standards
- To provide an appropriate profit to the shareholders of the Company

Short Term – Medium Term Period (within 1-4 years)	Long Term Period (More than 5 years)
<p>1. To increase competitiveness for revenue growth</p> <ul style="list-style-type: none"> • Attend the Government’s biddings i.e. <ul style="list-style-type: none"> (I) Railway Construction Project <ul style="list-style-type: none"> 1. High-Speed Rail <ul style="list-style-type: none"> 1.1 The Cooperation between the Government of the Kingdom of Thailand and the Government of the People’s Republic of China on Bangkok - Nong Khai HSR Development for Regional Connectivity 1.2 High-speed rail linked 3 airports project: Don Mueang- Suvarnabhumi- U-ta pao Airports 1.3 High-speed rail linked 3 airports project Phase 2: extension section Rayong-Chanthaburi-Trat provinces 2. New railway project in Northern region (Den Chai- Chiang Rai- Chiang Khong), and in North-eastern region (Baan Pai - Mukdahan - Nakhon Phanom) 3. Double-track railway Phase 1 (Khlong Khanan Chit - Chira) 4. Double-track railway Phase 2 project (Paknam Po - Den Chai, Den Chai - Chiang Mai, Khon Kaen - Nong Khai, Thanon Chira Junction - Ubon Ratchathani, Chumphon - Surat Thani, Surat Thani - Hat Yai - Songkhla, and Hat Yai - Padang Besar) (II) Mass Rapid Transit Railway Construction Project <ul style="list-style-type: none"> 1. MRT South Purple Line project (Tao Poon - Rat Burana) 2. SRT Light Red Line suburban railway project (Bang Sue - Phaya Thai - Makkasan - Hua Mak); and SRT Dark Red Line railway project for the missing link (Bang Sue - Hua Lamphong), the civil work (Bang Sue - Hua Lamphong - Makkasan, Makkasan - Hua Mak), and Electricity and Mechanic systems including the train cars (III) Airport Construction Project <ul style="list-style-type: none"> 1. The Construction of Ground Improvement for The 2nd Midfield Satellite Aprons, Suvarnabhumi Airport 2. The Construction of East Expansion, Suvarnabhumi Airport 3. The Construction of North Expansion, Suvarnabhumi Airport 4. The Development of Don Mueang airport 3rd phase 5. The Construction of 2nd taxiway and runway, U-tapao Airport (IV) Culvert and Wastewater Treatment Systems Construction Project <ul style="list-style-type: none"> 1. The Construction of the culvert for Prem Prachakon canal, from Bang Bua canal to Chao Phraya river 2. The Construction of the culvert for Taweewattana canal, at the bottleneck area 3. The Construction of the culvert for Saen Saeb canal, from the Saen Saeb canal and Khlong Lat Phrao canal culvert to Soi Ladphrao 130 4. The Construction of Thonburi centralized and wastewater treatment systems 	<ul style="list-style-type: none"> • To maintain the market share and the position of No.1 leader. • Expand the overseas market. • Improve the revenues from the invested projects so as to generate profits to the Company.

Short Term – Medium Term Period (within 1-4 years)	Long Term Period (More than 5 years)
<p>(V) Water Treatment, Distribution And Water Transmission Tunnel Construction Project</p> <ul style="list-style-type: none"> - The 9th refurbishment project for main water supply system 1. The Construction of the Mahasawat water treatment plant (water production expansion) - The Construction of water transmission tunnel 2. The Construction of water transmission tunnel along Mahasawat canal from Mahasawat water treatment plant to Ratchapruok road, and the construction of Pressure switch Tower of Mahasawat water treatment plant 3. The Construction of water transmission tunnel along Ratchapruok road from Mahasawat water treatment plant to Phet Kasem road 4. The Construction of water transmission tunnel from Kallapaphruok road to Bang Mod water pumping station 5. The Construction of water transmission tunnel from Bang Mod water pumping station to Samrong water pumping station - The Construction of water pumping station, treated water tank 6. The Construction of Bang Mod water pumping station, treated water tank 7. The Construction of the 2nd Ladkrabang water pumping station, treated water tank 8. The Construction of treated water tank for Bang Phli water pumping station 9. The Construction of treated water tank for Minburi water pumping station - The main Water supply system 10th refurbishment project 10. The production expansion of the western water treatment plant 11. The Construction of water transmission tunnel into Thonburi water treatment plant, and into Pradiphat intersection Watergate 12. The Construction of the treated water tank expansion at Bang Khen water treatment plant <p>(VI) Be a joint venture with the Government for the PPP Projects i.e.</p> <ol style="list-style-type: none"> 1. SRT Dark Red Line railway project: Rangsit - Thammasart University Rangsit campus section 2. SRT Light Red Line railway project: Taling Chan - Salaya and Taling Chan - Siriraj sections 3. The Operation and Maintenance of Intercity Motorway, the Bang Khun Tien - Pak tho: Bang Khun Tien - Baan Phaeo section 4. Intercity Motorway, the Nakhon Pathom - Cha am 5. Intercity Motorway, the Hat Yai - Thai/Malaysia boarder 6. Intercity Motorway, the Utraphimuk Elevated Tollway Expansion (Don Mueang Tollway): Rangsit - Bang Pa In section 7. High-speed railway project: Bangkok - Hua Hin 8. Elevated expressway: Kathu - Patong, Phuket province <p>(VII) Determine to Constantly Enhance Efficiency and to Increase Backlog from the Present</p> <ul style="list-style-type: none"> • Each Business Unit (BU) is to be capable to develop with the highest effectiveness simultaneously in order to create the competitive advantages in bidding, and be able to win the bidding • Maintain the market share and the position of No.1 leader 	

Short Term – Medium Term Period (within 1-4 years)	Long Term Period (More than 5 years)
<p>2. To increase capability in making profits</p> <ul style="list-style-type: none"> Integrate IT system with the budgets and resources management Support each BU on developing and researching of innovation for upcoming projects which would benefit the construction Establish the developing and researching center of the Company in a site work that supports the construction 	<ul style="list-style-type: none"> Be a leader of innovation in construction field Continually develop and update technologies for optimal competency
<p>3. To create satisfaction for customers</p> <ul style="list-style-type: none"> Operate the construction based on the standards and hand over work following the contract work 	
<p>4. To manage the occupational health and safety in accordance with international standards</p> <ul style="list-style-type: none"> Focus on setting up team conscious of safety in working Inspect the safety standard of each site work by the General Committee Decrease the number of accidents to the least from the present 	<ul style="list-style-type: none"> Achieve zero accident target
<p>5. To improve employees' skills and quality of life of family</p> <ul style="list-style-type: none"> Hold training courses for improving employees' skills in every level to be knowledgeable and conscious of working among the Management Level (SVP, VP, PM and PE), Supervisory Level, Operational Officer both BUs and work supports with full efficiency Offer scholarships to the employees' children Maintain the training center for engineers and technicians in order to expand the knowledge, experience, and construction technology to all employee levels for the best work efficiency 	<ul style="list-style-type: none"> Decrease the employee turnover rates of each level
<p>6. Corporate Social Responsibility</p> <ul style="list-style-type: none"> Attend activities with community nearby working projects Support every CSR activity of every site work i.e. Pordee Pordee School Support the good corporate governance following the principles by SEC such as the definition of the objectives and main targets of the company for sustainability, and support the participation and communication with the Shareholders 	<ul style="list-style-type: none"> Continuously support CSR activities CG scoring not less than 90 percent

Significant Changes and Developments over the past year

1. Official certification in ISO

The Company has been assessed and officially certified as complying with the following ISO standards:

- ISO 9001:2015 (Quality Management System);
- ISO 14001:2015 (Environmental Management System) and;
- ISO 45001:2018 (Occupational Health and Safety Management System).

The certification has made ITD the first Thai construction firm in Thailand to be certified with all the above ISO standards.

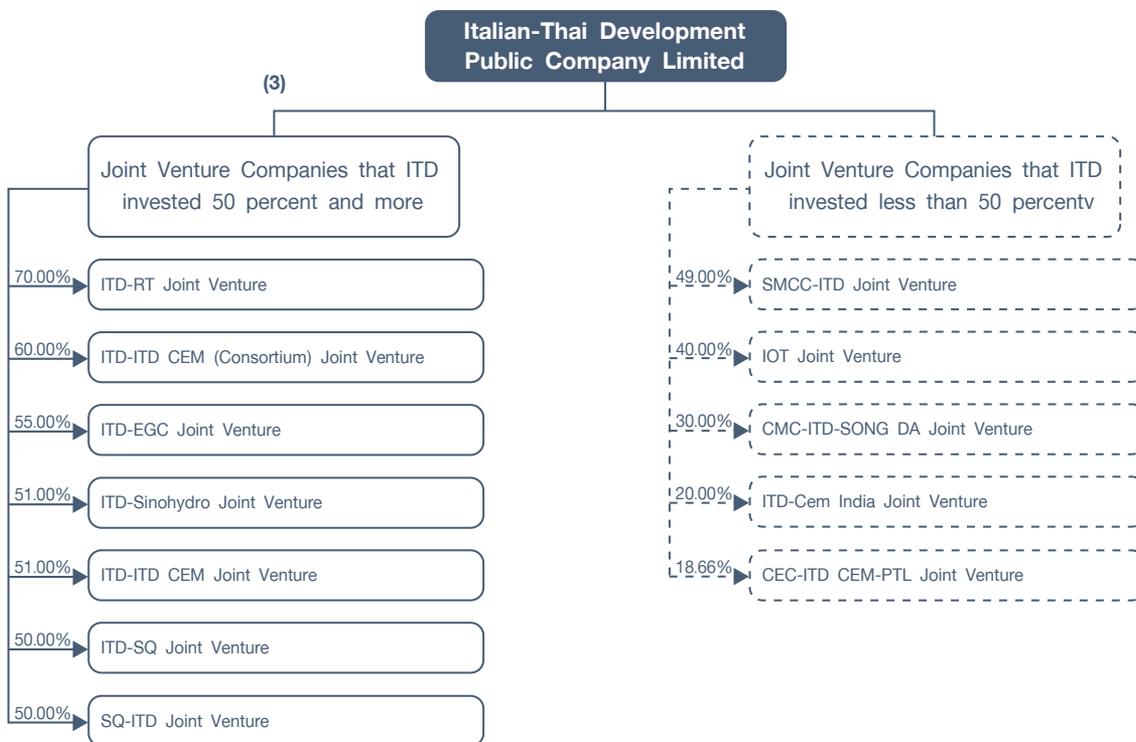
Shareholding Structure of the Company

The business lines of the Company’s subsidiary companies, associated companies, and joint venture as of December 31, 2020 can be divided into three lines as below:

1. Lines of construction and public utilities work including a line of construction support and line of overseas investments,
2. Lines of the Company investment in other sectors, e.g., real estate business, construction material and raw material products, and concession businesses,
3. Lines of Joint Venture, which is the cooperation with other experienced companies to gain knowledge in new technologies for the Company’s operations especially for public utility work.



The Company's investment in Joint Venture Companies as of December 31, 2020:



Business of the Company, Subsidiary Companies, Joint Ventures and Associated Companies

Italian-Thai Development Public Company Limited Only

At present, the business operations of the Company could be divided into nine major activities:

1. Buildings (office buildings, condominiums, skyscrapers and hotels)
2. Industrial Plants
3. Pipelines and Utility Works (oil, gas and water transmission pipelines, conduit and manhole systems and storage tanks)
4. Highways, Railways, High Speed Rails, Viaducts, Track works, MRT Systems, Bridges and Expressways
5. Airports, Ports and Marine Works
6. Dams, Tunnels and Power Plants
7. Steel Structures
8. Telecommunications
9. Mining

Subsidiary Companies, Joint Ventures and Associated Companies

The business lines of the Company's subsidiary, associated companies and joint ventures as of December 31, 2020 could be divided into three lines as below:

1. Lines of construction and public utilities work including a line of construction support and a line of overseas investments
2. Lines of the Company investment in other sectors, e.g. real estate business, construction material and raw material products and concession businesses
3. Lines of Joint Ventures which is the cooperation with other experienced companies to gain knowledge in new technologies for the Company's operations especially for public utility work

Sales Structure of Italian-Thai Development Public Company Limited

Sales Structure	2020		2019		2018	
	(Baht) Million	%	(Baht) Million	%	(Baht) Million	%
1. Large-scale Building Construction	11,365.35	18.89	9,560.03	14.47	9,936.94	15.45
2. Industrial Plants and Facilities	3,560.60	5.92	1,031.56	1.56	1,743.48	2.71
3. Pipelines and Tank Farms	5,004.76	8.32	5,227.89	7.91	5,613.95	8.73
4. Highways, Railways, Bridges and Expressway Systems	14,887.49	24.75	22,680.16	34.32	21,105.68	32.82
5. Airports, Jetties, Deep-sea Ports and Marine Works	6,708.04	11.15	7,851.35	11.88	8,808.64	13.70
6. Multi-purpose Hydro-electric Dams, Tunnels and Power Plants	3,111.62	5.17	3,783.04	5.72	1,478.59	2.30
7. Steel Structures	6.93	0.01	9.99	0.02	183.98	0.29
8. Telecommunications	441.83	0.73	88.22	0.13	0.00	0.00
9. Mining	5,638.07	9.37	5,748.47	8.70	4,540.11	7.06
10. Miscellaneous	7,646.54	12.71	9,097.60	13.77	9,758.94	15.17
11. Others	1,788.89	2.98	1,005.13	1.52	1,143.25	1.77
Total Sales	60,160.12	100.00	66,083.44	100.00	64,313.56	100.00
Sale Growth	(8.96%)		2.75%		9.91%	
Related Party Transactions from Construction	2,555.15		671.73		663.89	
Related Party Transactions from Miscellaneous	1,847.92		2,185.15		1,862.52	
Others	348.99		219.62		256.04	
Total Net after Provisions	55,408.06		63,006.94		61,531.11	
Growth	(12.06%)		2.40%		9.72%	

Sales Structure of Subsidiary Companies, Associated Companies & Joint Ventures

1. Lines of construction and public utilities work including a line of construction support and a line of overseas investments

Company Name (Unit : Thousand Baht)	% of Holdings	2020		2019		2018	
		Sales	%	Sales	%	Sales	%
Subsidiary Companies							
1. ITD-ETF Joint Venture	100.00	-	-	12,533	0.05	51,933	0.20
2. ITD-ARC Joint Venture	100.00	118,853	0.54	1,858	0.01	-	-
3. Italian-Thai International Co., Ltd.	99.99	2,401	0.01	5,244	0.02	14,811	0.07
4. PT. Thailindo Bara Pratama Co., Ltd.	99.99	267,554	1.22	343,772	1.36	258,863	1.02
5. Thai Pride Cement Co., Ltd.	99.99	1,346,168	6.12	1,354,494	5.34	1,353,829	5.33
6. Italian-Thai Land Co., Ltd.	99.99	-	-	-	-	-	-
7. Italian-Thai Power Co., Ltd.	99.99	-	-	-	-	-	-
8. ITD Construction SDN.BHD.	99.99	-	-	-	-	-	-
9. Nha Pralan Crushing Plant Co., Ltd.	99.99	30,063	0.14	38,740	0.15	20,913	0.08
10. ITD Bangladesh Company Limited	99.99	1,665,715	7.58	-	-	-	-
11. Asian Rail Co., Ltd.	99.99	158,532	0.72	146,946	0.58	-	-
12. Palang Thai Kaowna Co., Ltd.	99.99	-	-	-	-	-	-
13. ITD-Madagascar S.A.	99.98	-	-	-	-	740	-
14. Italian-Thai Hongsa Co., Ltd.	99.97	1,886,304	8.58	2,104,458	8.29	2,119,797	8.34
15. Myanmar Italian-Thai Power 1 Co., Ltd.	99.95	-	-	-	-	-	-
16. Saraburi Construction Technology Co., Ltd.	99.93	25,071	0.11	13,075	0.05	46,469	0.18
17. Siam Concrete and Brick Products Co., Ltd.	99.80	129,139	0.59	343,571	1.35	308,043	1.21
18. ITD Mozambique Limitada	99.00	25,807	0.12	4,291	0.02	7,700	0.03
19. Italthai Marine Co., Ltd.	92.59	148,104	0.67	378,369	1.49	357,717	1.41
20. Italthai Trevi Co., Ltd.	90.94	777,423	3.54	1,334,020	5.26	1,475,368	5.81
21. Italian-Thai Development Vietnam Co., Ltd.	80.00	-	-	-	-	-	-
22. Palit Palangan Co., Ltd.	78.16	-	-	-	-	-	-
23. Asian Steel Products Co., Ltd.	69.90	178,750	0.81	177,482	0.70	147,424	0.58
24. ITD Cementation India Ltd.	46.64	10,647,678	48.42	12,300,852	48.48	12,874,399	50.67
25. Thai Maruken Co., Ltd.	50.96	1,093,881	4.97	739,631	2.92	496,714	1.96
Associated Companies							
1. ATO - Asia Turnout Co., Ltd.	48.99	20,602	0.09	109,158	0.43	93,851	0.37
2. Siam Pacific Holding Co., Ltd.	46.69	-	-	-	-	-	-
3. Sino Lao Aluminum Corporation Co., Ltd.	34.00	-	-	-	-	-	-
4. MCRP Construction Co., Ltd.	24.00	-	-	-	-	-	-
5. MCRP Holding Corporation Co., Ltd.	24.00	-	-	-	-	-	-

2. Lines of the Company investment in other sectors, e.g. real estate business, construction material and raw material products and concession businesses

Company Name (Unit : Thousand Baht)	% of	2020		2019		2018	
	Holdings	Sales	%	Sales	%	Sales	%
Subsidiary Companies							
1. Bhaka Bhumi Development Co., Ltd.	99.99	460,410	2.10	399,539	1.57	563,264	2.22
2. Asia Logistics Development Co., Ltd.	99.93	-	-	-	-	-	-
3. Asia Industrial and Port Corporation Co., Ltd.	99.93	-	-	-	-	-	-
4. APPC Holding Co., Ltd.	64.52	-	-	-	-	-	-
5. Thai Mozambique Logistica SA	60.00	-	-	-	-	-	-
Associated company							
1. First Dhaka Elevated Expressway Co., Ltd.	51.00	-	-	-	-	-	-

3. Lines of Joint Ventures

Company Name (Unit : Thousand Baht)	% of	2020		2019		2018	
	Holdings	Sales	%	Sales	%	Sales	%
Joint Ventures							
1. ITD –RT Joint Venture	70.00	1,079,585	4.91	467,636	1.84	138,662	0.55
2. ITD-ETF Joint Venture	65.00	-	-	-	-	89,984	0.35
3. ITD – ITD Cem (Consortium) Joint Venture	60.00	-	-	-	-	-	-
4. ITD-ETF-MVM Joint Venture	55.25	-	-	-	-	13,514	0.05
5. Italian-Thai-EGC Joint Venture	55.00	-	-	1	-	3,013	0.01
6. ITD-ITD Cem Joint Venture	51.00	330,430	1.50	461,915	1.82	737,819	2.90
7. ITD- Sinohydro Joint Venture	51.00	454,899	2.07	798,810	3.15	483,526	1.90
8. ITD SQ Joint Venture	50.00	32,910	0.15	1,352,752	5.33	1,480,530	5.83
9. SQ-ITD Joint Venture	50.00	-	-	-	-	-	-
10. SMCC- ITD Joint Venture	49.00	699,779	3.18	1,102,320	4.34	318,284	1.25
11. IOT Joint Venture	40.00	-	-	-	-	-	-
12. CMC-ITD-SONG DA JOINT VENTURE	30.00	-	-	949,466	3.74	1,234,705	4.86
13. SUMSUNG – ITD Joint Venture	24.00	-	-	-	-	261,159	1.03
14. ITD-Cem India Joint Venture	20.00	39,573	0.18	37,510	0.15	24,898	0.10
15. CEC-ITD CEM-TPL Joint venture	18.66	370,390	1.68	395,657	1.56	429,387	1.69
		21,990,021	100	25,374,100	100	25,407,316	100

The International Monetary Fund (IMF) has forecast that the global economic growth this year is slumping in every country of every region. The Corona virus (COVID-19) outbreak has caused many countries, including Thailand, national lockdown. As a measure to control the spread, the lockdown, in the process, slows down or even prevent construction project altogether. Both public and private sectors are operating with strict financial policy, however, Thai government is still prioritize the major infrastructure construction as a mean to drive the economic. The government is continuously investing in construction projects. While, private projects are decreasing or are being postponed. Thai construction companies are to adjust and develop technology to enhance efficiency of construction process or to use ready-made material as to reduce worker at the work site; to increase supply widely as to help with the material deficiency issue; and to increase health measures in work sites as to control and prevent the virus outbreak. Furthermore, it is crucial to have agreement with the project owners regarding the time expansion due to the outbreak measure while the constructors can work in accordance with the contract and possible to manage.

The work that the company has been entrusted to carry out by both public and private sectors in the past year can be summarized as follows:

Building Construction

The completed building projects in the previous year include:

- Queen Savang Vadhana Memorial Hospital Phase 2 project worth Baht 5,745 million;
- The Magnolias Waterfront Residences project worth Baht 2,491 million;
- Sub-Structure Work for The Iconsiam Superlux Residence project worth Baht 1,502 million;
- 2 of the Summer Lasalle Projects, worth total Baht 263 million; and
- Temporary Office and Facilities for Harmony Project, Rayong worth Baht 112 million.

The projects in progress include:

- One Bangkok Mixed-use (Sub-Structure) project worth Baht 6,570 million as 60% of work completed with ASEAN biggest record of foundation work working continuously 23,725 cubic meter of concrete at 1,150 cubic meter/hour with 547 concrete truck within 33 hours 15 minutes of work;
- 400 Bed Chulabhorn Hospital Building, Medical Service Expansion (Phase 1) project worth Baht 7,005 million as 42% of work completed;
- Expansion Space Development Project (Zone C,Basement Work),The Government Complex Commemorating His Majesty The King 80th Birthday Anniversary,5th December B.E. 2550(2007) worth Baht 2,155 million as 39% of work completed;
- Terminal 21, Rama3 worth Baht 1,216 million as 79% of work completed;
- The Construction of EmSphere/EmLive worth Baht 3,124 million as 22% of work completed;
- Bangkok Mall & Bangkok Arena Phase 1 worth Baht 2,270 million as 18% of work completed;
- Bangkok Mall & Bangkok Arena Phase 2,3, and 4 (Sub-Structure) worth Baht 1,640 million as 17% of work completed;
- Training Centre and Welfare, Immigration Bureau worth Baht 1,398 million as 40% of work completed;
- The Medical and Rehabilitation Building for Police Project, Police Hospital worth Baht 1,921 million as 17% of work completed;
- Building Works for Thai Oil Clean Fuel Project (Package 1&2) worth Baht 1,356 million as 39% of work completed;
- Construction of the Office Building, His Majesty's Project worth Baht 742 million as 58% of work completed;
- Construction of Chaloe Phra Kiat Building, His Majesty's Project worth Baht 561 million as 6% of work completed; and
- The Construction and Renovation of 907 Palace, HM 904 Royal Court Area, Payap Pier worth Baht 447 million as 12% of work completed.

The new project that has just started are:

- Dusit Central Park (Sub-Structure Basement Works) worth Baht 2,348 million;
- Siam Patumwan House worth Baht 755 million; and
- Relocation of Navaminda Kasatriyadhiraj Royal Thai Air Force Academy worth Baht 1,650 million.

Highways, Railways, Bridges and Expressway Systems

The completed projects in the previous year include:

- Construction of Road No.202 A.Banmaisaiopot-A.Putthaisong Section1 worth Baht 502 million; and
- Construction of the Rail Overbridge on Rural Road Sor Kor 2032 at Baan Khoke Kham,Amphur Muang,Samut Sakorn Province worth Baht 314 million.

The domestic projects in progress is the Elevated Highway at Highway Route No.35 Project (Section 3) worth Baht 2,328 million as 46% of work completed.

The Company also has started the Surat Thani Interchange at Highway Route No.41 and Highway Route No.417 worth Baht 1,328 million.

As for the doubling track railway work, those in progress are:

- Track Doubling Project : Hua Hin-Prachuab Kirikhun worth Baht 5,427 million as 79% of work completed;
- Track Doubling Project: Map Kabao - Thanon Chira Junction; Contract 1: Map Kabao-Khlong Khanan Chit project worth Baht 7,065 million as 85% of work completed; and
- ITD-RT Joint Venture Track Doubling Project: Map Kabao-Thanon Chira Junction; Contract 3 Tunnel Works project worth Baht 8,682 million at 53% of work completed.

The High Speed Railway Development for Regional Connectivity (Section1: Bangkok-Nakhon Ratchasima), 253 km, as a co-operation of Thai and Chinese governments has been signed with the SRT in the past November which includes:

- Contract 3-4:Civil Works(Lumtakong-Sikhiu and Kut Chik-Khok Kruat Section) worth Baht 9,204 million is being prepared for work

The company had also won another two bidding of said project and son to be signed;

- Contract 4-4: Chiang Rak Noi Depot worth Baht 6,143 million; and
- Contract 4-5: Civil Works (Ban Pho-Phrakeaw Section) worth Baht 9,264 million.

The overseas projects that the Company has just begun is Malolos-Clark railway project package CP N-03 in the Philippines worth Baht 12,281 million.

Airports

The project completed in the past year is the Repair of Airfield Pavements at Runway 01R-19L, Suvarnabhumi Airport worth Baht 161 million.

The domestic projects the Company has begun operation are The Site Preparation and Related Works for the Construction of Aircraft Maintenance,Repair and Overhaul (MRO) Center at U-Tapao Airport worth Baht 316 million; and The Improvement of Runway Strip, Runway End Safety Area (RESA) and Parallel Taxiway at Phuket International Airport worth Baht 541 million.

Airport of Thailand Public Company Limited has planned on 3 Suvarnabhumi Airport expansion projects namely 1) East Expansion 2) West Expansion and 3) North Expansion worth total Baht 60 billion. The projects aims to meet the increase of passengers after the outbreak has eased. They are also planning on region airports developments as to support the campaign promoting the secondary tourist cities and to develop airports in primary tourist cities. And all of which are in the Company's interest.

Industrial Plants and Facilities

The construction of an industrial factory that was completed in the past year includes:

- Construction of a New Ice Cream Factory of F&N United Co.,Ltd in Don Tum District, Nakhon Pathom worth Baht 241 million; and
- Construction of 500/230/115 KV Chachoengsao 2 Substation worth Baht 114 million.

The projects currently in progress are:

- Bang Pakong Combined Cycle Power Plant Project,(Units 1-2 Replacement) project in cooperation of Sumitomo, and Black & Veatch (Thailand) worth Baht 22,000 million. The structural work the company is responsible for worth Baht 5,327 million and as 95% of work completed;
- Wangchan Valley Project worth Baht 1,576 million as 98% of work completed;
- Civil and Concrete Works for Harmony Project, Rayong worth Baht 611 million as 52% of work completed;

- Civil Works for Thai oil Clean Fuel Project (Package 1-7) worth Baht 3,771 million as 39% of work completed; and
- Goodyear – Sapphire Project phase 2, Pathum Thani worth Baht 376 million as 15% of work completed.

Mining

The domestic projects completed is the Mae Moh Mining Project Contract No.7 worth Baht 22,526 million which is the excavation-removal of 365 million cubic meters and the extraction of 50 million tons of coal for Electricity Generating Authority of Thailand in cooperation with Sahakol Equipment Co.,Ltd. under the ITD-SQ Joint Venture.

While, Overburden Excavation-Removal, and Coal Extraction at Mae Moh Mine Contract 9 worth Baht 29,617 million is with progress at 15%.

The overseas projects finished is the Mining Services for MBR Project, Indonesia, the excavation-removal of 14 million cubic meters, Coal sorting and transportation work, worth Baht 1,058 million.

The overseas projects in progress is the Excavation-removal of 383 million cubic meters for Hong Sa Mining Project, Lao PDR worth Baht 25,336 million as 45% of work completed.

Tunnels, Pipelines, and other Utilities

The completed project in the previous year is Natural Gas Pipeline for Hemaraj Saraburi industrial land (HSIL) worth Baht 190 million.

The projects in progress are:

- Construction of Outgoing Cable Tunnel at Chidlom Terminal Station Contract No. For Bor Kir. Kor. 20/2557 worth Baht 915 million as 94% of work completed and is expected to be completed in the second quarter 2021;
- Construction of Manhole and Underground Ductbank in Conjunction With the Golden Line Mass Transit System (Thonburi Skytrain Station-Klongsan District Office-Prachathipok) of Traffic and Transportation Department Bangkok worth Baht 175 million as 83% of work completed;
- Conversion of Overhead line to Underground system (Rama III Project : Thanon Tok Terminal Station-Rama Ix Bridge) project worth Baht 1,821 million as 17% of work completed;
- Construction of Manholes and Underground Ductbanks in Conjunction with the Construction of Orange Line Mass Transit System, Contract No.3 of MRTA worth Baht 671 million as 13% of work completed;
- Underground Piping Works of Package1-2 Project; Thai Oil Clean Fuel Project worth Baht 165 million as 29% of work completed;
- Construction of Seawater Intake and Seawater Outfall (SWI&SWO Tunneling Works) for PTTLNG Nong Fab Rayong LNG Receiving Terminal Project, Map Ta put, Rayong, worth Baht 1,265 million as 29% of work completed; and
- The Bang Ban-Bang Sai Flood Drainage Canal Project,Contract 2 worth Baht 2,612 million as 1% of work started.

The new projects the Company successfully bid in the previous year is the construction of khlong Prem Prachakorn drainage tunnel from Ban Bua canal to Chao Phraya river worth Baht 7,700 million. The project is bid and to be operated under ITD-NWR joint-venture, and in the process of signing and delivering for operation.

The overseas projects completed this year is Laying of Tank Sewer along James Long Sarani by Microtunneling Method project, a 3.8 kilometer long project, worth Rupee 1,082 million. And, the Second Ho Chi Minh City Environmental Sanitation Project, Package XL-01 : Construction of the Interceptor worth Baht 2,436 million has 86% of work progressed.

Jetties, Deep-sea Ports and Marine Works

The concluded projects in the year preceding were:

- Thai Oil Jetty No.7 & No.8 Project - Civil and Marine Works,Phase I and Phase II. Sriracha District, Chonburi worth Baht 2,337 million; and
- Modification Work of Marine Offloading Facility (MOF), Sriracha, Chonburi worth Baht 120 million.

The projects that are in progress include:

- PTTLNG Nong Faab, LNG Receiving Terminal project, Rayong worth Baht 5,941 million as 71% of work completed; and
- Lamai Community Flood Prevention System, Koh Samui, Surat Thani worth Baht 286 million as 16% of work completed.

The Company also started to operate the Sand Filling for Jomtien Beach Rehabilitation, Phase 1, Bang Lamung, Chonburi worth Baht 548 million. Moreover, with much interest, the Company aims to participate the bidding of Mab Ta Put Seaport and other developing projects including many other Coastal Protection projects that concern the beach and coast damage along with promoting tourism.

Hydro-electric Dams, and Power Plants

Thailand has to see to the priority of enhancing its efficiency of water management in the long term since many regions are facing repeated annual floods and drought. People sector and Industry sector are increasingly demanding for electricity use every year. Said instances drive the government to manage, mitigate and solve relevant problems including by simultaneously pushing projects to light. The Company, with high intention, closely monitor the government direction in water management and ready to take part in the foreseeing projects.

The Ongoing Project is Tunneling and Associated Works, Mae Ngad-Mae Kuang Water Transmission Tunnel Contract 1: Water Augmentation Project for Mae Kuang Udom Tara Dam, Chiangmai. The purpose of this project is to divert excess water demand during the rainy season from the Mae Ngad Somboon Chon Dam in order to increase the quantity at the Mae Kuang Udom Thara Dam, where the amount of water flowing into the basin. The project worth Baht 2,182 million with progress of 33%.

Mass Rapid Transit Systems

The MRT Green Line (North) Project Contract 1: Civil Works Mo Chit - Saphan Mai Section worth Baht 14,273 million was completed in the past year.

The in-progress project includes:

- Gold Line Mass Transit Feeder System Project, Phase I (Krung Thonburi-Klong San) worth Baht 1,590 million as 98% of work completed for the road needs to be repaired; and
- MRT Orange Line (East Section) Project: Contract 3 Underground Civil Work (Hua Mak - Khlong Ban Ma Section), work design and construct for a total of 23 km long underground work, worth Baht 17,090 million as 70% of work completed.

The overseas projects in progress are:

- Dhaka Mass Rapid Transit Development Project ;contract No.CP-02; Depot in Bangladesh operated under the ITD-Sinohydro joint venture worth Baht 5,677 million as 51% of work completed;
- Dhaka Mass Rapid Transit Development Project, Contract No.CP-03 & CP-04 in Bangladesh operating the construction of elevated way and 9 stations worth Baht 15,002 million as 64% of work completed;
- Dhaka Mass Rapid Transit Development Project, Contract No.CP-06 in Bangladesh operating the construction of elevated way and 4 stations under the SMCC-ITD joint venture worth Baht 7,081 million as 37% of work completed; and
- Construction of Integrated Passenger Terminal Building at NSCBI (Netaji Subhash Chandra Bose International) Airport, Kolkata, India contract UG-2 worth Baht 18,238 million as 90% of work completed.

Steel Structures

In the past year the Company, a center in Wiharn Dang, Saraburi province, has operated steel structure work to support many of the construction projects e.g.:

- Gold Line Mass Transit Feeder System Project: steel structure;
- MRT Green Line Project: steel structure of roofs, stairway walkway, and skywalk;
- Bang Pakong Combined Cycle Power Plant Project: steel structure;
- Track Doubling Project: Map Kabao - Thanon Chira Junction and Hua Hin-Prachuab Kirikhun: steel structure of the bridge work; and
- Mae Moh Mining Project phase 9: steel structure;

to name a few.

The steel work the Company has produced in the previous year was a total of 5,375 ton. Apart from the steel structure, the Company has established the Framework Center to produce frame work in supporting projects work such as elevated way, elevated railway, and buildings. The production were specifically made to order and since the center is under the Company's management, the qualification of the product is precise, and the workpiece can be delivered easily and timely. The steel work is fabricated in the center and will be distributed to the work site to assemble and set up. This way, we can control the production efficiency, the structure quality, and the cost, including the project finishing time period.

Telecommunications

The telecommunications work projects completed in the previous year is the Improvement of Distribution System into Underground Cables, Under the Electrical System Development Project in Large Cities Phase 1 (Lot 5) for Pattaya Municipality, Chonburi, worth Baht 315 million.

The Company simultaneously following up on the national projects, for example:

- 33 Kv Submarine Cable Extension To Koh Tao, 45 km, worth Baht 1,800 million;
- Samui project, circuit 4 worth Baht 1,700 million; and
- 33 Kv Submarine Cable Extension To Koh Panyee, Phang Nga worth Baht 190 million;

to name a few.

Underwater cable extension work, apart from meeting its purpose, it also reduce environmental side effect and not disturb the tourism sight of the islands. It is seen that every organization concerned are pushing this type of projects to work rather than high power electricity facility on ground. With the future tendency being implied, the Company is adept to operate projects of this field with extensive experiences and tools. The Company carefully plans on taking on such projects.

1. Risks related to business

1.1 Our revenues and our potential revenue growth are highly dependent on Thai public sector contracts, Government policy and the Thai economy.

We conduct a substantial portion of our operations in Thailand. In 2020, we generated 69.9% of our construction service revenues in Thailand. The Thai economy had been expanded in 2020. Real GDP in Thailand grew -6.2% in 2020, 2.3% in 2019 and 4.2% in 2018. Real GDP of the construction industry increased 2.3% in 2020, 1.6% in 2019 and 2.3% in 2018 (Source: NESDC). In 2020 there is a decrease of growth in public sector and residential construction in Bangkok in private sector. We cannot predict how long the current economic expansion will continue, if at all, or whether another financial or economic crisis will occur in the future. Factors that may adversely affect the Thai economy include:

- Decreases in business, industrial, manufacturing or industrial activity in Thailand or in the region or in global;
- Discontinue of pushing economic system by the government's monetary and fiscal policy in local or in global;
- Scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the region;
- Exchange rate and oil price fluctuations;
- A prolonged period of inflation or increase in regional interest rates;
- Changes in taxation;
- An outbreak or pandemic such as Coronavirus Disease 2019 (commonly known as COVID-19), Severe Acute Respiratory Syndrome (commonly known as SARS), avian influenza (commonly known as the bird flu), or the emergence of another highly infectious disease in Thailand or in other countries in the region;
- Political instability, coup d'état, terrorism or military conflict in Thailand and other countries in the region or globally;
- A continuation of or increases in the level of unrest in southern Thailand and Other regulatory, political or economic developments in or affecting Thailand; and
- Natural calamity and other calamities.

Any economic recession or other deterioration in Thailand's economy, or decline in business, industrial, manufacturing or financial activity in Thailand, could adversely affect our business financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations and prospects. In addition to our business concentration in Thailand, our business is also highly dependent on Thai public sector spending. Our major customers are the government and its state-owned enterprises, such as the Electricity Generating Authority of Thailand, the Mass Rapid Transit Authority of Thailand, the State Railway of Thailand, the Dhaka Mass Transit Company Limited, and the Chulabhorn Royal Academy. Our Thai public sector customers accounted for 61.0% and 70.3% of our construction revenues in 2020 and 2019, respectively, and 72.8% and 71.1% of the Company, the subsidiaries with the Company's construction role and portion of the Company backlog as of December 31, 2020 and 2019, respectively.

For risk mitigation, the Company also provided construction services to the high potential and reliable customer in private sector. While published government plans for Thailand provide for increased government expenditure on capital infrastructure projects, any significant budgetary reductions by the Thai government would adversely impact the amount of new public sector construction contracts awarded and either this or any disruption of our relationship with the Government for any reason, would materially and our business, financial condition, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.2 The infrastructure projects that we undertake involve significant risks that could adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations and prospects.

A significant portion of our revenues, particularly those relating to large infrastructure projects, are derived from contracts with governments, government-related entities or private companies holding concessions from government agencies within and outside Thailand. This exposes us to certain risks not associated with other types of construction projects. For example, many of these large infrastructure projects are high profile, which can result in increased political and public scrutiny of our work. In addition, these projects tend to be relatively complex, which requires us to commit a significant amount of resources and working capital to these projects. Such types of projects are also subject to delay or modification due to environmental considerations.

Because these projects are publicly funded, changes in government budget and policy considerations could result in delays or changes to these projects. Payments to construction companies providing services to these projects, including us, may also be delayed as a result of disputes with government agency or lenders to the projects. Delays in payments to us would adversely affect our cash flows and any disputes and changes in budget and policy considerations could affect our reputation and the availability of financing for future projects, all of which would adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.3 If we are unable to accurately estimate the overall risks, revenues or costs on our contracts, or fail to agree to the pricing of work done pursuant to unapproved change orders, we may incur lower than anticipated profit or incur a loss on the contracts.

Substantially of our construction contracts are either fixed price or fixed unit price contracts. The terms of these contracts require us to guarantee the price of our services on a fixed price or a fixed unit price basis and assume the risk that the costs associated with our performance will not be greater than we anticipated. As a result, we will only realize a profit on these contracts if we have successfully estimates or other factors, costs and avoid cost overruns. Cost overruns, whether due to inefficiency, inaccurate estimates or other factors, result in a lower profit or a loss on a project. Our project cost estimates are subject to a number of assumptions. Although we anticipate increased labor costs and materials costs in our bids, the revenue, cost and gross profit realized on a fixed price or fixed unit price contract may vary from the estimated amounts because of many factors, including changes in job condition, variations in labor and equipment productivity over the term of the contract and unexpected increases in costs of materials and labor.

Some of our construction contracts contain an escalation formula to accommodate unexpected increases in materials and labor costs. However, we are typically required to bear some portion of the increase before we can make a claim under the escalation formula. In any event, the escalation formula may not cover the full increase in cost for our materials or labor. If our estimates of the overall risk, revenues or costs prove inaccurate, or circumstances change, or if the escalation formula in our contracts does not cover the full increase in costs, we may incur a lower profit or a loss on our contracts, which could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

We are frequently required to perform extra or “change order” work as directly by the customer even if the customer has not agreed in advance on the scope or price of the work to be performed. This process may result in disputes over whether the work performed is beyond the scope of the work included in the original project plans and specifications or, if the customer agrees that the work qualifies as extra work, the price the customer is willing to pay for the extra work. Even when the customer agrees to pay for the extra work, we may be required to fund the cost of such work for a lengthy period of time until the change order is approved and funded by the customer. Also, these unapproved change orders, contract disputes or claims result in costs to us that cannot be billed for a period of time and, therefore, are reflected as “unbilled receivables” in our balance sheet. To mitigate the said risk, the Company set up business units to have business plan and follow up each construction contract for delivering to customers under agreed terms and conditions; however, we cannot assure you that we will be able to amend contracts, invoice or recover the cost and profit margin for the extra or change order work in full or at all, which may lead to business disputes or may otherwise adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.4 We are reliant on a small number of clients.

We generally target large government entities as clients. As a result, at any point in time a small number of clients may account for a substantial portion of our revenues and backlog such as the Electricity Generating Authority of Thailand, the Mass Rapid Transit Authority of Thailand, the State Railway of Thailand, the Dhaka Mass Transit Company Limited, and the Chulabhorn Royal Academy accounted for 29.4% and 43.4% of our construction revenues in 2020 and 2019, respectively, and 49.1% and 57.7% of the Company, the subsidiaries with the Company’s construction role and portion of the Company backlog as of December 31, 2020 and 2019, respectively. To prevent these risks, we participated in bidding both of public and private sector with more vary group of clients. If any of these clients ceases to provide us with new work or if there are any significant disputes relating to any of our contracts with any of these clients, this could temporarily disrupt our business, which could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.5 We may face intense competition, which could reduce our market share and profits.

The construction business in Thailand and throughout Asia is highly competitive. New project awards are typically determined through a competitive bidding process, and after potential bidders pre-qualify to bid on a project, the principal competitive consideration is the price of the bid.

There is increasing competition for construction projects in Thailand and other parts of Asia from both Thai and foreign construction companies, particular from China, Japan and Korea, some of whom have financial and operational resources greater than ours. As a result, we may need to accept lower profit margins or make other concessions in order for us to be able to successfully compete. If we are unable to compete successfully, our relative market share and profits would be reduced, which would materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.6 Our participation in joint ventures exposes us to liability for failures of our joint venture partners.

We sometimes enter into joint venture arrangements with outside partners on a joint and several basis so that we can jointly bid on and execute a particular project when we require specialized experience or technology, when we want to upgrade our bidding eligibility or when we want to reduce our financial or operational risk with respect to such projects. Success on these joint venture projects depends in large part on our ability to operate effectively with our joint venture partners and on whether our joint venture partners perform their contractual obligations. We mitigate risks by analyzing backgrounds, qualifications and other information of those who willing to join in joint ventures. If one of our joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions, we could be required to make additional investments and provide additional services to make up for our partner's shortfall. In addition, if the owner of a project is entitled to damages or penalties under a joint venture contract for any reason, we could be required to bear our joint ventures' shares of the damages or penalties if our joint venture partner fails to pay its share. Furthermore, if we or joint ventures are unable to adequately address [our partner's] performance issues, the project owner may terminate the project, which could result in legal liability to us, harm our reputation and reduce our profit on a project, which cold materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.7 Our construction projects outside Thailand exposes us to political and economic risks in those countries.

We are seeking to increase the portion of our business that we undertake in countries outside Thailand even though our work outside Thailand accounted for 30.1% and 32.6% of our construction revenues in 2020 and the 2019, respectively and 32.2% and 28.9% of the Company, the subsidiaries with the Company's construction role and portion of the Company backlog as of December 31, 2020 and 2019, respectively including projects in Laos, Myanmar, Indonesia, Vietnam, Bangladesh, India, and Mozambique. We also expect to bid and be awarded for new construction contracts in these and other countries.

The political, economic and security situations in some of these countries has been unstable from time to time in the past, and the governments of some of these countries have occasionally intervened in the economies, and made significant changes in policies, of these countries. An example of an act of intervention is an imposition of currency controls by a country in which we have a project, which could affect our ability to repatriate our earnings arising from the project out of that country. Any future political instability or economic slowdown or recession in these countries could affect our existing contracts and/or result in slower growth in the number and size of larger infrastructure and construction projects, which could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.8 Our results of operations depend on the timing of new contract awards and the timing of the performance of these contracts.

At any point in time, we may derive a substantial portion of our revenues directly or indirectly from a limited number of large construction contracts. The amount of work to be done under a contract, and therefore the timing and amount of revenue that we recognize, varies depending on the project duration and on the stage of the construction that is being performed at any particular time. There is typically less constructions work at the beginning and at the end of a construction project, resulting in our recognizing les revenues at these stages, compared with the amount of work that we perform in the middle of a construction project, when we recognize more revenues. Therefore, our results of operations tend to fluctuate depending on the duration and stage of our contracts at any particular time and the composition of contracts within our portfolio at any one time. We cannot predict whether or when we will receive awards of new contracts frequently involve a lengthy and complex bidding and selection process, which is affected by a number of factors, including market conditions, financing arrangements and governmental approvals. The timing of the revenues and cash flows from our projects can be delayed by a number of factors, including availability of labor, weather conditions, delays in receiving material and equipment from suppliers and changes in the scope of work to be performed. These delays, if they occur, could have an adverse effect on our operating results for a particular period. As a result of the foregoing, our results of operations and cash flows can fluctuate significantly from period to period.

1.9 Risk on Dawei project

On 5th of August 2015, Italian-Thai Development Public Company Limited ("ITD") along with its Consortium Partners, through the registered companies in Myanmar ("Project Companies"), signed the Concession Agreements with the Dawei Special Economic Zone Management Committee

(“DSEZ MC”) of the Republic of the Union of Myanmar 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 infrastructures and utilities. The details of the Concession Agreements are as follow:

- 1) The Initial Industrial Estate (including power and water distribution network) and Two-lane Road connecting the DSEZ area and Thailand Border at Ban Phu Nam Ron, Kanchanaburi Province
- 2) Small Port
- 3) Initial Township
- 4) Small Water Reservoir
- 5) Boil-off Gas and Temporary Power Plants
- 6) Initial Phase Power Plant
- 7) Telecommunications Landline
- 8) LNG Terminal*

*(Concession Agreement signed on 29th March 2016)

The progress and details of projects are in the Note 18 to financial statements. The risks from the project may cause an adverse effect on the Company’s business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.10 Risk on granting potash mining license

The process of granting the underground mining license conducts under the Minerals Act of the Ministry of Industry. The progress and details of project are in the Note 19 to financial statements. The risks from the project may cause an adverse effect on the Company’s business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.11 Risk on the other investments

In addition to the Dawei project and Potash mining project, the Company invested in subsidiaries, associated and joint control companies and joint ventures, the other long-term investments, the land awaiting development, the investment properties and the deferred concession costs and cost of project under development as of December 31, 2020 totaling Baht 8,815 million. The investment’s objective to increase revenues and decrease expenses according to the policy of vertical integration and economy of scale to reduce risks from uncertainty of future turnovers; however, the limitations, conditions and delaying possibility of each entity might not be accomplished those objectives and might be set up provision on impairment which could have an adverse effect on the Company’s business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.12 Risk on the COVID-19 pandemic

At the end of 2019 and throughout 2020, there had been globally COVID-19 pandemic, including Thailand and abroad. The Company’s revenues from India and Bangladesh accounted for 25.0% and 28.2% in 2020 and 2019, respectively. The Company and its affiliates were impacted by government measures from the Lock Down order and related measures to cease the pandemic which affected the procurement, the movement of materials and labor as well as the increase of related costs and also including the extension of time for the construction projects which resulted in lower income and higher cost. Even in 2021, the vaccines will be begun in use to prevent disease. Amid the mutation, these measures may not prevent or control the spread of the said disease. The spread of disease could have an adverse effect on the Company’s business, business development, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

2. Risks related to production

2.1 Our failure to meet schedule requirements of our contracts could require us to pay liquidated damages.

Our substantial contracts are subject to specific completion schedule requirements with liquidated damages charged to us if we do not achieve the construction schedules. Liquidated damages are typically levied at the rate of 0.05%-0.1% of the contract value for each day of delay that is deemed to be our responsibility, subject to a maximum liability of 10%-15% of the contract value. We cooperate and report the progress of project to clients and related parties to finalize the scope of works and time schedule; however, any failure to meet our schedule requirements of our contracts or any contracts with untypical rate could cause us to pay significant liquidated damages, which could adversely affect our liquidity and cash flows and have a material adverse effect on our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

2.2 Our projects expose us to potential liability claims.

We construct many projects where design, construction or systems failures can result in substantial hazards or property damages to third parties. The mistakes of such projects subsequent to their completion can result in similar hazards and damages or environmental impacts and pollution in noise, dust, smoke spreading, collapse or crack of nearby buildings during construction or after construction. Litigation arising from any of these occurrences may take us to be defendant in lawsuits asserting large claims or subject us to significant regulatory penalties. Although we maintain insurance policies with coverage to the extent and in amounts we believe prudent to protect us from these potential claims, we cannot assure if our insurance coverage will be sufficient or the conditions in the insurance policy cover all circumstances or against all damages to which we may be liable. A successful claim against us or any of our subsidiaries, associated companies or joint ventures could result in significant liabilities for us and could have a material adverse effect on our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

2.3 We may not be able to fully realize the contracts value of our projects or the value of our backlog.

We use our backlog as a general indicator of our level of work to be completed. Backlog represents our estimate of the contract value of work that remains to be completed at any given time under our executed project contracts. The contract value of a project represents the amount that we expect to receive under the terms of the contract if the contract is performed in accordance with its terms. The Company and portion of the Company backlog amounted to Baht 121,581 million and Baht 112,225 million as of December 31, 2020 and December 31, 2019, respectively. We may not realize the contract value of our projects or the revenue we expect to receive from our backlog or, if we realize revenue, it may not result in profits. For example, if a project reflected in our backlog is terminated, suspended or reduced in scope, it would result in a reduction to our backlog, which would reduce, potentially to material extent, the revenue, cash flows and operating profit we actually receive from the contracts we include in backlog. If a customer cancels a project, we may be reimbursed for certain costs, but we typically would have no contractual right to the total revenues reflected in our backlog. Significant cancellations or delays of projects in our backlog could have a material adverse effect on our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

2.4 We are dependent upon the availability and cost of materials, labor and sub-contractors.

Materials used in our construction projects typically represent approximately 25% to 40% of our total project costs. These materials are global commodities, and their availability and prices depend on local and global market conditions. We have made Fixed Unit Price in some projects for substantial materials to control construction costs. If there is a shortage of these materials, particularly cement and steel, we may find it difficult to obtain the amounts of these materials that we require at a price which we believe is commercially acceptable or at all, which may materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

Our ability to control labor costs and to manage large infrastructure projects is dependent upon our ability to attract and retain qualified engineers, architects and technicians with sufficient experience in the engineering, design and construction of such projects. We have employed, and we expect to continue to employ, sub-contractors to perform some of our construction activities. For a description of the circumstances under which we employ subcontractors to provide services. We and our sub-contractors are dependent upon the availability of workers, particularly when the level of activity in the construction industry is high. If there is a shortage of trained engineers, architects, technicians and other workers in Thailand, we may have difficulty hiring adequate numbers of skilled personnel and other workers, directly or through sub-contractors, in the future. We also cannot assure you that the costs of retaining or employing skilled personnel or other workers will not exceed our estimates, which may materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

3. Risks related to finance

3.1 Our inability to obtain bonds and other financing could limit the number of projects we are able to pursue.

It is customary in the construction industry, and we are typically required, to provide surety bonds to bid for and to secure our performance under construction contracts. Our ability to obtain surety bonds primarily depends upon our capitalization, working capital, past performance, management expertise and other external factors, including the overall financial capacity of the surety companies and banks. Surety companies and banks consider these factors in relation to their risk management policies and underwriting standards, which may change from time to time. During the Asian financial crisis and our reorganization, some providers of surety bonds required us to pledge cash deposits or provide other forms of security with them to secure our contingent obligations under the bonds. The pledges of cash affected our liquidity and working capital resources.

Since the completion of our business reorganization, providers of surety bonds have generally not required us to pledge cash deposits. While we have not had any material difficulties in obtaining surety bonds after our business reorganization, we cannot assure you that we will continue to be able to obtain the bonds required for us to operate our business either on a secured or unsecured basis, on commercially reasonable terms or at all, which would materially and adversely affect our business, financial condition, results of operations, prospects and returns of investors.

We may also require additional financing to provide needed additional working capital to finance start-up costs of projects (including the purchase of materials and equipment) before we receive payment under a contract. Our ability to arrange for financing will depend, in part, upon factors outside our control, such as a financial institution's lending policy and prevailing market conditions, as well as upon our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations and prospects. Our inability to obtain adequate financing to fund our working capital requirements could adversely affect our ability to perform our obligations under existing contracts and our ability to obtain new contracts, which could have a material adverse effect on our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, prospects and returns of investors.

3.2 We have significant contingent liabilities that could materialize, which, if they materialize, could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations and prospects.

We have significant contingent liabilities that could arise under the terms of our business reorganization plan, under the surety bonds that we procure for our construction projects and under the terms of our guarantees of our subsidiaries and under the terms of certain of our construction projects.

Surety Bonds and Guarantees

Our contingent liabilities under surety bonds amounted to Baht 68,966 million and Baht 68,453 million as of December 31, 2020, and December 31, 2019, respectively, and our contingent liabilities under guarantees that we issued to financial institutions to secure credit facilities granted by those financial institutions to our subsidiaries, associated companies and joint ventures amounted to Baht 4,280 million and Baht 3,503 million as of December 31, 2020 and December 31, 2019, respectively. A call on some of these bonds by a project owner would result in the financial institutions providing the bonds claiming the amounts paid under the bonds from us. In addition, a claim on some of these guarantees by a financial institution could subject us to liabilities under the guarantees. These factors may adversely affect our liquidity, which could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

Litigation

The Company had received notices from various customers claiming for compensation for breaches of contracts totaling Baht 1,296 million (the separated Company of Baht 423 million). Currently, these claims are under consideration of Civil Court of Baht 1,036 million and Arbitration Tribunal of Baht 260 million. The Company is unable to estimate the timings of cash outflows (if any) in respect of such claims since the results of the claims are depending on the decisions of the Court and Arbitration Tribunal which outcome cannot presently be concluded. Because some cases are brought without proper justifiable grounds, the Company does not make any provision for liabilities in the accounts.

However, if the legal disputes terminate with the Company's indemnify materially, they could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

3.3 We may need to establish additional provisions for doubtful receivables and recognize additional losses on the diminution in value of our investments which, if they materialize, could materially and adversely affect our business, financial condition, ability to pay debts, financial covenants in the loan agreements and the terms and condition of bonds, results of operations and prospects.

Historically, we incurred significant amounts of trade receivables from related and non-related parties and loan receivables from related parties. In addition, we also had significant amounts of investments in related and other parties.

As of December 31, 2020 and December 31, 2019, we had the net trade account receivable, the current portion of financial lease receivable and the retentions receivable due within one year amounting to Baht 15,683 million and Baht 20,824 million, respectively. The Company recognized the impairment of receivables by forward-looking "expected credit loss" model, except some receivables details as in the Note 9 to financial statements.

In addition, future non-payments of our trade and loan receivables and a diminution in the value of our investments may result in our having to establish provisions equal to the amount of such non-payment or the amount of such diminution in the future, which could materially and

adversely affect our business, financial condition, ability to pay debts, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

3.4 Risk on credit rating

September 8, 2020, the Company Rating and Issue Ratings on the senior unsecured debenture was “BBB-” with Outlook “Stable” reflected the Company’s solid market position in the domestic engineering and construction (E&C) industry and its sizable project backlog. Conversely, the ratings were constrained by ITD’s debt-heavy financial profile, the intense competition, and potential delays in public construction project bidding. The ratings were also held back by several ailing investments which remain burdensome and impede turnaround. The credit rating’s change could adversely affect our business, financial condition, results of operations, prospects and returns of investors.

3.5 Risk on financial instruments

In accordance with the TFRS 9 Financial Instruments defined new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting. The company had several types of risks on financial instruments mainly including credit risk, liquidity risk and market risk details in Note 7 to the financial statements which the Company prevent these risks to financial statements without speculation purpose. However, preventing or not preventing these risks could materially and adversely affect our business, financial condition, ability to pay debts, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

4. Risks related to the impact of rights or investment of security holders

4.1 Risks from the Company had major shareholders over than 25%

As of January 29, 2021 the Thailand Securities Depository Co., Ltd. reported the shares distribution of major shareholders including the directors, the managements and related persons totally 1,317,221,103 shares or 24.95% of the paid-up capital (common share only). If these major shareholders hold shares more than 25%, they might be able to have the right to objection or to disapprove the vote in the shareholders’ meeting in whatever the articles of association or related regulation to take approval not less than 3 out of 4 of the whole existing shareholders in such meeting and had right to vote.

4.2 Risks from the covenant of the Company’s debentures and financial institutions

The Company committed to maintain the debt to equity ratio not excess than 3.0 times under the conditions of debentures and some banks on each consecutive half year and ended year on its consolidated financial statements. As at December 31, 2020 and 2019, the debt to equity ratio from the Company’s consolidated financial statement for debentures were 2.41 times and 2.53 times respectively and for banks were 2.76 times and 2.83 times respectively. The Company and its affiliates must also maintain the covenants under the terms and conditions of theirs financial institutions. In case the said covenants could not be maintained, the related facilities might be payable immediately and could adversely affect our business, financial condition, results of operations, prospects and returns of investors.

4.3 Risks from the call option of debenture

According to the Company issued “the Unsubordinated and Unsecured and Callable Debentures of Italian-Thai Development Public Company Limited No. 2/2560 Due B.E. 2565” (“ITD226A”), The Company can exercise call option or prepay the whole or any portion, in a single or multiple call, of debenture before the maturity date on June 29, 2022 started from the 2rd anniversary year of issuance date. The said redeemed debenture shall not be less than 25% of the outstanding debentures and shall be redeemed in the proportionate of each bondholder held. The bondholders will be paid the fee at 0.25% of the redeemed debenture. The call option of debenture might cause the bondholders’ risks to estimate cashflow from debenture.

4.4 Risks from reinvestment in debenture

In case the debenture issuer exercises the call option or the ordinary mature of debentures, the bondholders might not be able to reinvest the receipt from early redemption in other equal or higher return instruments.

Marketing and Competition

Competition in the local construction industry is intense. New project awards are typically determined through a competitive bidding process, and after potential bidders pre-qualify to bid on a project, the principal competitive consideration is the price of the bid. This increase in competition for construction projects has led to price competition and a general decrease in contract prices.

Clients

We classify our clients in two ways – by the type of client and by the location of client. The type of client is determined by whether the public sector (including state-owned enterprises), or the private sector. The location of the client is either domestic or international and is determined by whether the work we perform for the client is in Thailand or outside Thailand. As of December 31, 2020, the public sector accounted for approximately 72.8% of the Company, the subsidiaries with the Company's construction role and portion of the Company backlog, while the private sector accounted for approximately 27.2%. Domestic clients accounted for approximately 67.8% of the Company and portion of the Company backlog as of December 31, 2020 while international clients accounted for approximately 32.2%.

Backlog by Client Classification	As of December 31,		
	2020	2019	2018
Public Sector Backlog	72.8	70.3	70.1
Private Sector Backlog	27.2	29.7	29.9
Total	100.0	100.0	100.0
Domestic	67.8	71.1	67.9
International	32.2	28.9	32.1
Total	100.0	100.0	100.0

In 2 years, the public sector backlog is around 70% of total backlog. The public sector is 72.8% and 70.3% of total backlog at the year ended of 2020 and 2019, respectively.

Competition

There are companies operating in the construction business who are members of the Thai Contractors Association, including Thai companies, foreign companies and joint ventures between Thai and foreign companies. Competition is mainly based on price, but a key factor that affects the ability to price a bid competitively is the sourcing of materials. The fluctuation of the price of materials has an impact upon the construction industry because the value of materials typically represents approximately 30 to 40% of the entire project cost. Other than the availability of materials, significant competitive factors include the expertise and experience of employees and subcontractors, as well as joint venture formation for technological support and business alliances.

The public sector agencies typically only allow contractors who meet certain criteria to bid for contracts. Construction contractors may be divided into classifications by level of potential, experience, expertise, technical knowledge and resource availability. Contractors who are classified in the highest level typically pre-qualify to bid for all types of contracts. The public sector agencies also encourage contractors to participate in bidding contracts under their own individual potential to complete the public sector agencies' objective. The contractors can convey their own business and strengthen continuous improvement.

The following table sets forth the large construction contractors in Thailand that are listed on the SET and their reported revenues for 2020:

Company Name	Revenues (million Baht)	% of Total
Italian-Thai Development Public Company Limited	55,390.3	27.8
Sino-Thai Engineering Public Company Limited	36,182.3	18.1
CH. Karnchang Public Company Limited	18,442.2	9.2
Uniq Engineering and Construction Public Company Limited	10,891.2	5.5
Nawarat Pattanakan Public Company Limited	9,928.9	5.0
Others	68,579.1	34.4
Total	199,414.0	100.0

Source: Financial Statements 2020 from the Stock Exchange of Thailand

Corporate Information and Other Information

General Information

(1) Corporate Information

Company Name	Italian-Thai Development Public Company Limited
Type of Business	Contractor : Civil and Infrastructure Construction and Development
Head Office	2034/132-161 Italthai Tower, New Petchburi Road, Bangkok, Huaykwang, Bangkok 10310, Thailand
Registration No.	0107537000939
Telephone	+66(0)2716-1600
Facsimile	+66(0)2716-1488
Homepage	www.itd.co.th
Email	cccs@itd.co.th
Registered Capital	Baht 6,337,920,861 (Six Thousand Three Hundred and Thirty seven Million, Nine Hundred And Twenty Thousand, Eight Hundred and Sixty One Baht)
Paid-up Capital	Baht 5,279,868,944 (Five Thousand Two Hundred and Seventy-Nine Million, Eight Hundred Sixty Eight Thousand, Nine Hundred and Forty Four Baht)
Ordinary Shares	Shares 6,337,920,861 (Six Thousand Three Hundred and Thirty seven Million, Nine Hundred and Twenty Thousand, Eight Hundred and Sixty One Baht)
Par Value	Baht 1.00 (One Baht)

(2) Information on Related Companies with Investment Exceeding 10%

ITD's investment in Related Companies, in excess of 10% of the paid-up capital as of December 31, 2020 is as reported below:

1. Lines of construction and public utilities work including a line of construction support and a line of overseas investments

Company Name (Thousand THB)	Head Office	Tel./ Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
Subsidiary Companies						
1. Italian-Thai International Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Holding company	4,580,000	100	99.99
2. PT. Thailindo Bara Pratama	Indonesia	Tel. 001-628-522-3158 Fax 001-625-4177-1166	Coal digestion services	1,038,674 (Million IDR)	100	99.99
3. Thai Pride Cement Co., Ltd	Bangkok	Tel. 0-2716-0750 Fax 0-2716-0750	Manufacture and distribution of cement	1,300,000	100	99.99
4. Italian-Thai Land Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201	Not yet operational	422,000	100	99.99
5. Italian-Thai Power Co., Ltd.	Bangkok	Tel. 0-2716-1160-4 Fax. 0-2716-1169	Production and distribution of electricity	650,000	100	99.99
6. ITD Construction SDN. BHD.	Malaysia	Tel. 603-2284-1370 Tel. 603-2284-1370	Construction Service in Malaysia	0.75 (Million MYR)	75	99.99
7. Nha Phralan Crushing Plant Co.,Ltd.	Saraburi	Tel. 0-3635-1155 Fax 0-3635-1155	Rock quarrying, processing and distribution	31,000	100	99.99
8. ITD Bangladesh Co., Ltd.	Bangladesh	Tel. 009-88-02-988-6543 Fax 009-88-02-988-6543	Construction services in Bangladesh	4 (Million BDT)	100	99.99
9. ITD-Madagascar S.A. Co., Ltd.	Madagascar	Tel. (261) 20 22 019 61 Fax (261) 20 22 019 60	Mining business	3,567 (Million MGA)	100	99.98

Company Name (Thousand THB)	Head Office	Tel/ Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
10. Italian-Thai Hongsa Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 1800 Fax 0-2716-1556	Coal digestion services	250	25	99.97
11. Myanmar Italian-Thai Power 1 Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	250	25	99.95
12. Palang Thai Kaowna Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	459,000	100	99.99
13. Saraburi Construction Technology Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Manufacturing, distribution and installation of concrete panels	250	25	99.93
14. Siam Concrete and Brick Products Co., Ltd.	Pathumthani	Tel. 0-2501-2281-2 Fax 0-2501-2280	Manufacturing, distribution and installation of concrete products for real estate	126,000	100	99.80
15. ITD Mozambique Limitada	Mozambique	Tel. 258-849000719	Construction Service in Mozambique	1,373,615 (USD)	100	99.00
16. Italthai Marine Co., Ltd.	Samutprakarn	Tel. 0-2387-1056 Fax 0-2387-1056	Production and sale of vessels and equipment	810,000	100	92.59
17. Italthai Trevi Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 6076	Foundation and piling work services	80,000	100	90.94
18. Italian-Thai Development Vietnam Co., Ltd.	Vietnam	Tel. 84-8-382-79182 Fax 84-8-382-79184	Not yet operational	6,000 (Million VND)	100	80.00
19. Palit Palang Ngan Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	123,000	100	78.16
20. Asian Steel Product Co., Ltd.	Rayong	Tel. 0-3860-6024 Fax 0-3860-6114	Manufacture and distribution of steel pipes for civil construction	20,000	50	69.90
21. ITD Cementation India Ltd.	India	Tel. 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction services in India	172 (Million Rupee)	100	46.64
22. Thai Maruken Co., Ltd.	Bangkok	Tel. 0-2231-2226-9 Fax 0-2231-2230	Foundation construction products rental/selling service	20,000	100	46.64
23. Asian Rail Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1556	Construction services in Thailand	100,000	100	99.99
24. ITD-ARC Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1556	Construction services with State Railway of Thailand	-	-	100
<u>Associated Companies</u>						
1. ATO Asia Turnouts Co., Ltd.	Bangkok	Tel. 0-3636-5311-20 Fax 0-3636-5311-20	Production and distribution of turnouts for railway projects	5,000	100	48.99
2. Siam Pacific Holdings Co., Ltd.	Bangkok	Tel. 0-2745-6118 Fax 0-2745-6118	Holding company	58,625	100	46.69
3. Sino Lao Aluminum Corporation Limited	Lao PDR	Tel. 001-85-620-680-8288	Bauxite mine business	32 (Million USD)	100	34.00
4. MCRP Construction Corporation Co., Ltd.	Philippines	Tel. 001-632-788-0770 Fax 001-632-788-0141	Construction Service in the Philippines	25 (Million PHP)	25	24.00
5. MCRP Holding Corporation Co., Ltd.	Philippines	Tel. 001-632-788-0770 Fax 001-632-788-0141	Holding company in the Philippines	5 (Million PHP)	100	24.00

2. Lines of the Company investment in other sectors, e.g., real estate business, construction material and raw material products, and concession businesses.

Company Name (Thousand THB)	Head Office	Tel. / Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
Subsidiary Companies						
1. Bhaka Bhum Development Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 5057 Fax 0-2716-1464	Real Estate development	20,000	100	99.99
2. Asia Logistics Development Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	1,000	100	99.93
3. Asia Industrial and Port Corporation Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	1,000	100	99.93
4. APPC Holding Co., Ltd	Bangkok	Tel. 0-2716-1600 ext. 4202 Fax 0-2716-1418	Holding company	4,279,987	100	64.52
5. Thai Mozambique Logistica SA	Mozambique	Tel. 258-849000719	Concession for the construction of deep sea port and railway in Mozambique	364,999 (USD)	100	60.00
Associated Companies						
1. First Dhaka Elevated Expressway Co., Ltd.	Bangladesh	Tel. 009-88-02-988-6543 Fax 009-88-02-988-6543	Concession for constructing elevated expressway in Bangladesh	11,095 (Million BDT)	100	51.00
2. Bangkok Steel Wire Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 5808	Production and distribution of P.C. Wire and P.C. Strand	313,000	100	19.98
Related Companies						
1. NISHIO Rent All Co., Ltd. (Thailand) (Former name: Thai Rent All Co., Ltd.)	Bangkok	Tel. 0-2740-2680-7 Fax 0-2740-2688	Construction Machinery Rental service	25,000	100	15.00
2. Charoong Thai Wire and Cable Plc.	Bangkok	Tel. 0-2745-6118 Fax 0-2745-6118	Manufacture and distribution of enamel	1,989,531	100	12.90
3. M-Home SPV 3 Co., Ltd.	Bangkok	Tel. 0-2677-3000 Fax 0-2677-3200	Real estate development	100	100	11.54
4. Siam Fiber Optic Co., Ltd.	Bangkok	Tel. 0-2745-6118 Fax 0-2745-6118	Manufacture and distribution of optic fibers	24,000	100	10.00

3. Lines of Joint Venture which is the cooperation with other experienced companies to gain knowledge in new technologies for the Company's operations especially for public utility work.

Company Name (Thousand THB)	Head Office	Tel. / Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
1. ITD- RT Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	The Construction of Track Doubling Project	-	-	70.00
2. ITD-ITD CEM Joint Venture (Consortium)	India	Tel. 001-91-332-511-2866 Fax 001-91-332-511-2866	Construction of an airport terminal in India	-	-	60.00

Company Name (Thousand THB)	Head Office	Tel. / Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
3. ITD-EGC Joint Venture	Taiwan	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Construction of underground electrical train station in Taiwan	279,852	100	55.00
4. ITD-SINOHYDRO Joint Venture	Bangladesh	Tel. +881791412432	Construction Service in Bangladesh	-	-	51.00
5. ITD-ITD CEM Joint Venture	India	Tel. 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction Service in India	-	-	51.00
6. ITD-SQ Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Contractor for the overburden and lignite removal services at Mae Moh Mine , Lampang	1,710,733	100	50.00
7. SMCC-ITD Joint Venture	Bangladesh	Tel. +880-1713-429355	Construction service in Bangladesh	-	-	49.00
8. IOT Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Airfield Pavement Construction for Suvarnabhumi Airport	-	-	40.00
9. CMC-ITD-Song Da Joint Venture	Lao PDR	Tel. 001-848-120-446-3258 Fax 001-848-120-446-3259	Contractor Nam Theun 1 Hydropower Project, Lao PDR	-	-	30.00
10. ITD-Cem India Joint Venture	India	Tel. 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction Service in India	-	-	20.00
11. CEC-ITD CEM-TPL Joint Venture	India	Tel. 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction Service in India	-	-	18.66

(3) References

■ Register of Common Stock

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Telephone +66 (0) 2009-9000, or Facsimile +66 (0) 2009-999-1

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2. Mr. Kanyanat Sriratchatchaval certified auditor No.6549

3. Ms. Teerasak Chuasrisakul certified auditor No.6624

4. Mr. Narin Churamongkol certified auditor No.8593

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■ Financial Advisor

-None-

■ Management Advisor

-None-

Other Significant Information

-None-

Shareholders

10 Major Shareholders as of January 29, 2021:

Name of Major Shareholders	Number of Shares	Percent of Shares (%)
1. Karnasuta Family	1,312,459,462	24.78
1.1 Mr. Premchai Karnasuta	628,213,626	11.89
1.2 Mrs. Nijaporn Charanachitta	350,815,140	6.64
1.3 Mr. Peeti Karnasuta	463	0.00
1.4 Ms. Prachaya Karnasuta	38,839,766	0.73
1.5 Mr. Thoranis Karnasuta	28,210,960	0.53
1.6 Ms. Jittraphan Charanachitta	50,614,391	0.95
1.7 Ms. Valaithip Charanachitta	50,414,391	0.95
1.8 Mrs. Preeya Karnasuta	2,334,774	0.04
1.9 Mr. Piyachai Karnasuta	23,303,438	0.44
1.10 Ms. Chamaimas Karnasuta	33,243,681	0.62
1.11 Mrs. Bhilaichit Roengpithya	15,805,500	0.29
1.12 Mr. Punsu Roengpithya	8,002,700	0.15
1.13 Ms. Chayaporn Roengpithya	18,680,632	0.35
1.14 Mrs. Orn-ame Karnasuta	29,300,000	0.55
1.15 C.P.K. International Co., Ltd.*	34,680,000	0.65
2. Thai NVDR Company Limited	160,217,972	3.03
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	110,858,249	2.09
4. Mr. Chaiya Sakulchaivanich	44,506,750	0.84
5. N.C.B. TRUST LIMITED – POLUNIN DEVELOPING COUNTRIES FUND, LLC	31,928,508	0.60
6. Mr. Thanapon Lertnantapanya	28,500,000	0.53
7. Mr. Suthep Jirasirikul	28,000,000	0.53
8. EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	25,835,419	0.48
9. Mr. Nat Osatis	25,535,000	0.48
10. Mr. Jasbir Singh Gulati	25,509,300	0.48

Note

* C.P.K. International Co., Ltd. consists of the shareholders as follows:-

Name of Major Shareholders	Number of Shares	Percent of Shares (%)
1. Mr. Premchai Karnasuta	14,360	2.87
2. Mrs. Kanitta Karnasuta	12,500	2.50
3. Mr. Peeti Karnasuta	75,000	15.00
4. Ms. Prachaya Karnasuta	75,000	15.00
5. Mr. Thoranis Karnasuta	75,000	15.00
6. Mrs. Nijaporn Charanachitta	1,860	0.37
7. Mr. Yuthachai Charanachitta	25,000	5.00
8. Ms. Walaithip Charanachitta	25,000	5.00
9. Ms. Jittrapan Charanachitta	25,000	5.00
10. Mrs. Pilaijit Roengpittaya	1,860	0.37
11. Mr. Pansa Roengpittaya	25,000	5.00
12. Ms. Chayaporn Roengpittaya	25,000	5.00
13. Mrs. Orn-ame Karnasuta	1,860	0.37
14. Mr. Atthaphong Terdpravat	35,500	7.10
15. Mr. Jittraphong Terdpravat	35,500	7.10
16. Mr. Piyachai Karnasuta	22,430	4.49
17. Ms. Chamaimas Karnasuta	22,430	4.49
Total	498,300	99.66

Major shareholders who have significant influence on the Company's policy

- None -

Dividend Policy

The Company's dividend policy

The Board of Directors has the policy to propose the Shareholders' Meeting to pay dividends to each shareholder, with expected rates to be paid based on performance, of not less than 40% of net profit after tax in regular cases that there is no any other incidents, and no significant effects on the operation of the Company.

Subsidiary's dividend policy

Regarding the dividend policy of subsidiaries, the Board of Directors shall consider the subsidiaries' operation result and cash flow compared to their investment, without determining the exact payout ratio. If there is sufficient cash flow which has legally been reserved, the Board of Directors shall consider the dividend on a case-by-case basis, except Thai Maruken Company Limited that has already set a dividend policy of not less than 30% of net profit before tax.

Management Structure

The Board of Directors and the Board of Management conscientiously carry out their duties for the maximum benefit of the Company and shareholders through a clearly a defined management structure as follows:

1. The members of the Board of Directors recognize their roles and responsibilities toward the shareholders, and they ensure that they can perform their duties.
2. The Board of Directors and the Board of Management must be properly instituted and counterbalanced as follows:
 - a). Audit Committee, consisting of an Independent Audit Committee functioning in accordance with the stipulations of the Stock Exchange of Thailand, and having the expertise to review the reliability of financial statements as well as other duties as an audit committee.
 - b). Clear separation of duties between the Chairman of the Board of Directors and the Chairman of the Board of Management according to the information disclosed in the corporate governance of the Company.

1. Board of Directors

As at December 31, 2020 the Board of Directors consists of 9 persons as listed below:

Name – Surname	Position	Directors Meetings Number of Attendance / Total Number of Meetings
1. Dr. Krisorn Jittorntrum	Chairman of the Board of Directors Independent Director	5/5
2. Mr. Premchai Karnasuta	Director	5/5
3. Mrs. Nijaporn Charanachitta	Director	5/5
4. Mr. Pathai Chakornbundit	Director	5/5
5. Mr. Tawatchai Suthiprapha	Director	5/5
6. Mr. William Lee Zentgraf	Independent Director	5/5
7. Mr. Peeti Karnasuta	Director	5/5
8. Mr. Thoranis Karnasuta	Director	5/5
9. Mr. Sai Wah Simon Suen	Independent Director	5/5

2. Management

■ Board of Management

As on December 31, 2020 the Board of Management of the Company consists of 19 persons as listed below:

Name – Surname	Position
1. Mr. Premchai Karnasuta	President
2. Mrs. Nijaporn Charanachitta	Director and Senior Executive Vice President
3. Mr. Pathai Chakornbundit	Director and Senior Executive Vice President
4. Mr. Tawatchai Suthiprapha	Director and Senior Executive Vice President
5. Mr. Virat Kongmaneerat	Executive Vice President
6. Mr. Sumate Surabotsopon	Executive Vice President
7. Mr. Thoranis Karnasuta	Executive Vice President and Assistant to the President
8. Mr. Peeti Karnasuta	Executive Vice President
9. Ms. Prachaya Karnasuta	Executive Vice President and Assistant to Director and Senior Executive Vice President
10. Mr. Piyachai Karnasuta	Executive Vice President
11. Mr. Chatichai Chutima	Executive Vice President and Chief Financial Officer (CFO)
12. Mr. Sompop Pinijchai	Executive Vice President
13. Mr. Woravudh Hiranyapaisansakul	Executive Vice President and Company Secretary
14. Mr. Prasit Ratanaramig	Executive Vice President
15. Mr. Kriengsak Kovadchana	Executive Vice President
16. Mr. Sakchai Puetpaiboon	Executive Vice President

Name – Surname	Position
17. Mr. Prasart Kosarussawadee	Executive Vice President
18. Mr. Wichien Roongrujirat	Senior Vice President
19. Mr. Prasert Sanor	Senior Vice President

Remark: Mr. Anan Amarapala, Executive Vice President has retired from August 7, 2020.

- The Management announced by the Securities and Exchange Commission

As at December 31, 2020, the Management of the Company consists of 20 persons as listed below:

Name – Surname	Position
1. Mr. Premchai Karnasuta	President
2. Mrs. Nijaporn Charanachitta	Director and Senior Executive Vice President
3. Mr. Pathai Chakornbundit	Director and Senior Executive Vice President
4. Mr. Tawatchai Suthiprapha	Director and Senior Executive Vice President
5. Mr. Virat Kongmaneerat	Executive Vice President
6. Mr. Sumate Surabotsopon	Executive Vice President
7. Mr. Thoranis Karnasuta	Executive Vice President and Assistant to the President
8. Mr. Peeti Karnasuta	Executive Vice President
9. Ms. Prachaya Karnasuta	Executive Vice President and Assistant to Director and Senior Executive Vice President
10. Mr. Piyachai Karnasuta	Executive Vice President
11. Mr. Chatichai Chutima	Executive Vice President and Chief Financial Officer (CFO)
12. Mr. Sompop Pinijchai	Executive Vice President
13. Mr. Woravudh Hiranyapaisansakul	Executive Vice President and Company Secretary
14. Mr. Prasit Ratanaramig	Executive Vice President
15. Mr. Kriengsak Kovadchana	Executive Vice President
16. Mr. Sakchai Puetpaiboon	Executive Vice President
17. Mr. Prasart Kosarussawadee	Executive Vice President
18. Mr. Wichien Roongrujirat	Senior Vice President
19. Mr. Prasert Sanor	Senior Vice President
20. Ms. Kanchana Charoenyot	Senior Vice President (Accounting) and Chief Accountant

Remark: Mr. Anan Amarapala, Executive Vice President has retired from August 7, 2020.

The Company's Organization Chart is disclosed in Page 5. The Biography of Company's Directors (educational qualification, professional experience and curriculum vitae are depicted in the Annual Report (Section: Board of Directors, Board of Management and Company Secretary)).

3. The Company Secretary

The resolution of the Board of Director's Meeting No.5/6/2008 dated June 9, 2008 appointed Mr. Woravudh Hiranyapaisansakul to be the Company Secretary according to Securities and Exchange Act (No. 4) B.E. 2551. He is responsible for establishing the meetings of the Board of Directors and the meetings of the shareholders, coordinating with other parties to comply with the resolutions of these meetings, advising the Directors on laws and regulations, supporting the Director's activities and other duties according to the notification of the Capital Market Supervisory Board.

The educational qualification, professional experience and curriculum vitae of the Company Secretary is given in the Annual Report (Section: Board of Directors, Board of Management and Company Secretary).

4. Remuneration of Directors and Management

The policies and structures of the remuneration of Directors and the Management are clearly and transparently determined as follows:

4.1 Remuneration of Directors

The Company has determined the Remuneration of Directors clearly and transparently based on comparable industry and the performance required of the Directors. The Directors assigned to be on the Audit Committee receive additional remuneration for full discharge of their Audit Committee duties. In any case, the amount of remuneration to be paid to Directors must be finally approved by a meeting of the shareholders.

4.2 Remuneration of the Board of Management

The remuneration of the Board of Management members follows the principles and policy determined by the Board of Directors and depends on the corporate and individual achievement.

(1) Financial Remuneration

(A) Remuneration of Directors, Audit Committee, and Risk Management Committee as of December 31, 2020

Directors	Remuneration (Baht/Year)		
	Directors	Audit Committee (Bonus Included)	Risk Management Committee**
1. Dr. Krisorn Jittorntrum	750,000	460,000	15,000
2. Mr. Premchai Karnasuta	580,000		
3. Mrs. Nijaporn Charanachitta	580,000		
4. Mr. Pathai Chakornbundit	580,000		10,000
5. Mr. Tawatchai Suthiprapha	580,000		
6. Mr. William Lee Zentgraf	580,000	365,000	
7. Mr. Peeti Karnasuta	580,000		10,000
8. Mr. Thoranis Karnasuta	580,000		10,000
9. Mr. Sai Wah Simon Suen	580,000	365,000	
Total	5,390,000	1,190,000	45,000

(B) Total Remuneration and Number of Directors and Board of Management*

The remuneration of the Board of Management members follows the principles and policy determined by the Board of Directors and depends on the corporate and individual achievement.

- The 20 members of the Board of Management received, in total, remuneration amounting to Baht 136,946,632 for the full discharge of their respective duties.
- The 19 members of the Board of Directors (excluding Executive Vice President (Finance) and Vice President (Account)) received remuneration amounting to Baht 131,984,132 in total for their respective duties.

Remark: in section (B), the Management numbers and remuneration still included Mr. Anan Amarapala, Executive Vice President who has retired in August 7, 2020.

(2) Other remuneration (If any)

Other Remuneration of Board of Management

■ Provident Fund

The Company has provided a provident fund at the rate of 2 percent of the salary. In 2020 (as of December 31, 2020), the 19 members of the Board of Management's contribution to provident fund was amounting to Baht 1,994,590 in total.

5. Human Resources

- Total Number of Employees as of December 31, 2020 was 29,391 persons
- Number of Employees by Major Categories

Categorized by job classification:

- Engineers	=	2,387	Persons
- Accountants	=	268	Persons
- Administrators	=	368	Persons
- General Employees	=	26,368	Persons
Total	=	29,391	Persons

Categorized by the Company's nine business categories as listed below:

1) Buildings	=	7,591	Persons
2) Industrial Plants	=	8,390	Persons
3) Pipelines and Utility Works	=	1,894	Persons
4) Highways, Railways, High Speed Rails, Viaducts, Track Works, MRT Systems, Bridges and Expressways	=	6,149	Persons
5) Airports, Ports, Jetties, River Protection, Dredging & Reclamation and Marine Works	=	1,925	Persons
6) Dams, Tunnels and Power Plants	=	943	Persons
7) Steel Structures	=	368	Persons
8) Telecommunications	=	266	Persons
9) Mining and Miscellaneous	=	1,140	Persons
10) Head Office and Foreigner	=	680	Persons
Total	=	29,391	Persons

■ Changes in employee numbers in the last three years

- Total number of employees as of December 31, 2018	=	32,531	Persons
- Total number of employees as of December 31, 2019	=	32,156	Persons
- Total number of employees as of December 31, 2020	=	29,391	Persons

■ Major labor disputes during the past three years

- None

■ Employee benefits for the year 2020

- Baht 8,063,618,695

Employee Skills Development Policy

The Company recognizes that all employee development is a key part of its success, and believe that all our employees have the potential to grow, both in their work role and personally. The Company also acknowledges the responsibility to help our employees to meet these challenges by providing further education and encourage training, to inspire confidence thus creating a highly qualified effective and efficient team. Also, the co-ordination of the learning and development process is the responsibility of all employees.

The purpose of the Company's training policy is dependent on a number of trained personel at all levels in the organization. In order to ensure as follows:

- Employees are properly trained in the skills they need to carry out their present jobs at a standard acceptable to the Company.
- As far as possible, employees are encouraged to develop their skills and talents to enable them to progress within the Company and reach their full potential.
- All employees will undergo annual refresher training in health, safety and hygiene in all areas relevant to the safe performance of their job.

The Company provides a range of training and development opportunities to all levels of employees within both Operation and Supporting Departments.

The Company is also a training organization for the safety course which is registered by the Department of Welfare and Labor Protection in according to the Ministerial Regulation on The Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment B.E. 2549 as follows:

- The Safety Officer at Supervising Level Program, The Safety Officer at Management Level Program and Occupational Safety, Health and Environment Committee. Registration No. 62-029.

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- The Safety Officer at Technician Level Program. Registration No. 63-012.

The Company has been certified by the Council of Engineers Thailand as the host organization of continuous engineering professional development. The host organization registered No.7006 is praised as follows:

- The award of the outstanding continuous engineering professional development host organization for the year 2019.
- Honorary certificate of a host organization for continuous engineering professional development that is committed to promoting the development of the engineering profession for the year 2020.

In 2020, there are 33 courses. The training programmes required by all levels are:

1. Executive Level

The Company is responsible for the executive management positions value training program aimed at:

- Building a spirit of teamwork to maintain work schedules to achieve assignment success.
- Learning how to planning and working effectively together and accomplish the work to meet the productivity and quality goals.
- Supporting the Leadership and to conduct all activities in accordance with all applicable laws and the Company's standards /policies, including its environmental, safety and health policy.
- Sharing all experience and coaching to other staff to develop skills and potential.
- Educate the general knowledge of various employment and construction's Laws.

The program provided develops the knowledge and skills listed below:

- 1.1 Developing of New Programs for PM/PE
- 1.2 Construction Planning
- 1.3 Safety Officer in Management Level

2. Supervisor Level

The Company knows well that all supervisory staff are the greatest asset, so we provided continuous job training and development of their potential, operations and management with skills to fulfil their principal roles and responsibilities to continually improve their job performance. Assistance is provided to all supervisory staff to build team work, instruct and give the opportunity to work successfully with safety.

The program provided develops the knowledge and skills listed below:

- 2.1 Accountant Saminars
- 2.2 Store Supervisor Seminars
- 2.3 Mat Foundation Casting for One Bangkok
- 2.4 Casting of Precast Viaduct Segment
- 2.5 Managing Project
- 2.6 Design and Construction of MRT Underground Tunnel
- 2.7 Roadwork for Construction
- 2.8 Bridge Construction and Engineering
- 2.9 Emergency Action Planning
- 2.10 Advance Excel for Construction
- 2.11 Production of the Precast Concrete system
- 2.12 Concrete Pouring in Closed Area (Case Study: MRT Blue Line Extension Project Contract 1: Unground Civil Works)
- 2.13 Upgrade to Professional Engineer
- 2.14 E&M Works for Large Building (Fundamental: E&M Related with Structure and Architect)
- 2.15 Steel Structure Works I
- 2.16 Steel Structure Works II
- 2.17 Steel Structure Works III

- 2.18 Basic Autodesk Revit Architect
- 2.19 Hazard Risk Assessment and Management in Construction
- 2.20 The Safety Officer in Supervising Level
- 2.21 The Safety Officer in Technician Level
- 2.22 Supervisory Development Program
- 2.23 ITD Coach & Mentoring Program
- 2.24 New Engineer Development Program
- 2.25 Expat Development Program
- 2.26 Formwork

3. Officer Level

The Company emphasizes staff training course participation and skill development in order to ensure that officer level staff shall keep the Company's goal on track, contribute to the competitive success and strengthen their inspiration by continuous learning and self-development.

The program provided develops the knowledge and skills listed below:

- 3.1 Occupational Safety, Health and Environment Committee
- 3.2 General Safety, health and environment in the workplace
- 3.3 Orientation
- 3.4 Store Supervisor Preparation Course

4. Semi-Skilled Worker Level

To ensure the semi-skilled workers get the opportunity to improve their working skills and thus be able to expand their career path in the Company, with the cooperation of Department of Skill Development, the Company is providing basic training in working skills and safety to advance the qualifications for semi-skilled workers, particularly for technician and mechanical workers.

5. Skilled Worker Level

The Company is providing further education and training programmes to skilled workers, such as bricklayers, woodworker, welder, tiller worker, electrician and ironworker, to improve their skill levels in order to continually improve their job performance, to increase the effectiveness of their career aspirations and to reach the National Standard Skill levels.

6. On the Job Training (OJT)

Starting a new job is a demanding and often challenging experience that benefits from induction training to help new employees become fully integrated into the organization. New employees will undergo a basic introduction training program by their supervising level in order to acknowledge the work procedures, work instructions, work manual, rules and regulations. This is an essential part of new employee's learning and development for integration into the working environment within the shortest period possible and to bring them to an effective standard of performance.

Number of Staff Trained in 2020

Level	People	Hours	Training Man Hours
1. Executive Level	260	15,840	61
2. Supervisor Level	1,688	266,646	158
3. Officer Level	881	6,774	8
4. Semi-Skilled Worked Level	7,196	43,176	6
5. Skilled Worked Level	15,042	90,252	6
6. On the Job Training	9,352	810,333	87

With experiences over half century in construction industry, the key perception that drives us to operate the business efficiently and sustainably is not only to gain financial profit, but also ‘trust’ from stakeholders. By this recognition, in 2004 the Board of Directors then agreed to approve the very first ITD Corporate Governance Handbook, considered as guideline carrying the philosophy, policy and proper manners that the Company’s staff in all levels shall hold and strictly follow.

The Company applies the core principles of good corporate governance, indicated by The Securities and Exchange Commission, Thailand as listed:

1. Fairness

The equality of treatment to stakeholders.

2. Transparency

The accuracy and clearness of the information the Company discloses.

3. Integrity

The morality and integrity that the Company sets and literally applies on operation.

4. Responsibility

The full acceptance of authorities the Board of Directors are given to act on behalf of the Company.

5. Accountability

The obligation and responsibility to clarify the corporate action and decision with reason.

The handbook shall be annually reviewed by the Board of Directors in accordance with current situations. The latest review in 2021 was catered in line with the Securities and Exchange Commission (SEC) and social and economic situation and was approved by the Board of Directors. It was disclosed in the Annual Report and on the Company website (www.itd.co.th).

For the latest 2020 review, it is assessed by the relevant organization and regulator as follows:

- The Thai Investor Association rated “97 Percent” of the Quality Evaluation of the Company’s 2020 Annual General Meeting of Shareholders.
- The results of Thai Institute of Directors (IOD) rated “Very Good” on the Corporate Governance of the year 2020

1. Good Corporate Governance Policy

The Board of Directors determines the Corporate Governance Policy by outlining the Principle of Good Corporate Governance for Listed Companies from the Securities and Exchange Commission (SEC) to be 5 principles as prominently listed:

1. Rights of shareholders

The shareholders rightfully is the corporate owner, and also reserve the rights to operate the Company by means of director nominations. The Company, hence, encourages the shareholders to fully exercise their rights in areas including:

- 1.1 The rights to sell, buy, or transfer shares, to receive the corporate profit, and importantly to receive the corporate information with accuracy and well-rounded detail in time via accessible channel.
- 1.2 The rights to attend the meeting of shareholders and to fully express their rights to vote in any relevant concerns.
- 1.3 The rights to appoint or relieve directors and auditors, and to be a part of any significant corporate decisions as dividend allocation, corporate regulations amendment and connected transactions approval.

2. Equitable treatment of shareholders

Every shareholder, major or minor, including foreign shareholder shall be treated justly and equally. The company has set the guideline as follows:

- 2.1 The Company shall give the shareholders the opportunity to express their opinions, complaints, or make inquiries, and to propose the annual shareholder meeting’s agenda to the meeting of shareholders as applied regulations.
- 2.2 The Company shall ensure that the meeting notification is distributed with complete information in details of meeting location, date and time, meeting agenda, proxy and provide other supporting documents both in Thai and English.

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- 2.3 The Company shall ensure that the shareholders get the opportunity to raise their inquiries regarding the meeting agenda prior to the date of meeting with accessible channel provided.
 - 2.4 The Company shall hold the meeting in the proper place and time aiming to facilitate all shareholders and for most attendants.
 - 2.5 The Company shall ensure that the meeting arrangement is run with equality for all shareholders.
 - 2.6 The Company shall ensure that the Chairman, the Board of Directors, the Chairman of the Audit Committee, the President, and the Director attend the meeting to respond inquiries raised by the shareholders.
 - 2.7 The Company shall disclose the voting result of each agenda proposed to the meeting.
 - 2.8 The meeting resolution together with voting result in each agenda in the meeting shall be disclosed in next business day after the meeting date via SET disclosure system and the Company's website.
 - 2.9 The minutes of the meeting of shareholders must be disclosed with complete information on the Company's website within 14 days after the meeting date.
 - 2.10 One share shall have one vote in vote-casting.

3. Role of stakeholders

The stakeholders must be treated and reserve their rights under the law and regulations related. The Board of Directors shall ensure incorporation with stakeholders to secure financial and business gain including the business' sustainability. There are 6 major stakeholders that the board of directors mainly concerned.

3.1 Shareholders

The Company shall hold the common interest of all shareholders as the main concern to operate the business. Also, the Company shall disclose the corporate information with completeness, accuracy and punctuality.

3.2 Staffs

The Company shall treat the staffs with fairness, respect and honor in terms of payment, welfare, human resources development, occupational health and safety under law and regulations as well as human rights. Moreover, complaints channel and procedure shall be provided appropriately.

3.3 Clients

The Company shall deliver the clients with best quality product and service in reasonable price. The company shall also strictly hold the clients' confidential and follow the condition agreed.

3.4 Partners and Creditors

The Company shall not take any corrupted actions with partners and creditors. The Company shall also strictly follow the conditions agreed with the creditors relevant to any financial concerns; expense spending, capital management, repayment, quality control, security guarantees, due payment and other matters agreed.

3.5 Competitors

The Company shall operate the business with transparency, and neither seek the competitors' confidential information nor ruin their reputation by any chances.

3.6 Public

The Company shall seek the opportunity to contribute the public by making Corporate Social Responsibility (CSR) activities in several dimensions, and also support any activities that can engram a CSR value. Moreover, the Board of Directors properly decided to disclose all CSR activities the Company joined all the year round on form 56-1, Annual Report and the Company's website (www.itd.co.th) as well.

4. Disclosure and transparency

The Board of Directors shall ensure to disclose the corporate information with transparency, accuracy, completeness and punctuality in accordance with SET and SEC regulations by the guideline set as follows:

- 4.1 The Company shall disclose the accurate and complete corporate information on time through accessible and creditable channels.

4.2 The Company shall clarify any news or rumors that might impact on security investment decision.

4.3 In case there is any irregular actions on security transacted, the Company shall consider whether or not any business operations shall be involved with.

4.4 The Company shall not disclose any corporate information with misleading overstating contents that might be consequently impacted on investment decision and prices.

The Company then assigns Corporate Services Division to be the center of Investor Relation to provide, publicize and disclose the corporate information to investors, shareholders, analysts and interested people via accessible channels as SET disclosure system and the Company's website (www.itd.co.th) under guidelines on disclosure of information of listed companies of SET.

5. Responsibilities of the Board

The Board gives precedence to the Corporate Governance Policy, guideline the Board's responsibilities, as they aim for transparency and just. The Corporate Governance Policy is stipulated in accordance with the Corporate Governance Code by Securities and Exchange Commission, and divided into 8 significant parts as follows:

5.1 Role and Responsibilities of the Board in Leadership Awareness

5.1.1 The Board demonstrates a thorough understanding of its leadership role, assumes its responsibilities in overseeing the Company, and strengthens good governance, including defining objectives, determining means to attain objectives, together with monitoring, evaluating and reporting on performance.

5.1.2 To achieve sustainable value creation, the Board exercises its leadership role and pursues the following governance outcomes: competitiveness and performance with a long-term perspective, ethical and responsible business, good corporate citizenship and corporate resilience.

5.1.3 The Board ensures that all directors and executives perform their responsibilities in compliance with their fiduciary duties and that the Company operates in accordance with applicable law, standards and the resolutions of the shareholders' meetings.

5.1.4 The Board demonstrates a thorough understanding of the division of Board and Management responsibilities. The Board clearly defines the roles and responsibilities of sub-committees and managements, also monitors their proper performance of their duties.

5.2 Define Objectives that Promote Sustainable Value Creation

5.2.1 The Board shall define objectives in order to promote sustainable value creation, and governance outcomes with primary concerns on corporate sustainability of company, stakeholders and the public.

5.2.2 The Board shall ensure that the Company's objectives, goals, strategies, annual plans are consistent with the main corporate objectives, while utilizing innovation and technology effectively.

5.3 Strengthen Board Effectiveness

5.3.1 The Board is responsible for determining and reviewing the Board structure in terms of composition, and the proportion of independent directors mainly for accelerating the Company's objectives achievement.

5.3.2 The Board is responsible for holding the Board of Directors' meeting at least once a quarter in order to review the operational result and other matters may concern. In each, the Company shall regularly send all attendees an invitation letter attached with meeting handbook in seven days prior to the day scheduled for the meeting to begin, making sure they shall be able to prepare themselves before each meeting begins.

In addition, a quorum shall be constituted by two-third of total directors. The frequency of the Board of Directors who attended the meeting shall be disclosed on form 56-1 and Annual Report.

5.3.3 The Board shall recruit and appoint the qualified person as the Chairman, and ensure that the Board composition and operation must enable the Board to exercise its independent decisions on any corporate affairs.

5.3.4 The Board shall ensure that the director selection and nomination procedure shall be made through clear and transparent processes aiming to obtain the ideal and qualified directors.

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- 5.3.5 When proposing director remuneration to the shareholders' meeting for approval, the Board shall consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and Company performance, and provide incentives for the Board to lead the Company in meeting its objectives in the short term and long term.
- 5.3.6 The Board shall ensure that all directors, and also CEO are properly accountable for their duties, responsibilities and actions, and also allocate sufficient time to respond their duties with effectiveness by not holding an office in more than five (5) listed companies.
- 5.3.7 The Board shall ensure that the Company's governance frameworks and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment, as appropriate.
- 5.3.8 The Board shall conduct an annual self-assessment for the Board and committees as a whole and individual assessment. The assessment results shall be used to strengthen the effectiveness of the Board.
- 5.3.9 The Board shall ensure that the Board in whole and each director understand their roles and responsibilities, the nature of the business and relevant law and standards. The Board should promote all directors in developing their capabilities, and refreshing their skills necessary to carry out their roles properly assisting by qualified company secretary.
- 5.4 Ensure Effective CEO and Human Resources Management
- 5.4.1 The Board shall ensure that a proper mechanism is in place for the nomination and skill development of both Chief Executive Officer and key executives to ensure that they possess the qualified knowledge, skills, experience and characteristics necessary to productively achieve the corporate objectives.
- 5.4.2 The Board shall ensure that an appropriate remuneration structure and equitable performance evaluation are in place including an appropriate benefit or welfare provided to employees.
- 5.4.3 The Board shall consider their responsibilities in the context of the Company's shareholder structure and relationships, which may impact on corporate management and operation.
- 5.4.4 The Board shall ensure that the company will have the effective procedures on human resources training and development to keep the staffs appropriately knowledgeable, skilled and experienced.
- 5.5 Nurture Innovation and Responsible Business
- 5.5.1 The Board shall prioritize and promote innovation that creates value for the Company and its shareholders together with benefits for its clients, stakeholders as well as the environment, in support of corporate sustainable growth.
- 5.5.2 The Board shall encourage the management to operate the business with responsibility towards society and environment in accordance with the Company's operations plan. This is to ensure that every division and function in the Company shall adopt and carry out the Company's objectives, goals and strategies.
- 5.5.3 The Board shall ensure that management will allocate and manage concerned resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives.
- 5.5.4 The Board shall establish a framework of IT management that shall align with the corporate requirement in order to stimulate business opportunities and performance, strengthen risk management, and support the Company's objectives.
- 5.6 Strengthen Effective Risk Management and Internal Control
- 5.6.1 The Board shall ensure that the Company has effective and appropriate risk management, and internal control systems that are aligned with the Company's objectives, goals and strategies and complied with applicable law and standards.
- 5.6.2 The Board shall establish an audit committee that can act effectively and independently.
- 5.6.3 The Board shall empower as well as facilitate the audit committee with proper facility to perform its responsibility.
- 5.6.4 The Board shall manage and monitor the conflicts of interest that might occur between the Company and directors, management, and shareholders. The Board should also prevent the inappropriate use of corporate assets, information and opportunities, including with inappropriate transactions made with related parties.

- 5.6.5 The Board shall establish a clear anti-corruption policy and practices, including set up the effective procedure to handle with complaints and the proper whistle-blowing channel.
- 5.6.6 The Board shall define the board of directors, and executive management to report to the Board the changes in securities and derivatives holding 1 day in prior of the date the transaction will be made.
- 5.6.7 The Board assigns the Board of directors, and the executive management to report to SEC regarding the changes in securities and derivatives holding report (Form 59) within 3 business days after the transaction is made.
- 5.7 Ensure Disclosure and Financial Integrity
- 5.7.1 The Board must ensure that the disclosure of corporate financial report and other necessary information shall be processed consistent with completeness, accuracy, punctuality and applicable requirements.
- 5.7.2 The Board shall monitor the corporate financial liquidity and solvency.
- 5.7.3 The Board ensures that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated with consideration of stakeholder rights.
- 5.7.4 The Board shall ensure that the corporate social responsibility (CSR) and sustainability report will be made appropriately.
- 5.7.5 The Board shall ensure that the Company will possess a dedicated center responsible for Investor Relations function to provide the regular, effective and fair communication with shareholders and other stakeholders as analysts, or potential investors.
- 5.7.6 The Board ensures that the company shall disseminate corporate information through effective use of information technology.
- 5.8 Ensure Engagement and Communication with Shareholders
- 5.8.1 The Board shall ensure that shareholders will have the adequate opportunity to participate in a significant corporate decision-making, and be facilitated for corporate activity as the shareholders' meeting.
- 5.8.2 The Board shall ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure that all shareholders shall be treated by inclusive and equitable manner in order to be capable to exercise their rights.
- 5.8.3 The Board shall ensure that the disclosure of Shareholder Resolutions and preparation of the Minutes of the Shareholders' Meetings shall be disclosed with accurate information, and timely manner.

2. Sub-Committees

Sub-Committees of the Company was made up with the Board of Directors, with another three boards as the Board of Management, the Audit Committee and the Risk Management Committee. The name list, authorities and responsibilities of each are depicted as follows:

a) Board of Directors

On December 31, 2020, the Board of Directors consisted of nine directors as listed below:

Name – Surname	Position
1. Dr. Krisorn Jittorntrum	Chairman and Independent Director
2. Mr. Premchai Karnasuta	Director
3. Mrs. Nijaporn Charanachitta	Director
4. Mr. Pathai Chakornbundit	Director
5. Mr. Tawatchai Suthiprapha	Director
6. Mr. William Lee Zentgraf	Independent Director
7. Mr. Peeti Karnasuta	Director
8. Mr. Thoranis Karnasuta	Director
9. Mr. Sai Wah Simon Suen	Independent Director

Authority and Responsibility

- To set the Company's vision, mission, strategy, policy and conduct the Company's business execution in an efficient and effective manner for preserving the Company's interest.

2. To direct, manage and supervise the operations of the Company, all in accordance with the Law, the Company objectives, the regulations of the Company and the resolutions of the Shareholders of the Company.
3. To strictly follow the rules and regulations of Stock Exchange of Thailand, The Securities and Exchange Commission regarding the information disclosure and any Acts of a Listed Company in order to make any significant investing information publicly available.
4. To monitor the operations of the Board of Management in compliance with the Company's policies and regulations.
5. To appoint the Executive Directors, the Audit Committee, the Risk Management Committee and other suitable committees to take charge of Company business and management system for the maximum benefit according to the Company policy.
6. To undertake the Company's financial and income status/statement is up-to-date with any necessary corrections and is examined by the Company's financial auditors, in order to get the consideration and approval by shareholders in the Annual General Meeting.
7. To consider and make decisions for any significant projects or investments.
8. To set the scope of responsibilities for any subcommittees and to cope with any changes which may significantly impact on any subcommittees' operations.
9. Pursuant to the Company's regulations, the Board of Directors has the authority to decide upon and oversee the operations of the Company, except for the following assignments that would only be executed with the consent of a meeting of the Shareholders of the Company:
 - 9.1 Matters relating to the Law would only be performed upon the resolution of the Shareholders of the Company;
 - 9.2 Certain business matters as stipulated by the Stock Exchange of Thailand; and
 - 9.3 Buying or selling of assets having a value equal to or greater than fifty percent (50%) of the total value of the assets of the Company, as stipulated by the Stock Exchange of Thailand.

b) Board of Management

As at December 31, 2020 the Board of Management of the Company consists of 19 persons as listed below:

Name – Surname	Position
1. Mr. Premchai Karnasuta	President
2. Mrs. Nijaporn Charanachitta	Director and Senior Executive Vice President
3. Mr. Pathai Chakornbundit	Director and Senior Executive Vice President
4. Mr. Tawatchai Suthiprapha	Director and Senior Executive Vice President
5. Mr. Virat Kongmaneerat	Executive Vice President
6. Mr. Sumate Surabotsopon	Executive Vice President
7. Mr. Thoranis Karnasuta	Executive Vice President and Assistant to the President
8. Mr. Peeti Karnasuta	Executive Vice President
9. Ms. Prachaya Karnasuta	Executive Vice President and Assistant to Director and Senior Executive Vice President
10. Mr. Piyachai Karnasuta	Executive Vice President
11. Mr. Chatichai Chutima	Executive Vice President and Chief Financial Officer (CFO)
12. Mr. Sompop Piniychai	Executive Vice President
13. Mr. Woravudh Hiranyapaisansakul	Executive Vice President and Company Secretary
14. Mr. Prasit Ratanaramig	Executive Vice President
15. Mr. Kriengsak Kovadchana	Executive Vice President
16. Mr. Sakchai Puetpaiboon	Executive Vice President
17. Mr. Prasart Kosarussawadee	Executive Vice President
18. Mr. Wichien Roongrujirat	Senior Vice President
19. Mr. Prasert Sanor	Senior Vice President

Authority and Responsibility

1. To determine ultimate goals and operational direction of the Company to accordance with the current and forecast economic and market conditions.
2. To determine policies and procedures for the Company's operational procedures.

3. To determine the policy, consider and decide on the selection of relevant projects in which the Company could participate, tender and execute.
4. To consider and approve the appointment, transfer and discharge of staff at division head level and above.
5. To consider and approve the adjustment of salaries, wages and remuneration, including consideration and recognition of employee meritorious service.
6. To appoint a person or persons to act on behalf of the Board of Management for any assignment.
7. To consider and approve expenses on Company's purchasing of assets and other expenses.
8. To review, consider and comment on all matters related to Company operations.
9. To review, consider and comment on all matters involving the performance of the Company's various operating segments and to direct and control their management to ensure efficient, economical and well-timed operations, including compliance with all contractual obligations to clients.
10. To consider and approve the Company's expenses, under THB 1,000 million in matters of daily costs, investment cost, fixed assets, loans, financial instruments and insurances and no limit with for bids and making contract.
11. To undertake all other matters as directed by the Board of Directors.

c) Audit Committee

As at December 31, 2020, the Audit Committee consisted of 3 persons as listed below (the position carries a 3-year term from 2020-2023 according to the resolution of 2020 Annual General Meeting of shareholders held on July 24, 2020):

Name – Surname	Position
1. Dr. Krisorn Jittorntrum	Chairman of the Audit Committee
2. Mr. William Lee Zentgraf**	Audit Committee Member
3. Mr. Sai Wah Simon Suen***	Audit Committee Member

Remarks: Mr. Withit Ouaysinprasert, Vice President of Internal Auditor, is the Secretary of the Audit Committee.

***Mr. William Lee Zentgraf has experience and background in Company's financial reviews.*

****Mr. Sai Wah Simon Suen is experienced in finance and was posted as the Chief Financial Officer (CFO) in a company.*

Authority and Responsibility

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control systems and internal audit system to ensure that they were suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other units in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor and to propose such person's remuneration, as well as to attend a non-management meeting with the auditor at least once a year.
5. To review the Connected Transactions, or the transactions that might lead to conflicts of interests, to ensure that they were in compliance with the laws and the Stock Exchange of Thailand's regulations, were reasonable and for the highest benefit of the Company.
6. To review the efficiency and sufficiency of the risk management and to discuss with the Internal Audit Division and the Independent Auditor.
7. To prepare, and to disclose in the Company's Annual Report, the Audit Committee's reports which must be signed by the Audit Committee's chairman and consist of at least the following information:
 - 7.1 An opinion on the accuracy, completeness and creditability of the Company's financial report,
 - 7.2 An opinion on the adequacy of the Company's internal control system,
 - 7.3 An opinion on the compliance with the law on securities and the Stock Exchange of Thailand, the Exchange's regulations and the laws relating to the Company's business,

- 7.4 An opinion on the appropriateness of the Independent Auditor,
- 7.5 An opinion on the transactions that may lead to conflicts of interests,
- 7.6 The number of the Audit Committee meetings and the attendance of such meetings by each committee member,
- 7.7 An opinion or overview comment received from the Audit Committee on its performance of duties in accordance with the charter, and
- 7.8 Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
8. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

d) Risk Management Committee

As on December 31, 2020, the Risk Management Committee consisted of 8 members as listed below:

Name – Surname	Position
1. Dr. Krisorn Jittorntrum	Chairman of the Risk Management Committee
2. Mr. Pathai Chakornbundit	Vice Chairman of the Risk Management
3. Mr. Chatichai Chutima	Risk Management Committee
4. Mr. Sompop Piniichai	Risk Management Committee
5. Ms. Penpan Riengthonglang	Risk Management Committee
6. Mr. Peeti Karnasuta	Risk Management Committee
7. Mr. Thoranis Karnasuta	Risk Management Committee
8. Mr. Woravudh Hiranyapaisarnsakul	Risk Management Committee and Secretary of Risk Management Committee

This position carries a 3-year term from 2019 – 2022.

Risk Management Policy

The Company strongly emphasizes the importance of risk management. The effectiveness of risk management is essential for the achievement of the Company objectives achievement with good Corporate Governance and related working processes. All the processes were based on the standards of risk management defined by the Stock Exchange of Thailand.

The Company has evaluated the internal and external risks which could possibly occur in the future to ensure the balanced growth and profitability of the Company at an acceptable risk level.

Authority and Responsibility

- To review the Company's risk management policy and framework which covers all the major risks (Key Risks); namely financial risk, investment risk, operational risk and corporate reputation risk, before proposing them to the Board of Directors for approval.
- To formulate a framework and risk management strategies in compliance with the Company's risk management policy. The Committee would assess, monitor and control risk at the appropriate level.
- To monitor and ensure that risk management activities are in line with the Company's policy and framework approved by the Board of Directors' meeting.
- To set risk measurement criteria and limits at the acceptable levels.
- To set appropriate risk management measures for different situations.
- To review the sufficiency and effectiveness of risk management policy and system.
- To report regularly to the Board of Directors about the management, operation, risk status, changes and areas for improvement to keep risk management in line with the Company's policy and strategy.
- To appoint a risk management working group if necessary and support the risk management working group in terms of personnel, budget and other necessary resources under the scope of responsibilities of the working group.

3. Selection and Nomination of Directors and Chief Executives

The Company has set up a transparent procedure to select Directors, although it does not have a Nominating Committee. The incumbent Board of Directors performs the initial selection and evaluation of candidates for vacated or newly created positions on the Board of Directors. The Board of Directors jointly scrutinize the qualifications of all appropriate candidates by consideration of the profile, experience, expertise in different careers and performance in the role of directorship in the past in order to achieve the business objectives.

The detail of this point is disclosed in the Report of Corporate Governance for Listed Companies, item 5.4 Ensure Effective CEO and Human Resources Management.

4. Corporate Governance of Subsidiaries and Associated Companies

The Board of Directors had conducted policies for subsidiaries and associated companies' good corporate governance with regard to management practices which are responsible, controllable and detectable for all stages. The policies have to preserve the maximum profit of the subsidiaries and associated companies, thus a qualified person would be appointed to be a representative of the Company as a Director/an Executive or an authority depending on the nature of business and the approval from the Board of Directors' meeting. The detail of this point is disclosed in The Report of Corporate Governance for Listed Companies, item 5.3.6 Corporate Governance of Subsidiaries and Associated Companies.

5. Internal Information Control

The Company has the policy for Internal Information Control, internal information disclosure, and conflict of interest in ITD Corporate Governance handbook under Business Ethics, disclosed on the Company's website (www.itd.co.th). The policy mainly concerns on access and degree of confidentiality, disclosure to outsider, related-party transaction, and the determination that directors and the executive management must report the changes in securities and derivatives holding report (Form 59) of themselves and their spouse to SEC with 3 business days after the transaction made.

The detail of this point is disclosed in The Report of Corporate Governance for Listed Companies, item 5.6.3 Conflict of Interest.

6. Auditor's Remuneration

Auditor's remuneration for the financial year ended on December 31, 2020

1. Audit Fee:

The Company or its subsidiaries paid an annual audit fee to:

- The external auditor, amounting to 18,691,000 Baht
- The audit firm of the auditor, connected person/enterprise of the auditor and his/her firm in the amount of - Baht.

2. Non-Audit Fee

The Company paid a non-audit fee for other services to:

- The external auditor, amounting of - Baht, and must pay in the future for incomplete service the amount of - Baht.
- The audit firm of the auditor, connected person/enterprise of the auditor and his/her firm, the amount of - Baht and must pay in the future for incomplete service in the amount of - Baht.

The Board of Directors strictly place the importance on the good corporate governance conduction to be the principle and guideline to operate the business. Therefore, the Company conducts the reflection report of Corporate Governance as follows:

1. Rights of shareholders

2. Equitable treatment of shareholders

The Company encouraged all shareholders to fully exercise their basic rights with equality treatment in all dimensions concerned as the rights to attend the shareholders' meeting, to be facilitated to attend the meeting, and importantly to be equally informed with significant corporate information.

Kindly see the details disclosed in 5.7 Disclosure and Transparency of the Company, and 5.8 The Participation Promoting.

3. Role of stakeholders

In 2020, the Company has been in contact with all interested shareholders and members of the public as follows:

Shareholders: The Company has strived to achieve growth for long term benefits. The Company had also disclosed complete, true and timely information through the system of the Stock Exchange of Thailand (SETLink) and the Company website (www.itd.co.th), such as the resolutions of the Board of Directors, the resolutions of the Annual General Meeting of Shareholders, Financial Information, Signing ceremonies of major projects, and so on.

Employees: The Company has realized the importance of staff as the main mechanism to promote continuous growth. The Company has provided the staffs the short-term benefit as reasonable salary package or bonus. The Company has also rewarded staffs and improved their welfare and security as a long-term benefit, for example, by the establishment of a pension fund, providing a healthcare service (including a medical room and a doctor on active service at Head Office), supporting the scholarships for employee's children who show a good study performance, offering urgent loans and improving the environment of their workplace, implementing the 5S activities, those being "Set in order, Sustain, Sort, Standardize and Shine" to improve the workplace organization and standardization for productivity and safety. With its importance, all levels of staff participated in this project.

The Company had treated its employees strictly according to labor legislation, and no labor lawsuits have occurred in recent years.

In this term, the Company has set and provided the procedure to cope with the complaints in any cases there are some improper treatment or any actions against the Company's norms or regulations, corporate governance, and anti-corruption policy occurred. In the whole year, the Company has strictly handled with the incoming complaints by the procedure set as being shown on Complaints & Whistle-blowing Policy, consisted in ITD Corporate Governance handbook.

Since the employees' skills were very important to the Company's performance, the Company has continued developing the potential of all staff in order to increase their competencies and skills necessary for work and for success, as well as to encourage safety at work and occupational health. In the year 2020, the Company provided 33 courses as shown on the section of Management Structure under Employee Skill Development Policy.

Clients: The Company has provided a good quality and a high standard of construction services. The customers were provided with sufficient information and effective procedures to deal with customer complaints for a timely response to correct all complaints.

Partners and Creditors: The Company has standard procedures for partner screening and selection through three qualities: reliability, responsibility and on time working. The Company has treated the partners and creditors according to the conditions of their agreements.

Business Competitors: The Company always competed in government and private sector bidding with honesty, knowledge and transparency. There were no disputes with competitors during the year.

Society: As the Company is in the construction business for which occupational health, safety and environmental management were very significant, the Company has established the Ethics on Environment Responsibility, disclosed on ITD Corporate Governance handbook. In the whole year, the Company in all units applied the policy and took actions on this matter in many practices as air quality control, construction noise control, traffic control, wastewater treatment, odor control, oil spillage and contamination control, vibration control, dust control, waste segregation campaign, energy saving and so on. In cases where the Company received any complaints from the community, the Company immediately sent staff to investigate and carry out further necessary action. If such impacts caused by the construction of the Company, the Company would immediately resolve the issues.

4. Disclosure and transparency

In the past year, the Company disclosed the corporate financial information, as financial statement, Reviewed financial performance, and Management Discussion and Analysis (MD&A) with complete, transparent, and accurate in detail by the period of time required by law and regulations. Not only the financial one, but other prominent corporate information, as the meeting resolution, contract signing, and accounts receivable report was highlighted to disclose also. The disclosure channel the Company mainly used was SETLink, and the Company's website (www.itd.co.th) in order to facilitate the shareholders, investors and others to access to the corporate information easily, widely and conveniently.

Kindly see the details disclosed in 5.7 Disclosure and Transparency of the Company.

5. The Board Recognition of Role and Responsibility

5.1 The Board of Directors, acting as corporate leader, acknowledged to take responsibility to keep the good Corporate Governance as standardized and to run the business with morality and responsibility towards shareholders and the whole society, aiming to maintain the Company with sustainable values.

In the Board meeting no. 4(1)/12/2020 on December 16, 2020, the vision, mission, and direction was revised in order to align with the Company objectives. With its importance, the revision, purposing to set the strategy for running the business according to the Company objectives was also adopted by Management Division.

Furthermore, the Management Division undertook quarter reporting, which was a primary consideration by the Board of Directors in order to ensure the potential of Company for competition, to cope with changes from internal and external factors and to gain profit with sustainability.

The good Corporate Governance was implemented as the key factor of operational efficiency, to assure the Company's potential to shareholders and invertors. By this significance, the Corporate Governance had been composed in "ITD Corporate Governance Handbook" since 2004, which contains the philosophies, policies and code of conduct for the Corporate Governance of the Company. It is considered as guidelines for all employees to follow. The Corporate Governance policy is normally reviewed and updated with the current situation every year posted publicly on the Company website (www.itd.co.th).

The Board of Directors ruled the norms to be strictly followed by all levels of employees with duty of responsibility, duty of care, and duty of loyalty. The Board also took role to keep the business flow on track, and undertook the duties regarding the approval for any significant operations as investments, any transactions that may impact on Company, assets gain or distribution and dividend payout. Importantly, all actions aiming for the best profit for the Company and shareholders are firmly processed upon the usual right and law.

The Board of Directors undertook to clearly define the responsibility, authority and duty for the Chairmen and Management Division as described on the section of the Board of Directors' authority. Moreover, it set the Board Charter and monitored and kept the management flow on track. By necessity, the Corporate Governance policy was annually reviewed in accordance with the business direction. The responsibility, authority and duty were disclosed on Company's website (www.itd.co.th)

5.2 Business Goals and Objectives Setting

In the Board meeting No.4(1)/12/2020 held on December 16, 2020, the vision, mission, strategy and duty were revised for 2021 in co-operation with the Management Division to set the short-term, mid-term, long-term planning objectives in accordance with Company's primary direction for the proper implementation of innovation and technology based on Company's current state.

The Company's operation goal

1. To increase competitiveness for revenue growth
2. To increase capability in making profits
3. To create satisfaction for customers
4. To manage the occupational health and safety in accordance with international standards
5. To improve employees' skills and quality of life of family
6. Corporate Social Responsibility

The Corporate Objectives were concluded and listed as below

1. To be the leading contractor in building, civil and structural works nationally and internationally
2. To operate our construction projects for optimum profit
3. To operate the business with Quality (ISO9001), Environment (ISO 14001) and Occupational Health and Safety (ISO 45001) in line with international standards
4. To provide an appropriate profit to the shareholders of the Company

All planning objectives (in short-term, mid-term, long-term) are disclosed in Policy and Business Overview.

5.3 Contributions for the Board of Directors

5.3.1 Structure of the Board of Directors

The Board of Directors consisted of 9 members. Each Director was an expert with substantial experiences aiming to contribute the best benefit to ITD. The Director positions were:

- Executive Directors 6 Directors (67 %)
- Non-Executive Director (Independent Directors) 3 Directors (33 %)

The structure of the Board consists of 3 Independent Directors. Moreover, three-fifth of directors were appointed as the Audit Committee. The Chairman of the Audit Committee is also the Chairman of the Board of Directors. Hence, it was able to ensure that the structure was run under the balance of power and proper verification of the operations.

The structure and the definition of the Independent Directors of the Company complies with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

According to the Good Corporate Governance, the Chairman of the Board of Directors was determined to be an Independent Director as well as a person who was not acting as the President (Managing Director)/ Executive President in order to balance the Company's management. The authorities of the Chairman and the President are clearly defined as follows:

The Chairman:

1. Taking the role as the leader of the Board of Directors and presiding as the Chairman in the Board's and shareholders' meetings
2. Setting and monitoring the Board of Directors' performance in order to achieve the Company's primary direction
3. Building the corporate culture with morality and good corporate governance
4. Co-operating with the President to set the agenda and to amend significant issues on agenda
5. Managing the period of time with quality for purposing and revising on any issues
6. Encouraging the Board of Directors to independently express their opinions
7. Building the good relation between the Board of non/director and committee with management division

The President: playing the integral role as the leader of the Board of Management and being authorized by the Board of Directors to direct and control the management staff for achieving the Company's goals.

5.3.2 The Board of Directors' Meeting

The Board of Directors set the frequency of meetings as every quarter. By this frequency, the whole year meeting schedule was also orderly prepared, arranged and acknowledged by all directors in the Board of Directors' Meeting on December of every year. Thus, all Directors shall be able to plan to attend the meetings in the year ahead.

In 2020, there were a total 5 Board of Directors' meetings. In each, the agenda prepared shall be clearly divided into the agenda for acknowledgement, certification, and approval. The Company regularly sent all attendants the invitation letter attached with meeting documents 7 days prior to date scheduled for the meeting, making sure they were able to prepare themselves before each meeting. The portion of meeting attendance is 100 percent as depicted in Management Structure.

After adjourning from two to three hours of meeting, the Company Secretary primarily took the integral duty to take minutes and do the report review by the Board of Directors. The meeting report might be amended based on the completeness of the detail in meetings. The report would be kept confidentially at Corporate Service Division in soft copy via electronic document for any retrieval as references in future.

Effective since the board meeting No. 5/6/2008 held on June 9, 2008, Mr. Woravudh Hiranyapaisarnsakul was appointed to be the Company Secretary in accordance with the Securities and Exchange Act (No. 4) B.E. 2551 (2008). His mandatory obligation is to hold the Board and Shareholders meetings, to give the guidance to directors regarding regulations, to list and maintain committees' registration, to make the annual report, as well to do any actions assigned by the Securities and Exchange Commission (SEC). Lastly, in order to operate this obligation with efficiency, he was trained and certified in courses related with secretarial field, mainly held by Thai Institute of Directors (IOD).

5.3.3 Selection and Nomination of Directors

(1) Independent Directors

Rules and Regulations in selection of Independent Directors

Independent Director's Qualification

The result of the Board of Director's meeting No.9/3/2009 on March 25, 2009 approved to modify the definition of an Independent Director to comply with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows;

1. Holding shares not exceeding one percent of the total shares with voting rights of the Company, its Parent Company, its Subsidiaries, its Affiliates, or a Major Shareholder or Controlling Person of the Company (to be calculated by including the shares held by any related person of such Independent Director);

2. Never been or not being a director engaging in management, employee, staff, advisor, who received salary, or Controlling Person of the Company, its Parent Company, its Subsidiaries, its Affiliates and entities equivalent to its Subsidiary, or a Major Shareholder or unless the possession of such characteristic has been discontinued for a period of not less than two years; controlling person of the Company, unless the holding of the aforementioned positions has been discontinued for at least two years. However, such prohibition shall not apply in the case where such Independent Director has been a government official or consultant of the government sector which is a major shareholder or controlling person of the applicant. The requirement of two-year discontinuity for possession of the said characteristics shall take effect from the Annual General Meeting of the year 2011 onwards;

3. Not being a person related by blood or registration under laws, as father, mother, spouse, sibling or child, including spouse of a child, of its Executive, its Major Shareholder, its Controlling Person, or the person who will be nominated to take up the position of Executive or Controlling Person of the Company or its subsidiary;

4. Not having, or not having had, any business relationship with the Company, its Parent Company, its Subsidiaries, its Affiliates, Major Shareholder or Controlling Person of the Company in a manner which may obstruct its independent judgment, and not being or not having been a substantial shareholder or Controlling Person of a person who has a business relationship with the Company, its Parent Company, its Subsidiaries, its Affiliates, or a Major Shareholder or Controlling Person of the Company, unless such business relationship has been discontinued for at least two years prior to being appointed as an Independent Director. The requirement of two-year discontinuity for possession of the said characteristics shall take effect from the Annual General Meeting of the year 2011 onwards;

The aforementioned business relationships shall include the entering into commercial transactions in the manner of normal business operation, transactions regarding rental or lease of real estate, transactions relating to assets or services, provide or receipt of financial assistance whether by receiving or providing a loan, guarantee, providing assets as collateral, as well as other similar matters which give rise to the Company or the parties having an obligation in an amount equal to or greater than three percent (3%) of the net tangible assets of the Company or from Baht twenty million, whichever is lower. The calculation of obligations shall be in compliance with the method of calculation of connected transactions as stipulated in the Notification of SEC Re: Connect Transaction. In this regard, the calculation of obligations shall be

assessed by including aggregate obligations during one year before the date of having any business relationship with the Company, its Parent Company, its Subsidiaries, its Affiliates, or a Major Shareholder or Controlling Person of the Company.

5. Not being, or not having been, an auditor of the Company, its Parent Company, its Subsidiaries, its Affiliates, or a Major Shareholder or Controlling Person of the Company, and not being a substantial shareholder, Controlling Person or Partner of an audit company being the auditor of the Company, its Parent Company, its Subsidiaries, its Affiliates, or a Major Shareholder or Controlling Person of the Company has worked therein, unless the holding of the aforementioned positions has been discontinued for at least two years prior to being appointed as an Independent Director. The requirement of two-year discontinuity for possession of the said characteristics shall take effect from the Annual General Meeting of the year 2011 onwards;

6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from the Company, its Parent Company, its Subsidiaries, its Affiliates, or a Major Shareholder or Controlling Person of the Company, and not being a substantial shareholder, Controlling Person or Partner of such professional service provider, unless such holding of the aforementioned positions has been discontinued for at least two years prior to being appointed as an Independent Director. The requirement of two-year discontinuity for possession of the said characteristics shall take effect from the Annual General Meeting of the year 2011 onwards;

7. Not being a Director nominated to be a representative of a Director of the Company, Major Shareholder or shareholder who are related persons to the Major Shareholder;

8. Not undertaking business of the same nature as and materially competing with that of the business of the Company or its Subsidiaries or not being a Partner of the partnership or a Director who participates in the management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding one percent of the total shares with voting right of other companies which undertakes business of the same nature as and materially competes with that of the business of the Company or its Subsidiaries; and

9. Having no other qualifications causing any inability to express independent judgment in respect of the Company's business operation.

Nomination Process

The Board of Directors could play an integral role to nominate the Independent Directors by qualifications and to select the person who would be useful as a Company Independent Director from his/her experience, ability and education and not a person whose character would prohibit him/her from being approved at a Shareholder's Meeting.

The Company has set up a transparent procedure to select Directors, although it does not have a Nominating Committee. The incumbent Board of Directors performs the initial selection and evaluation of candidates for vacated or newly created positions on the Board of Directors. The Board of Directors jointly scrutinize the qualifications of all appropriate candidates in compliance with Section 68 of the Public Company Limited Act, B.E. 2535 by consideration of the profile, experience, expertise in different careers and performance in the role of directorship in the past. The candidate's qualification shall also be subject to the prohibitions set out by the Announcement of the Securities and Exchange Commission No. Gor Jor 5/2548, which gave the requirements relating to the qualifications of executives of a company that issues securities.

The nominated Director would then receive the ITD Corporate Governance Handbook from the Company Secretary as the guidance to follow.

The Company announced on December 3, 2019 to January 31, 2020 that a person who was nominated by the Shareholders as a candidate to be appointed as a Director would be considered for nomination at the 2020 Annual General Meeting of Shareholders. For Shareholders to be eligible to nominate a person as a Director they could, individually or as a group, hold not less than five percent of the total number of the Company's ordinary shares. The incumbent Board of Directors' approved candidates for any vacant or new directorship could then be nominated to the shareholders at the Shareholders' Meeting, for approval by a majority. In the meeting, there was not any name listed to be nominated.

5.3.4 Determination of Remuneration for Directors

The Company does not yet have a Remuneration Committee or a Nominating Committee, but the Board of Directors has set up a transparent procedure to determine appropriate levels of remuneration by comparisons with other companies of similar size in the same industries, and partly by the performance of the Company. In any case, the amount of remuneration to be paid to Directors must be finally approved by a meeting of the shareholders.

Kindly see the details disclosed in Management Structure.

5.3.5 Responsibilities and Time Management

There were 5 Board of Directors' Meetings held in 2020 in the year ending December 31, 2020. All the Board of Directors attended 100 percent of the meetings for the whole year.

For the effective performance, the Board of Directors ruled two policies including with (1) Directors could be a director in not more than 5 listed companies, and (2) Directors and the executive management must be responsible to report the conflict of interest such as the position holding in other companies, and the changes in securities and derivatives holding report (Form 59) of themselves and their spouse to SEC. The position holding in other companies shall be disclosed in form 56-1 and Annual Report.

5.3.6 Corporate Governance of Subsidiaries and Associated Companies

The Board of Directors had established policies for subsidiaries and associated companies' good corporate governance with regard to management practices which are responsible, controllable and detectable for all stages. The policies have to preserve the maximum profit of the subsidiaries and associated companies, thus a qualified person would be appointed to be a representative of the Company as a Director/an Executive or an authority depending on the nature of business and the approval from the Board of Directors' meeting.

The Directors, the Management or the authority, as a representative of the Company and Management Division, could jointly establish significant policies to monitor the operation of subsidiaries and associated companies taking into account the nature of business, and also prescribe regulations for the disclosure of financial status, operations result, transactions between subsidiaries/associated companies and concerned persons, acquisition and distribution of assets including other significant transactions that must be in compliance with the rules of the Securities and Exchange Commission (SEC). In addition, all data and information of subsidiaries and associated companies must be stored and recorded so the Company could determine and collect data for the consolidated financial statements on time.

5.3.7 Self-Assessment of the Directors and Subsidiaries

5.3.7.1 The Board of Directors

The Board of Directors conducted the annual self-assessment at least once a year in order to assess their performances, aiming to revise their works and come up with their operational evaluation. The annual self-assessment is considered one of the key guiding factors for performance improvement.

The Company Secretary is responsible for the assessment, to distribute and collect the forms, to calculate the score, to summarize and to report to the Board of Directors. The form distributed is qualified under the guidance of Stock Exchange of Thailand and is used to assess both individual and collective each member's work performance in whole year. In 2020, the Company conducted the Board of Directors' performance assessment at the Board of Directors' Meeting No. 4(1)/12/2020 held on December 16, 2020. The assessment was calculated in percentage form of the full marks of each item as follows;

100%	=	Excellent
80% - 100%	=	Very Good
60% - 80%	=	Fairly Good
40% - 60%	=	Satisfactory
20% - 40%	=	Needs Improvement

The assessment was divided by two dimensions as (1) the collective and (2) the individual work performance assessment.

Those dimensions were evaluated basing on the Board of Directors' detail as (1) the structure and qualification, (2) the meetings, (3) the role and responsibility, (4) the operational performance, (5) relation with managing department and (6) the self-development.

5.4 Ensure Effective CEO and Human Resources Management

Although the Company does not have a Nominating Committee, the incumbent Board of Directors performs the initial selection of candidates for newly created positions on both Chief Executive Officer and key executives to ensure that they possess the qualified knowledge, skills, experience and characteristics necessary to productively achieve the corporate objectives. The Board of Directors also conducted an appropriate remuneration structure.

Moreover, the Board of Directors always supported the directors and key executives to attend the training programs provided by the in-house training division, the organizations of the government or the independent entities certified by the Securities and Exchange Commission (SEC) as Thai Institute of Directors (IOD). The courses that the Directors are required to attend, at least one, are Director Certification Program (DCP), Directors Accreditation Program (DAP) or the Audit Committee Program (ACP).

For Thai Institute of Directors (IOD) training programs and other organizations, the Directors of the Company have passed the training programs as follows;

- | | |
|-------------------------------------|---|
| 1. Mrs. Nijaporn Charanachitta | - Director Certification Program (DCP) 56/2005 |
| 2. Mr. Pathai Chakornbundit | - Director Certification Program (DCP) 56/2005 |
| 3. Mr. Tawatchai Suthiprapha | - Director Accreditation Program (DAP) 48/2005
- Finance for Non Finance Director
- Finance Instruments for Directors (FID) 2/2012 |
| 4. Mr. Thoranis Karnasuta | - Director Accreditation Program (DAP) 173/2020 |
| 5. Mr. Piyachai Karnasuta | - Director Accreditation Program (DAP) 161/2019 |
| 6. Mr. Chatichai Chutima | - Director Accreditation Program (DAP) 67/2007
- Successful Formulation & Executive of Strategy 12/2011
- Director Certification Program (DCP) 204/2015
- CFO Getting Together 2018
- XBRL New Dimension for Financial Statement Reporting 1/2020 |
| 7. Mr. Woravudh Hiranyapaisarnsakul | - Company Secretary Program 29/2009
- Effective Minute Taking 13/2009 |

5.4.1 Structure of Remuneration of Directors

The Company has determined the Remuneration of Directors clearly and transparently based on comparable industry levels and for the efficiency required of the supervising Directors. Directors assigned to be the Audit Committee receive additional remuneration for full discharge of their Audit Committee duties. In any case, the amount of remuneration to be paid to Directors will eventually be approved by the shareholders' meeting depending on the corporate and individual achievement.

5.4.2 Human Resources Management and Development

The Board of Directors have the proper plan for employees' management and development in order to maintain Company loyalty. That plan includes with fair treatment of laborers, provident fund provisions, funds management and investment tutoring.

5.5 The Corporate Innovative Management

5.5.1 The innovation promoting that creates value for the Company

In the Board meeting no. 4(1)/12/2020 on December 16, 2020, the vision, mission, and direction was revised in order to align with the Company objectives. One of the key objectives was to increase capability in making profits by Integrating IT system with the budgets and resources management. The Company currently integrated ERP: SAP system to support and make

the operation more effective. Furthermore, the Company also promoted the Company's units to be the supporting facilities in order to develop and make the innovation for construction. The supporting facilities are as Italian-Thai Industrial Complex in Wihan Daeng, Saraburi Province, Pratunam Pra-In Plant Maintenance Center, or Pathum Thani Precast Concrete Factory.

5.6 Strengthen Effective Risk Management and Internal Control

The Board of Directors ratified to set up the systematic management of risk internal audit and management in purposing to achieve the Company objectives and to process overall operations according to the law and standards. The policy of risk management was composed as one of Corporate Governances in "ITD Corporate Governance Handbook", which disclosed on the Company's website (www.itd.co.th).

In summary, there are two subcommittees appointment: the Risk Management Committee and the Audit Committee.

5.6.1 Audit Committee Appointment

The Board of Directors appointed the Audit Committee as the subcommittee to assist Company concerning corporate governance practice and the effectiveness of internal control systems. In 2020, the Audit Committee Members were retired, and also reappointed to hold office for another term by the resolution of 2020 Annual General Meeting of Shareholders. The Audit Committee comprises 3 members who are all Independent Directors. The Executive Vice President of the Internal Audit Division was the Secretary of the Audit Committee.

The scope of responsibilities were formally assigned as listed in Corporate Governance.

The Audit Committee held 6 meetings during the year 2020. Agendas were sent to the Committee members at least seven days in prior to make sure they knew what to expect at the meeting. Normally, the meetings lasted two to three hours. Importantly, the Committee has free access to all types of information that could be used to contribute on this operational procedure. After the meeting was adjourned, the conclusions were implemented, monitored and directly reported in Annual Report.

Moreover, the Audit Committee held the private meeting with auditors on December 16, 2020 without the involvement of the management division.

5.6.2 Risk Management Committee Appointment

The Risk Management Committee was formed by resolution of the Board of Directors Meeting No.1/9/2010, held on September 2, 2010. The Risk Management Committee takes the primary role to intensively respond to the Company's overall risk management policy and framework covering several major aspects as the financial risk, investment risk, operational risk and corporate reputation risk to keep to these risks at an acceptable level. The Committee considers the risks using a methodical system and supports the Board of Directors' and Board of Management's decisions in the investment activities that may significantly affect the Company's financial status.

The Risk Management Committee held the meetings annually to oversee, review, and monitor some particular construction projects that might affect to the whole operation and financial statement in order to supervise and reduce the possible risks to an acceptable level.

The scope of responsibilities were formally assigned as listed in Corporate Governance.

5.6.3 Conflict of Interest

The Company has the strict policy concerning information usage as set out in the Corporate Governance Handbook and formally disclosed on Company's website. The primary regulations can be excerpted for the limitation of information access, or limitation of information disclosure. The Company also set the penalty for those who acted against the rules in many levels as the verbal warning, written warning, job suspension, or even dismissal. Importantly, the Committees or Directors can directly report any asset holdings/ purchasing/ selling/transferring to the Securities and Exchange Commission (SEC).

The Company also has established the policy to manage conflict of interest and has implemented measures to prevent the internal abuse of confidential or privileged information. The policy and measures have been disclosed under "ITD Corporate Governance handbook" on the Company's intranet and website (www.itd.co.th).

The Board of Directors acknowledge rules and requirements relating to conflicts of interest between related business entities. Where such conflicts have arisen they are shown in the table Related Party Transactions and in all cases have been

addressed in accordance with the Stock Exchange Regulations, such that prices and conditions of procurement are the same as would apply in normal third party “arm’s length” transactions. The Related Party Transactions Table provided details of the parties concerned, contract value and reason/necessity for the relationship in the Annual Report and the Annual Registration Statement (Form 56-1).

5.6.4 The Anti-Corruption Policy

In 2013, the Directors, the Company Secretary and the Internal Audit Division jointly implemented the policy of the anti-corruption scheme in “ITD Corporate Governance handbook” posted on the Company’s website (www.itd.co.th) for the information of the employees and the public.

The Anti-Corruption Policy and Prevention is annually reviewed, revised and amended through the resolution of the Board of Directors’ meeting in order to be updated and getting along with the current situation.

5.7 Disclosure and Transparency of the Company

The Board of Directors deeply concerned to disclose through the Securities and Exchange Commission (SEC) and the Company’s website (www.itd.co.th), in both Thai and English, sufficient, complete, reliable and timely information covering the Company’s financial, important and general information which reflects the asset value and performance of the Company.

5.7.1 Financial Reports

The Company established the internal control policy within each department or section to prevent confidential information from being disclosed to the public prior to formal announcement. Employees must not use the Company’s confidential information for personal or others’ gain. They should maintain inside information and sensitive documents that could lead to undue exploitation of themselves, their families, or their associates, including any information influencing stock prices and the Company’s proprietary commercial secrets, formula and inventions. Those who disclose important information and news to outsiders without approval from the Chief Executive Officer could be subject to disciplinary action according to Company procedures and might face legal action.

5.7.2 Information Disclosure by the Company

The Company will disclose information on material matters regarding the Company, including financial reports, non-financial information and other information as stipulated by SET and SEC that are accurate, clear, complete, easy to understand, transparent, adequate, in both positive and negative aspects, and which have been screened according to prescribed procedures. The Company discloses information to ensure equitable access by shareholders in the following channels:

- SETLink and SEC online submission
- Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
- Company’s website (www.itd.co.th),
- Company’s Facebook Fanpage (www.facebook.com/itdho/)
- Company’s email (cccs@itd.co.th)
- Company’s information by post

5.7.3 The Company’s financial estimation (with solution plan)

The Board of Directors assigned the management to report the Company’s financial status and the overall performance, as being a meeting agenda on every Board of Directors’ meeting. Due its importance, this matter is always one of issues the Board meetings to acknowledge and estimate for any future incidents.

5.7.4 The Corporate Sustainability report

The Board of Directors provided the Corporate Sustainability practice through the Corporate Social Responsibility report, disclosing both CSR-in-process and CSR-after-process activities done in the whole year.

It is normally revealed in the Annual Registration Statement (Form 56-1), and Annual Report (Form 56-2).

5.7.5 Investor Relations

The Corporate Services Division of the Company is responsible for investor relation activities by directly providing information and news to investors, shareholders, analysts and the public in accordance with the Stock Exchange of Thailand's rules and regulations. The division mainly used the channels that facilitate the shareholders, investors and others to access to the corporate information easily, widely and conveniently, for instance, SETLink, and the Company's website (www.itd.co.th).

The investors, shareholders, analysts and the public who require further information can contact Corporate Service Division on telephone +66 (0) 2716-1600 extension 3800-4, or www.itd.co.th or by e-mail at cccs@itd.co.th.

5.7.6 Information disclosure with effective use of information technology

The Company variously used information technology as a key tool to disseminate the corporate information. It included with the Company's Website, the Company's Facebook Fanpage, SETLink, SEC online submission, and the Company's intranet.

Company's Website

- The corporate information, for instance, the vision, mission, structure, organization chart and etc.
- The financial information, for instance, financial statement by quarterly and yearly
- Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
- ITD Corporate Governance handbook
- Corporate information, and news

Company's Facebook Fanpage

- Corporate Social Responsibility Activities, and other Corporate news

SETLink, and SEC online submission

- The financial information, for instance, financial statement, and Management Discussion and Analysis
- Significant Corporate Information, for instance, the resolution of the Board of Directors 'meeting, the resolution of shareholders' meeting or the contract signing
- Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
- Changes in securities and derivatives holding report (Form 59)

Company's intranet

- Corporate information, and news
- Construction Project information

5.8. The Participation Supporting and Communication with the Shareholders

The Board of Directors integrally respects to the right of shareholders. This means the shareholders could jointly control and set any significant directions for the Company by appointing proxies in the shareholders' meeting. The directions might include matters such as the dividend payout or remuneration setting.

The shareholders' meeting are held with the aim to treat all shareholders with fairness and to clearly process in any steps of meeting, for instance, the meeting notification, document delivering, the information disclosure. All steps processed always were in accordance with the law and regulations required.

5.8.1 Equitable Treatment of Minor Shareholders

The Company recognizes the importance of proper conduct to ensure equality of treatment for all type of shareholders, major shareholders, and in particular minor shareholders and foreign investors. This the Company assigned the Independent Directors to take the integral role to treat minor shareholders with fairness. The minor shareholders can make recommendations, express their opinions or complain about any procedures via the Corporate Governance Department by e-mail: cccs@itd.co.th. In response, the Corporate Governance Department will directly co-operate with the Independent Directors to resolve any complaints as soon as possible.

For the Annual General Meeting of Shareholders, the Company give the minor shareholders an opportunity to propose the agenda or enquiry and to nominate persons to be appointed as Directors at the meeting. Particularly for nominating Directors, the minor shareholders who are eligible to do so must hold shares of not less than five percent of the Company's ordinary shares under the principle which is officially posted on the Company's website (www.itd.co.th).

The Independent Directors will consider the shareholders' proposals and further pass them to the Board of Directors for their consideration and consensus. If the Board agrees they are significant or beneficial to the Company or the shareholders, the Board would address those issues in the meeting agenda remarked as "Agenda from shareholders" in the notice to shareholders or clarify them at the Shareholders' Meeting. In addition, to facilitate the shareholders' proposals vetting process, the shareholders are requested to provide necessary details as follows:

Name, address and telephone number of proposing shareholder for the Company to acquire any further information as along with evidence indicating status of the cumulative holding of shares, such as share certificates or official declaration from a broker.

Purpose and proposal in detail, including other useful information, for the Board's consideration, such as issues and reason for concern, relevant supporting facts and data, and expected benefit for the Company.

In case of nomination of persons to be appointed as Directors at the Annual General Meeting of Shareholders, the shareholders are requested to attach curriculum vitae, working experience and contact address for the Audit Committee to consider and further pass the matter to the Board of Directors for final decision.

For the Annual General Meeting of Shareholders in 2020, the Company provided the shareholders an opportunity to propose the agenda or enquiry and to nominate persons to be appointed as Directors at the meeting. The principle and announcement were officially posted on the Company's website and to the Stock Exchange of Thailand's website during December 3, 2019 to January 31, 2020, but there was no proposal received from the shareholders.

5.8.2 Itinerary for 2020 Annual General Meeting of Shareholders

The 2020 Annual General Meeting of Shareholders was firstly planned to hold on Friday April 24, 2020, but it was postponed due to the pandemic spread of the coronavirus (COVID-19). However, after the situation easing up, the meeting was set to hold on Friday July 24, 2020 at 2.00 p.m., at Convention Center building, 4th floor, Rama Garden Hotel, 9/9 Vibhavadi Rangsit Road, Lak Si, Bangkok.

5.8.3 The Meeting Announcement

In 2020, the Company completed preparation of the meeting agenda and invitation notice on June 19, 2020. The supporting documents, proxy, guidelines for proxy, conduct of the Annual General Meeting, and rules of procedure for Annual General Meetings were also prepared.

All the meeting agenda, invitation notices, details of the agenda, proxy guidelines and the meeting procedures and guidelines were approved by the President and the Board of Directors in order to ensure that the shareholders had sufficient and complete information for decisions when voting and also to understand the proxy method and meeting procedure to maintain their rights.

The Company delivered the meeting invitation notice with details of the agenda together with supporting documents ten days in advance and announced the meeting on the Company's website. The Company also announced the meeting in the newspapers three days in advance. The shareholders therefore had reasonable time to thoroughly study such documents. Additionally, the shareholders could make enquiries about the meeting agenda before the meeting to Corporate Services Department on telephone +66 (0) 2716-1600 extension 3800-4, or www.itd.co.th or by e-mail at cccs@itd.co.th.

5.8.4 The Procedure of the 2020 Annual General Meeting of Shareholders

The shareholders could register to participate in the meeting and recheck all necessary required documents two hours before the meeting began. Any designation of a proxy holder could send the proxy form to the Company for registration via facsimile any day prior to the date scheduled for the meeting.

In 2020 Shareholders' Meeting, there were 9 Directors in attendance as follows:

1. Dr. Krisorn Jittornatum (Chairman, Chairman of the Audit Committee, and Chairman of Risk Management Committee)
2. Mr. Premchai Karnasuta (President)
3. Mrs. Nijaporn Charanachitta
4. Mr. Pathai Chakornbundit
5. Mr. Tawatchai Suthiprapha
6. Mr. William Lee Zentgraf
7. Mr. Peeti Karnasuta
8. Mr. Thoranis Karnasuta
9. Mr. Sai Wah Simon Suen

In the same time, Mr. Chatichai Chutima (Executive Vice President and Chief Financial Officer), Mr. Woravudh Hiranyapaisamsakul (Company secretary and Executive Vice President), the legal advisor from Weerawong Chinnavat & Partners Company Limited and the Independent Financial Auditor from Grant Thornton Company Limited also attended the meeting.

As the meeting started, a total of 275 shareholders and proxies (as holding 2,008,744,667 shares, or equivalent to 38.05% of total) were present. It can be parted as below;

- 98 shareholders, holding 1,071,719,241 shares, or equivalent to 20.30% of total attended in meeting in person
- 177 shareholders, holding 937,025,426 shares, equivalent to 17.75% of total attended by proxy

All proposed agenda items were considered according to the meeting invitation notice without change or amendment and were approved by the shareholders in about 2 hours. The Company also properly recorded the vote counting, questions and comments from shareholders in the meeting to ensure transparency. The shareholders also had an equal opportunity and reasonable time to make enquiries and to express their opinions. The Directors, the Audit Committee and the Management also had suitable time to answer questions and explain important details.

5.8.5 Facilitating the Shareholders to Participate the Annual General Meeting of Shareholders

For the 2020 Annual General Meeting of Shareholders, the Company fully facilitated the shareholders to ensure that all shareholders shall be treated by inclusive and equitable manner in order to be capable to exercise their rights in all periods; before, between, and after the meeting. The facilitations mentioned were including with the on-time delivering of meeting notification, the easily accessible place for holding the meeting, the sufficient officers to assist the shareholders, the usage of computer system to process the votes and results on each agenda item, and the disclosure of meeting resolution through accessible channel.

Moreover, the revenue stamp is provided for all shareholders using in the proxy form.

5.8.6 The Proxy Form

The proxy form, for those shareholders who could not attend the meeting in person, can be given to the Independent Directors, Audit Committee, Directors and/or any persons to be an authorized proxy holder. The proxy (form B), attached to the meeting invitation, encouraged its use so that the absent shareholders still can direct their vote by assigning at least one Independent Director to be the proxy holder. Proxy form B and form C (particularly for the use of foreign shareholders) and the meeting guidelines are be posted on, and available to download from, the Company's website (www.itd.co.th) 30 days prior to date the meeting is scheduled to be held.

5.8.7 Resolution of the Meeting Disclosure

5.8.7.1 Resolution of the Meeting

After the meeting adjourned, the Company instantly disclosed the resolution of the Shareholders' Meeting with clarity in all details, and submitted it to the Stock Exchange of Thailand through SETLink on July 24, 2020 at 9.04 p.m. This disclosure is in compliance with the regulations that the meeting resolution must be disclosed within the meeting date or by 9.00 am of the following business day at the latest.

5.8.7.2 Minutes of the Meeting

The Company prepared the Minutes of the Shareholders' Meeting with clarity in details, for example, the directors and management who attended the meeting, the attendance proportion of directors, the procedure of vote casting, the results in each agenda item, and inquiries made in the whole meeting. The Company also submitted the minute to the Stock Exchange of Thailand through SETLink, and uploaded to the Company's website (www.itd.co.th) on August 7, 2020 or within 14 days after the meeting date. Moreover, the Company submitted the minutes to the Department of Business Development, Ministry of Commerce (DBD e-Filing) on August 10, 2020 or within 30 days after the meeting date.

Recognition of other good corporate governances

The Company has implemented good corporate governance for 2017, excepting those matters as below:

1. The terms and conditions of appointment of Independent Directors for a tenure 9 of consecutive years. The Board of Directors has approved the appointment of the same Independent Directors for nine consecutive years as it was, and is, considered beneficial to the Company and shareholders. Those consecutive Independent Directors must be knowledgeable and have experience in operating the Company. The consecutive Independent Directors are able to express their opinions independently.

2. The Company has not yet determined a member in the Board's Remuneration and Nomination Committee. The Board will consult together in order to select the most appropriate members who are knowledgeable, expert and useful to the position of the Company in accordance with the rules in Corporate Governance.

3. The Company has not determined a policy about taking a position as a CEO in other companies as the Company has various subsidiaries.

Pursuant with the good Corporate Governance, the Company discloses the information from Board of Directors' Meetings on sub-committees in 2020 as follows:

Directors' Names	(Numbers of Attendance / Numbers of Meeting)		
	Audit Committee	Risk Management Committee	Attendance of Shareholder Meeting
1. Dr. Krisorn Jittorntrum	6/6	1/1	1/1
2. Mr. Premchai Karnasuta	-	-	1/1
3. Mrs. Nijaporn Charanachitta	-	-	1/1
4. Mr. Pathai Chakornbundit	-	1/1	1/1
5. Mr. Tawatchai Suthiprapha	-	-	1/1
6. Mr. William Lee Zentgraf	6/6	-	1/1
7. Mr. Peeti Karnasuta	-	1/1	1/1
8. Mr. Thoranis Karnasuta	-	1/1	1/1
9. Mr. Sai Wah Simon Suen	6/6	-	1/1

Corporate Social Responsibility Report (CSR)

The Corporate Social Responsibility's policy has been given priority throughout the Company's construction business operations, including its investment in diversified businesses. In addition, the Company has consistently studied the economic, social and environmental situation to prepare for upcoming future investments and operations. The Company focuses on the participation of employees, customers, society and community, as well as the Management, in activities expressing sustainable development by adjusting and encouraging CSR regulations in compliance with international standards and following the regulations related to the consumers, such as not taking advantage and social exploitation from the employment. This is how the Company is committed to operating its business, with a commitment to quality and efficient work in accordance with the Company's principles of "Commitment, Reliability, Quality"

Corporate Social Responsibility Vision

The Company has a vision for taking part in driving the country forward, as well as being the leading construction firm in Southeast Asia, with a conscience of responsibility for standard operating business practices using advanced techniques that are environmentally friendly and safe.

Corporate Social Responsibility Policy

The Company has laid out policies to demonstrate its social responsibility as follows:

1. Good Corporate Governance

The Company's management system is transparent and verifiable in order to create the confidence of all shareholders, stakeholders and related persons for the sustainable growth of the business.

2. Fair Business Operation

The Company shall run its business ethically and legitimately as it believes that its business operations must be fair to instil confidence in its customers, thus ensuring the Company's creditability and profitability in its long-term operations.

3. Respect of Human Rights and Fair Treatment of Labour

Since human resources are the key business factor in productivity and value-adding, the Company strives to achieve an optimal working atmosphere and environment for the employees' well-being and efficiency, so that they can develop those working skills for good performance that bring out their full potential.

4. Consumer Responsibility

As the construction business is highly competitive, the successful completion of each project and customer satisfaction become significant factors to help the Company in maintaining its position in business competition. Thus, the Company has established its working standards in compliance with that commitment, at the same time benefitting society.

5. Participation in Social Development

A healthy society with sustainable development is significant in advocating business operations, thus the Company has organized various social activities to strengthen both the community and society, such as education promotion, human resources development, employment support and social development projects.

6. Environmental Conservation

Environmental conservation is considered to be very important, thus the Company is aware of the need to protect the environment by establishing measures and environmental protection plans for its project operations according to the law. This helps the Company to smoothly carry out its construction on time. The Company also joins in holding activities for environmental quality improvement with other agencies.

Policy on Occupational Safety, Health, and Working Environment

The Company operates its construction business in consideration of the impacts on stakeholders and the environment, with emphasis on the safety of its employees and the public. The Company is fully aware of the importance of energy conservation and the cost-effective and sustainable use of natural resources, so it is continuously improving its integrated management system, in addition to maintaining the quality and standard of construction works.

The Company strives to maintain safety, health and the environment to international standards, thus the Company has established guidelines and procedures that implement the international standards for Quality Management System (ISO 9001: 2015), Environmental Management System (ISO 14001: 2015), Occupational Health and Safety Management System (ISO 45001: 2018). These are applied to efficiently benefit the production

and construction operations to the satisfaction of all stakeholders while providing safe working conditions for employees and preserving the environment according to those international standards.

Safety Committees have been appointed to manage safety matters seriously, comprehensively and efficiently since the 2015. The committees are divided into three levels as follows:

1. General Safety Committee
2. Business Unit's Safety Committee
3. Site Safety Committee

The Company's Policy on Occupational Health and Safety, which is part of the Company's corporate governance topic of Business Ethics, specified and announced the Policy as follows:

- Strictly comply with the various regulations, rules and laws of Occupational Health and Safety.
- Recognizes the importance of operational accident prevention.
- Encourages all employees to understand and recognize the Occupational Health and Safety concerns in their operations.
- The Company shall support and promote the improvement of the working environment and working safely and healthily.
- Monitor and evaluate the application of the policy on occupational safety, health and the working environment for efficiency and effectiveness according to legal requirements.

The Company has also improved the working environment by conducting annual surveys of the risks in the workplace environment, including the improvement of that environment by providing improved the facilities for the employees to have a better quality of life, such as the 5S activity, Big Cleaning Day and the construction of more toilets.

Impact and Sustainable Development Principles (Triple Bottom Line: TBL)

The CSR framework reflecting the main issues of the business, challenge and expectation are the characteristics of the construction business. Each issue is related to all groups of stakeholders as follows:

TBL Component	Internal Aspect	External Aspect	CSR Standards	Main Issue
Economics success	- Profit / Project costs - Higher ratio of work - Share / Investor's attention - Anti-corruption	- Fair price - Reliability/Quality - Dividend paying - Anti-corruption and fair trading competition	CG (SET)	- Business growth and fair trading competition - Anti-corruption
Social responsibility	- Employees' safety - Preventive care - Welfare and fair benefit - Reducing resistance from the community	- Safety of community and society - Human right - Skilled local laborers employment for income distribution - Effective project management	CG (SET)	- Safety first / Zero Accident - Human rights
Environmental responsibility	- Resource efficiency - Positive work environment (dust, noise, etc.) - Energy efficiency	- Environmental care and resource efficiency - Environment control (water, dust, air, noise, etc.) - Energy management / energy efficiency and renewable energy management	CG (SET)	- Raw materials management - Material replacement - Environmental impact control - Energy and renewable management

The Company's Social Responsibility Disclosure

The Company its discloses social responsibility details and activities in the Annual Registration Statement (Form 56-1), and Annual Report (Form 56-2) every year. All policies related to corporate social responsibility are disclosed on the Company's website (www.itd.co.th) under "Corporate Governance".

According to the Corporate Social Responsibility reporting process, the Company takes into account all stakeholders, therefore the emphasis on both corporate social responsibility in its business process (CSR-in-process) and on corporate social responsibility after the operation (CSR after-process) is highly placed and is in accordance with the Stock Exchange of Thailand's Corporate Governance. In the past year there were various activities undertaken by the Company as follows:

Corporate Social Responsibility in its Business Process (CSR-in-process)

1. Human Rights and Fair Treatment in Workplace

The Company realizes the importance of conducting business with transparency, respect for human rights and treating labour fairly. We treat all employees equally without discrimination in the matters of origin, race, gender, age, skin color, religion, or physical condition. We place emphasis on human resource development from recruitment to the improvement of work methods, together with training in technical and management skills.

The Company adheres to the important human rights principles while creating a suitable working environment for the Company's employees that will enhance the competitiveness and sustainable growth of the Company in the future. The Company respects the right of employees to express their opinions without interference.

The Company employs those with disabilities who can still work throughout the country so that they have the opportunity to make a living by themselves and use their potential to improve their quality of life. This is not only beneficial to the Company, but their engagement in the workforce encourages and instils confidence whilst building self-reliance.



2. Environment Maintenance

The Company has emphasized the prevention of destruction and encouraged the restoration of natural resources and the environment, at its construction sites and the surrounding areas to conserve natural resources for the benefit of the community. The Company promotes a corporate culture of resources conservation and support its environmental development activities by rising awareness of employees at all levels, as this adds value and sustainability for Thai society.

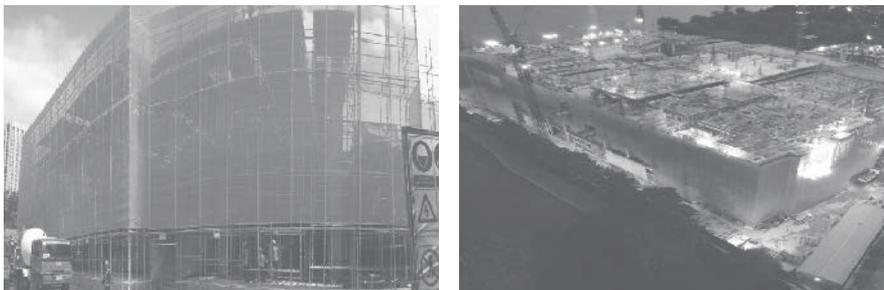
The Company realizes the importance of reducing the environmental impacts of dust, noise pollution and waste.

At present, the dust pollution (PM 10), including pollution from Particulate Matter (PM 2.5) that exceeds the standard, arising from construction sites and their surrounding areas in Bangkok and perimeter area have been causing deleterious health effects in the community during the past 2-3 years. Therefore, the Company has implemented measures at its construction sites to reduce dust diffusion by installing PM 2.5 Particle Counters, Mesh Sheeting, spraying water onto the sandstone and road surfaces, along with improved cleaning within the Company's construction sites.

- The “Terminal 21 Rama 3” building installed PM 2.5 Particle Counters at site



- Mesh Sheet covering the “Terminal 21 Rama 3” building during construction



- Cleaning the road surface, pavement and barrier along the “Secondary Mass Transit System, Golden Line (Krung Thon Buri Station - Khlong San District Office), Bangkok construction area



- Vacuum cleaning inside the “400 Bed Chulabhorn Hospital Building, Medical Service Expansion Phase 1” building during construction



- Vacuum cleaning inside the “Terminal 21 Rama 3” building during construction



- Due to the situation of the COVID-19 outbreak, the Company is applying anti-pandemic measures to reduce the risk of COVID-19 among employees and company visitors, both in headquarters office and sites according to published guidelines as follow:
 - Supplying cloth masks for employees, both in headquarters office and sites, to be worn at all the times.
 - Providing Thermoscan body temperature measurement for all sites
 - Implementing visitor registration forms for all persons entering and leaving headquarters and project sites.
 - The Company, in collaboration with Italthai Building Juristic Person, arranged the temperature scanners and staff at every building entry and exit.
 - Asking for cooperation from employees to avoid socializing by using electronic communication methods.
 - Not allowing migrant workers in camps to leave the area or visit their relatives until the situation improves.



- In collaboration with Muak Lek Sub-District Municipality, Muak Lek, Saraburi, the Company organized the “Khlong Suay Nam Sai Project of the Year 2020” activity to help conserve the environment and restored the public canals for the community by providing machinery and personnel in Cowboy City, Muak Lek, Saraburi.



- The Company was invited to participate the Fair Land Guidelines (Yu Yen Village) at Tum Tao Patthana Village in the area of Track Doubling Project: Map Kabao - Thanon Chira to disseminate project information to the community and accept complaints from those that have suffered from construction activities.



- The Company avoids waste disposal by incineration in the construction areas, instead it classifies waste into 2 types: general waste and waste that needs to be recycled, for example at the Thai Oil Project.



- Preventing material falling into the sea during construction by covering the construction area with canvas



Construction processes may affect the environment by way of air pollution, noise and waste disposal. Therefore, the Company uses various methods to reduce the impact on local communities and society, for example by measuring the sound levels during pile driving, Garbage Classification and preventing dangerous materials from falling into the sea.

- The Company has measured the noise levels in the community area of Thai Oil Project using the International Organization for Standardization (ISO1996) method which requires twice yearly testing, for 5 days each, appropriate times between 7:00 am and 6:00 pm.



3. Innovation and Practice of Technologies and Procedure for Environmental and Social Corporate Responsibility Activities

The Company has invented and developed production methods and procedures for business use and distributed those technologies and knowledge for academic and public use through many of its activities and conferences.

- The Company was entrusted to create the Negative Pressure Cabinet conceived by the brainstorming academic ideas of engineers from the Engineering Institute of Thailand Under H.M. The King's Patronage (EIT) by providing engineering support to the medical institutions for the design, to meet the needs of the medical facilities for use in caring for patients with COVID-19.

The Company is the main sponsor to produce more than 350 Negative Pressure Cabinets to deliver to various hospitals, such as 44 sets for Phramongkutklao Hospital, 44 sets for Ministry of Public Health, the Royal Thai Army Medical Department, Rajavithi Hospital, Medical Service Department, Police Department 191, the Special Service Division (Ratchawallop Police Retainers, King's Guards 904) and hospitals in various provinces. The Company has continuously delivered negative pressure cabinets to organizations as followed:

Royal Thai Army Medical Department



Pattani Hospital



Rajavithi Hospital



Chun Hospital, Phayao



The Special Service Division (Ratchawallop Police Retainers, King's Guards 904)



Thairath



Hospitals in the Southern are



Charoen Krung Pracha Rak Hospital



In this regard, The Engineering Institute of Thailand Under H.M. The King's Patronage (EIT) by Dr. Thanee Veerasiri (President of EIT) gave a certificate to Italian-Thai Development Public Company Limited, represented by Mr. Sirirat Denpharachangkang (SVP), Building Group 2, as a sponsor of "Negative Pressure Cabinet" that has a standard to provide to the medical institutions and related agencies has been used the amount of more than 350 sets in the treatment of patients with the COVID-19 virus infection. The ceremony was held at IMPACT Forum, Muang Thong Thani.



Corporate Social Responsibility (CSR-after-process)

1. Community or social development

The Company engaged with businesses, communities and societies that are affected by the Company's operations, both near and far from those operations, to develop and encourage the strength of communities and society with the following projects:

- The Company distributed 500 relief supply bags to the Huay Kwang community, to help those affected by the coronavirus disease (COVID-19) at Wat Uthai Tharam, Bang Kapi, Bangkok.



- The Company joined with the MRTA "Pannamjai" COVID-19 Fighting Project to help feed Thai people affected by the outbreak of the COVID-19 at Multipurpose Ground, Si Bun Rueang Temple, Bang Kapi, Bangkok.



- The Company and employees jointly made face shields for the Royal Thai Army Medical Department and the Quartermaster Department Royal Thai Army was delivered to the medical personnel for immediate use.



- The Company repaired the public roads damaged during the construction of the P39 - P40 elevated railway and the road in front of Wat Nam Pu to alleviate the suffering of people in the Muak Lek and Phaya Yen communities that use the above route.



- Stripping the public drain in the “400 Bed Chulabhorn Hospital Building, Medical Service Expansion Phase 1” construction project



- The Company, together with the Metropolitan Police Division 4 and Hua Mak Police Station, gave face masks to the people at Sri Bunruang Temple and Wat Sri Bunruang School.



- The Company participated in the Children’s Day activities to give 150 sets of sports equipment and sportswear as a gift at at Samakkhi Phattana Village, Hua Mak, Bang Kapi, Bangkok.



- The Company, together with the Metropolitan Police Division 4 and Hua Mak Police Station, gave face masks to the people at Suan Son Intersection, Soi Ramkhamhaeng 66, Hau Mak, Bangkok, Bangkok.



- The Company and Mea Moh Mine Contract 9 provided wooden crates for the elderly club for various purposes.



- The Company donated 500,000 Baht to the Klong Kew Police Station, Klong Kew, Ban Bueng, Chonburi to build a new police station.



- The Company supported the training activities in the “PM Dust Education Project” at Mabakrut School, Ban Bueng, Chonburi and Nong Nam Khiao School, Klong Kew, Ban Bueng, Chonburi.



- The Company gave face masks, rice, eggs, milk to Nong Nam Khiao community with a team of specialized medical examination for people.



- The Company gave a basket of poppies and a donation of 50,000 Baht on Veterans Day for Gen. Airbuon Suthiwan, Commander of the Air Force and President and the Air Force House Association.



2. Environmental Aspect

The Company, with the support of its employees and the community, have succeeded in the organization of environmental restoration and preservation activities. The process enriches the natural diversity as well as promoting plant environment awareness and sustainable growth.

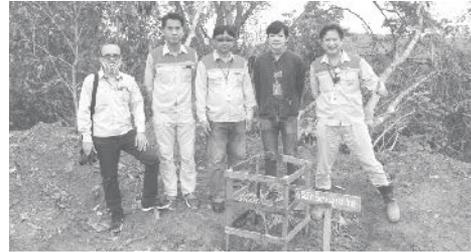
- The Company, together with the MRTA, organized the “Sharing for the world to reducing PM 2.5”, activity to distribute 5,000 ornamental plants to the general public and the Saphan Sung District Office to help absorb pollution at The Paseo Shopping Center, Ramkhamhaeng, Saphan Sung, Bangkok.



- The Company joined with the Hongsa Power Project, Lao PDR to conserve and restore the forest for people within the community, encouraging all parts of society to protect the forest resources.



- The Company joined with the students of Hongsa, Lao PDR, plant seedlings to conserve and restore the forests of the people within the community, encouraging all parts of society to protect forest resources.



3. Religion, Tradition and Culture Aspect

- The Company organized an ordination ceremony for the Royal Merit Charity on 19 October 2020 (Pass Away Memorial Day of King Rama 9) with 26 project managers and staff who joined the ordination at the Phanita Ram Temple, Cha Cherng Sao.



- Supporting the Great Nation Festival of Ban Han, Lao PDR



Board of Directors and Board of Management

Experience of Board of Directors and Board of Management

1 Dr. Krisorn Jittorntrum

Education:

Ph.D. Computing Research Group, Institute of Advance Studies,
The Australia National University, Australia
B.S. (Faculty of Sciences), First honor
The Australia National University, Australia

Awards:

Australian Computer Society Award (1975)
Medal from the Australian National University (1976)

Chairman of the Board of Directors:**Chairman of Audit Committee:****Chairman of the Risk Management Committee:****Independent Director:**

Italian-Thai Development PCL.

Associate Professor:

Faculty of Sciences, Chiang Mai University

Director:

Information Technology Service Centre, Chiang Mai University

Chairman of Working Group on Law and Digital Signature:

Consulting Committee of Electronic Commerce Project
ASEAN Coordinating Committee on Electronic Commerce

**President of Strategic Plan for the Development of Upper North
Region Study (1998-2008):**

Office of the National Economic and Social Development Board

Advisor to the Minister:

Ministry of Labor

Director:

Asia Pacific Potash Corporation Co., Ltd.

Age: 68 years old

Director Position:

Date of the first appointment: March 26, 1999

Date of the latest appointment: April 25, 2018

2 Mr. Premchai Karnasuta

Education:

Master of Business Administration
University of Southern California USA
B.S. in Mining Engineering
Colorado School of Mines, USA.

President:

Italian-Thai Development PCL.

Chairman of the Board of Directors:

Thai Maruken Co., Ltd.

Director:

Italian-Thai Development PCL.
Charoong Thai Wire & Cable PCL.
Siam Steel Syndicate PCL.
3B Holding Co., Ltd.
Ao Po Grand Marina & Residence Co., Ltd.
Ao Po Grand Marina Co., Ltd.
APPC Holding Co., Ltd.
Aquathai Co., Ltd.
Asia Industrial and Port Corporation Co., Ltd.
Asia Logistics Development Co., Ltd.
Asia Pacific Potash Corporation Co., Ltd.
Asia Thai Mining Co., Ltd.
Asian Rail Co., Ltd.
Asian Steel Product Co., Ltd.

Age: 67 years old

Director Position:

Date of the first appointment: March 24, 1994

Date of the latest appointment: July 24, 2020

Bangkok Steel Wire Co., Ltd.

MCRP Construction Corporation Co., Ltd.
MCRP Holding Corporation Co., Ltd.
Myanmar Italian-Thai Power 1 Co., Ltd.
Nahathai Co., Ltd.
Nha Phralan Crushing Plant Co., Ltd.
Nishio Rent All (Thailand) Co., Ltd.
Palangngan Sakol Co., Ltd.
Palangthai Kaona Co., Ltd.
Palit Palangngan Co., Ltd.
Pan African Mining Corporation
Panoot Co., Ltd.
Phannin Co., Ltd.
Phu Ruea Fragrance Oil Co., Ltd.
Praram 9 Square Co., Ltd.

ATO - Asia Turnout Co., Ltd.
Bangkok Steel Wire Co., Ltd.
Bhaka Bhumi Development Co., Ltd.,
Bhantuwong Co., Ltd.
C.P.K. International Co., Ltd.
C.P.K. Plantation Co., Ltd.
Chantaburi Country Club Co., Ltd.
Dithee Co., Ltd.
Eastern High-Speed Rail Linking Three Airports Co., Ltd.
First Dhaka Elevated Expressway Co., Ltd.
Italian-Thai Hongsa Co., Ltd.
Italian-Thai International Co., Ltd.
Italian-Thai Land Co., Ltd.
Italian-Thai Power Co., Ltd.
Italthai Marine Co., Ltd.
Italthai Trevi Co., Ltd.
ITD Bangladesh Co., Ltd.
ITD Myanmar International Co., Ltd.
Kanika Co., Ltd.
Lasalle Co., Ltd.

Praram 9 Square Hotel Co., Ltd.
PT. Thailindo Bara Pratama
Sankyu Thai Co., Ltd.
Saraburi Construction Technology Co., Ltd.
Sarithorn Co., Ltd.
Siam Concrete and Brick Products Co., Ltd.
Siam Fiber Optics Co., Ltd.
Siam Machinery and Equipment Co., Ltd.
Sin Rae Muang Thai Co., Ltd.
Sino Lao Aluminum Corporation Limited
Southern Industry (1996) Co., Ltd.
Takolkiat Co., Ltd.
Tayakee Co., Ltd.
Thai Mozambique Logistica SA
Thai Nippon Steel Engineering & Construction Corp. Co., Ltd.
Thai Pride Cement Co., Ltd.
Tongkrai Co., Ltd.
Tridayuk Co., Ltd.
Wildemere Co., Ltd.

3 Mrs. Nijaporn Charanachitta

Education:

M.B.A. (Finance) University of Wisconsin (Madison), USA
Bachelor of Arts, Chulalongkorn University, Thailand

Training Programs Certified by IOD:

- Director Certification Program (DCP) 56/2005

Chairman of the Board of Directors:

OHTL PCL.
Amari Co., Ltd.
Amari Estate Phuket Co., Ltd.
Amari Hotel & Resort Co., Ltd.
Amari Hua Hin Co., Ltd.
Amari Pattaya Co., Ltd.

Director and Senior Executive Vice President:

Italian-Thai Development PCL.

Director and Member of the Nomination and Compensation Committee:

Charoong Thai Wire & Cable PCL.

Director:

Italian-Thai Development PCL.
TTCL PCL.
Charoong Thai Wire & Cable PCL.
OHTL PCL.
Siam Steel Syndicate Public PCL.
Amari Co., Ltd.
Amari Estate Phuket Co., Ltd.
Amari Hotel & Resort Co., Ltd.
Amari Hua Hin Co., Ltd.
Amari Pattaya Co., Ltd.
Amari Watergate Bangkok Co., Ltd.
Amari Estates Co., Ltd.
Antara Holiday Park Co., Ltd.
APPC Holding Co., Ltd.
Aquathai Co., Ltd.
Asia Industrial and Port Corporation Co., Ltd.

Age: 70 years old

Director Position:

Date of the first appointment: March 24, 1994
Date of the latest appointment: April 25, 2018

Amari Watergate Bangkok Co., Ltd.
Amari Estates Co., Ltd.
Chao Phraya Development Corporation Co., Ltd.
Italthai Real Estate Co., Ltd.
Oriental Residence Bangkok Co., Ltd.
Sakdi Sin Prasit Co., Ltd.

Italthai Real Estate Co., Ltd.
ITD Bangladesh Co., Ltd.
ITD Myanmar International Co., Ltd.
Kanika Co., Ltd.
Lasalle Co., Ltd.
Myanmar Italian-Thai Power 1 Co., Ltd.
Nahathai Co., Ltd.
Nha Phralan Crushing Plant Co., Ltd.
Nishio Rent All (Thailand) Co., Ltd.
Oriental Residence Bangkok Co., Ltd.
Ozo Kata Co., Ltd.
Ozo Pattaya Co., Ltd.
Ozo Watergate Co., Ltd.
Palangngan Sakol Co., Ltd.
Palangthai Kaona Co., Ltd.
Palit Palangngan Co., Ltd.

Asia Logistics Development Co., Ltd.
Asia Pacific Potash Corporation Co., Ltd.
Asia Thai Mining Co., Ltd.
Asian Rail Co., Ltd.
Asian Steel Product Co., Ltd.
ATO - Asia Turnout Co., Ltd.
Baan Rao Holding Co., Ltd.
Baan Rimnaam Chaophraya Co., Ltd.
Bangkok Steel Wire Co., Ltd.
Bhaka Bhumi Development Co., Ltd.
Bhantuwong Co., Ltd.
Chao Phraya Development Corporation Co., Ltd.
C.P.K. International Co., Ltd.
C.P.K. Plantation Co., Ltd.
Chantaburi Country Club Co., Ltd.
Dithee Co., Ltd.
Italian-Thai Hongsa Co., Ltd.
Italian-Thai International Co., Ltd.
Italian-Thai Land Co., Ltd.
Italian-Thai Power Co., Ltd.
Italhai Holding Company Co., Ltd.
Italhai Marine Co., Ltd.
Italhai Trevi Co., Ltd.

Pan African Mining Corporation
Panoot Co., Ltd.
Phannin Co., Ltd.
Praram 9 Square Co., Ltd.
PT. Thailindo Bara Pratama
Sakdi Sin Prasit Co., Ltd.
Sankyu Thai Co., Ltd.
Saraburi Construction Technology Co., Ltd.
Sarithorn Co., Ltd
Siam Concrete and Brick Products Co., Ltd.
Siam Machinery and Equipment Co., Ltd.
Sin Rae Muang Thai Co., Ltd.
Sino Lao Aluminum Corporation Limited
Southern Industry (1996) Co., Ltd.
Takolkiat Co., Ltd.
Tayakee Co., Ltd.
Thai Maruken Co., Ltd.
Thai Nippon Steel Engineering & Construction Corp. Co., Ltd.
Thai Pride Cement Co., Ltd
Tongkrai Co., Ltd.
Tridayuk Co., Ltd.
Wildemere Co., Ltd.

4 Mr. Pathai Chakornbundit

Education:

Bachelor of Engineering, Chulalongkorn University, Thailand

Training Programs Certified by IOD:

- Director Certificate Program (DCP) 56/2005

Director and Senior Executive Vice President:

Chairman of the Risk Management Committee:

Italian-Thai Development PCL.

Director:

Italian-Thai Development PCL.
Myanmar Italian-Thai Power 1 Co., Ltd.
Nha Phralan Crushing Plant Co., Ltd.
Palangthai Kaona Co., Ltd.
Palit Palangngan Co., Ltd.
PT. Thailindo Bara Pratama
Sankyu Thai Co., Ltd.
Sarithorn Co., Ltd.
Italian-Thai Hongsa Co., Ltd.
Italian-Thai Land Co., Ltd.
Italhai Marine Co., Ltd.
Italhai Trevi Co., Ltd.
ITD Myanmar International Co., Ltd.
IOT Joint Venture

Age: 79 years old

Director Position:

Date of the first appointment: March 21, 2003

Date of the latest appointment: July 24, 2020

APPC Holding Co., Ltd.
Aquathai Co., Ltd.
Asia Industrial and Port Corporation Co., Ltd.
Asia Logistics Development Co., Ltd.
Asia Pacific Potash Corporation Co., Ltd.
Bangkok Steel Wire Co., Ltd.
Bhaka Bhumi Development Co., Ltd.,
Sin Rae Muang Thai Co., Ltd.
Southern Industry (1996) Co., Ltd.
Thai Maruken Co., Ltd.
Thai Nippon Steel Engineering & Construction Corp. Co., Ltd.
Thai Pride Cement Co., Ltd.
ITD-EGC Joint Venture

5 **Mr. Tawatchai Suthiprapha**

Education:

Bachelor of Engineering, Chulalongkorn University, Thailand

Training Programs Certified by IOD:

- Director Accreditation Program (DAP) 48/2005
- Finance for Non Finance Director
- Sharing Forum on Financial Instrument for Directors

Director and Senior Executive Vice President:

Italian-Thai Development PCL.

Director:

Italian-Thai Development PCL.
Asia Fastening System Co., Ltd.
Asia Industrial and Port Corporation Co., Ltd.
Asia Logistics Development Co., Ltd.
Asian Rail Co., Ltd.
ATO - Asia Turnout Co., Ltd.

Age: 78 years old

Director Position:

Date of the first appointment: March 24, 2005

Date of the latest appointment: April 25, 2018

Bhaka Bhumi Development Co., Ltd.,
Saraburi Construction Technology Co., Ltd.
Sarithorn Co., Ltd.
Southern Industry (1996) Co., Ltd.
Thai Maruken Co., Ltd.
Thai Pride Cement Co., Ltd.

6 **Mr. William Lee Zentgraf**

Education:

A.B. (cum laude) Harvard College, USA

Independent Director:

Audit Committee:

Italian-Thai Development PCL.

Director:

OHTL PCL.

Age: 81 years old

Director Position:

Date of the first appointment: March 24, 2005

Date of the latest appointment: April 25, 2019

7 **Mr. Sai Wah Simon Suen**

Education:

Master of Bussiness Management,
Chaminade University of Honolulu, Hawaii, USA
Bachelor of Bussiness Management,
The University of Hawaii, Hawaii, USA

Independent Director:

Audit Committee:

Italian-Thai Development PCL.

Chairman of Nomination and Remuneration Committee:

Independent Director:

Audit Committee:

Charoong Thai Wire & Cable PCL.

Age: 61 years old

Director Position:

Date of the first appointment: June 15, 2018

Date of the latest appointment: April 25, 2019

8 **Mr. Virat Kongmaneerat**

Education:

Bachelor of Engineering
King Mongkut's University of Technology Thonburi, Thailand

Executive Vice President:

Italian-Thai Development PCL.

Director:

Thai Mozambique Ligistica SA

Age: 67 years old

9 **Mr. Sumate Surabotsopon**

Education:

Master of Engineering
King Mongkut's University of Technology Thonburi, Thailand

Executive Vice President:

Italian-Thai Development PCL.

Director:

ITD Bangladesh Co., Ltd.

Age: 57 years old

10 **Mr. Thoranis Karnasuta**

Education:

Bachelor of Industrial Engineering
University of California, Berkeley, USA

Training Programs Certified by IOD:

- Director Accreditation Program (DAP) 173/2020

Executive Vice President:

Assistant to the President:

Risk Management Committee:

Italian-Thai Development PCL.

Director:

Italian-Thai Development PCL.
Siam Steel Syndicate PCL.
3B Holding Co., Ltd.
Amari Co., Ltd.
Asia Pacific Potash Corporation Co., Ltd.
Asian Steel Product Co., Ltd.

Age: 31 years old

Director Position:

Date of the first appointment: April 30, 2014

Date of the latest appointment: July 24, 2020

Italthai Real Estate Co., Ltd.
ITD Madagascar S.A.
ITD Myanmar International Co., Ltd.
LNG Plus International Co., Ltd.
Thai Mozambique Logistica SA

11 **Mr. Peeti Karnasuta**

Education:

Applied Economics, University of Saint Andrews
Scotland, UK

Executive Vice President:

Risk Management Committee:

Italian-Thai Development PCL.

Director:

Italian-Thai Development PCL.
3B Holding Co., Ltd.
Amari Hotel & Resort Co., Ltd.
Asia Thai Mining Co., Ltd.
Italian-Thai International Co., Ltd.
Italian-Thai Power Co., Ltd.

Managing Director:

Construction Concrete Co., Ltd.

Age: 40 years old

Director Position:

Date of the first appointment: March 24, 2008

Date of the latest appointment: April 25, 2019

Italthai Holding Company Co., Ltd.
ITD Madagascar S.A.
Myanmar Italian-Thai Power 1 Co., Ltd.
PAM Sakoa Coal SA
Pan African Mining Corporation

Intrinsic Resources Co., Ltd.

12 **Ms. Prachaya Karnasuta**

Education:

Master of Business Administration
Hawaii Pacific University, USA

Executive Vice President:

Assistant to Director and Senior Executive Vice President:

Italian-Thai Development PCL.

Director:

3B Holding Co., Ltd.
Ao Po Grand Marina & Residence Co., Ltd.
Ao Po Grand Marina Co., Ltd.
Baan Rao Holding Co., Ltd.

Age: 38 years old

LNG Plus International Co., Ltd.
MSI Thailand Co., Ltd.
Oriental Residence Bangkok Co., Ltd.

13 **Mr. Piyachai Karnasuta** **Age: 46 years old**

Education:
 Master of Business Administration (Civil Engineering),
 Waseda University, Japan

Training Programs Certified by IOD:
 - Director Accreditation Program (DAP) 161/2019

Chairman of the Board of Directors:
 ITD Cementation India Co., Ltd. Italian-Thai Vietnam Development Co., Ltd.
 ITD Construction SDN.BHD.

Executive Vice President:
 Italian-Thai Development PCL.

Director:
 Italian-Thai International Co., Ltd. Napralan Crushing Plant Co., Ltd.
 Italian-Thai Power Co., Ltd. Siam Machinery & Equipment Co., Ltd.
 Myanmar Italian-Thai Power 1 Co., Ltd.

14 **Mr. Chatichai Chutima** **Age: 61 years old**

Education:
 Master of Economics from Ohio University, USA

Training Programs Certified by IOD:
 - Director Certificate Program (DCP) 204/2015
 - Director Accreditation Program (DAP) 67/2007
 - Successful Formulation & Executive of Strategy 12/2011

Executive Vice President:

Risk Management Committee:

Executive Vice President (Finance) and Chief Financial Officer:
 Italian-Thai Development PCL.

Director:
 Siam Steel Syndicate PCL. ITD Bangladesh Co., Ltd.
 Siam Pacific Electric Wire & Cable Co., Ltd.

Honorary Council Members:
 University Council of Rajamangala University of Technology Thanyaburi

15 **Mr. Sompop Pinijchai** **Age: 64 years old**

Education:
 Master of Business Administration (Finance)
 National Institute of Development Administration (NIDA), Thailand

Executive Vice President:

Risk Management Committee:
 Italian-Thai Development PCL.

Director:
 Italthai Marine Co., Ltd.

16 **Mr. Woravudh Hiranyapaisarnsakul** **Age: 60 years old**

Education:
 Master of Business Administration, Thammasart University, Thailand

Training Programs Certified by IOD:
 - Company Secretary Program 29/2009
 - Effective Minute Taking 13/2009

Executive Vice President:

Risk Management Committee:

Director and Secretary of Risk Management Committee:

Company Secretary:
 Italian-Thai Development PCL.

Managing Director:
 Asia Pacific Potash Corporation Co., Ltd.

** Please refer to the attachment for the Company Secretary's Qualification*

Authority and Responsibility of the Company Secretary

The Company Secretary is required to perform his/her duties with responsibility, caution, and integrity in compliance with the laws, objectives and regulations of the Company, and the resolutions of the Board of Directors and Shareholders as defined in Securities and Exchange Act (No.4) B.E. 2551, Section 89/15 and 89/16 from August 31, 2008 onwards. The Company Secretary shall be responsible for the following proceedings:

1. Prepare and file the following documents:
 - a). The Directors' Register
 - b). The Notification and Minutes of the Board of Directors' Meetings and Annual Reports
 - c). The Notification and Minutes of Annual General Meeting of Shareholder
2. File a report of interests of Directors, Executives and Persons involved, then submit a copy to the Chairman of the Board of Directors and Audit Committee to acknowledge within seven days from the date the report is received in accordance with Section 89/14.
3. Perform other necessities in compliance with the Capital Market Supervisory Board.

Qualifications of the Company Secretary

1. To have a comprehensive knowledge and perception of the Company's nature of business, including the roles and duties of the Board of Directors' and the Company's responsibilities, to be well familiar with laws and regulations and importantly, to always follow up all required information.
2. To perform duties in compliance with laws, rules and the Company's regulations with the highest responsibility, caution, integrity and determination in order to achieve the Company's objectives under the proper guidance of Corporate Governance and Code of Ethics.
3. To strictly adhere to moral principles and to be concerned for all stakeholders by not doing anything may cause damage to the Company's reputation.
4. Not derive self-benefit from the Company's business opportunities and to firmly keep the Company's information confidential.
5. To maintain the good relations and social ability in order to coordinate with all others, both inside and outside the Company.

Number of Shares held by ITD Directors and Directors' Remuneration

Information as of January 29, 2021

Name	Position	Number of Share as of January 31, 2020	Number of Share as of January 29, 2021	Change during the Year	Remuneration (Unit: Baht)
1. Dr. Krisorn Jittorntrum	Chairman of the Board of Directors	- 0 -	- 0 -	- 0 -	750,000 (1)
	Independent Director				
	Chairman of the Audit Committee				460,000 (2)
	Chairman of Risk Management Committee				15,000 (3)
2. Mr. Premchai Karnasuta	Director	628,213,626	628,213,626	- 0 -	580,000 (1)
3. Mrs. Nijaporn Charanachitta	Director	350,815,140	350,815,140	- 0 -	580,000 (1)
4. Mr. Pathai Chakornbundit	Director	69,540	69,540	- 0 -	580,000 (1)
	Vice Chairman of Risk Management Committee				10,000 (3)
5. Mr. Tawatchai Suthiprapha	Director	- 0 -	- 0 -	- 0 -	580,000 (1)
6. Mr. William Lee Zentgraf	Independent Director	- 0 -	- 0 -	- 0 -	580,000 (1)
	Audit Committee Member				365,000 (2)
7. Mr. Peeti Karnasuta	Director	463	463	- 0 -	580,000 (1)
	Risk Management Committee				10,000 (3)
8. Mr. Thoranis Karnasuta	Director	28,210,960	28,210,960	- 0 -	580,000 (1)
	Risk Management Committee				10,000 (3)
9. Mr. Sai Wah Simon Suen	Independent Director	- 0 -	- 0 -	- 0 -	580,000 (1)
	Audit Committee Member				365,000 (2)

Remark

(1) the Board of Directors' Remuneration

(2) Audit Committees' Remuneration plus with bonus

(3) Risk Management Committees' Remuneration (the attendance allowance per each meeting)

Internal Control

The Company continually recognizes the importance of its internal control systems in both levels of the management and operation to prevent and reduce corporate risks. The Board of Directors has conducted the evaluation of internal control and followed up the operation improvement on regularly basis to assure that the internal control be appropriate and sufficient for operation.

The Board of Directors' Meeting No. 8/3/2021 was held on March 15, 2021 by presence of three members of Audit Committee. The Board of Directors has evaluated the sufficiency of the Company's Internal Control Systems by using the format of assessment of internal control of the Securities and Exchange Commission and enquiring information from the management comprising:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Board of Directors and Audit Committee's opinion states that the Company's Internal Control Systems are organized appropriately and adequately, also in compliance with the assessment of internal control. In this regards, the Company has provided adequate personnel to efficiently carry out it. In addition, they follow up the operation of the Company and its subsidiaries so that the Company's assets and those of its subsidiaries as well as the business transactions with the persons who may have conflict and connected interest are protected from abuse by the Company Directors and Executives.

The Board of Directors, Audit Committee and the Certified Public Accountant's common opinion states that the Company Internal Control Systems are efficient. Also, no defect has been founded to significantly impact against the auditor's opinion.

Related Party Transactions

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2020 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
1. Siam Steel Syndicate Public Co., Ltd. (Steel Bar Production)	<ul style="list-style-type: none"> - Related company - The Company holds 1.16% of the total outstanding shares - The Directors and the Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Mr.Peeti Karnasuta, Mr.Thoranis Karnasuta, Ms.Prachaya Karnasuta and Mr.Piyachai Karnasuta) and related persons hold 91.24% of the total outstanding shares. - The Directors and the Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Mr.Thoranis Karnasuta, Mr.Chatichai Chutima and Mr.Prasart Kosarussawadee) are the Directors of Siam Steel Syndicate Public Co., Ltd. 	- Revenue from office rental, common area services and utilities fees, billet and scrap-iron sales	69.43	- Siam Steel Syndicate Co., Ltd. provided office space, and common area service with 3-year rental contract. (The contract will be terminated on October 31, 2021).	- Ordinary business support transaction
		- Accounts receivable	11.69	- The Company sold the scrap iron, provided the office spaces for rent, and obtained common area maintenance fee with 30-60 days of credit term.	- Rental price and common area maintenance fee are in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties.
		- Cost of construction services	1,051	The Company purchased the products from Siam Steel Syndicate Co., Ltd.	- Ordinary business transaction
		- Accounts payable	365.96		- Utility charge was the actual cost.
2. ItalThai Industrial Co., Ltd. (Machines & Parts Trading)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta) and related persons hold 8.37% of the total outstanding shares - The Directors and the Managements of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, Mr. Peeti Karnasuta, Ms. Prachaya Karnasuta, Mr. Thoranis Karnasuta, and Mr. Piyachai Karnasuta) and related persons indirectly hold the 89.71% of the total outstanding shares via ItalThai Holding Company Co., Ltd. 	- Cost of machines, spare parts, and maintenance expense	139.06	- The Company purchased machines, parts and maintenance services from ItalThai Industrial Co., Ltd. with 30-60 days of credit term.	- Ordinary business support transaction
		- Accounts payable	11.99		- Spare parts, machines and maintenance expenses were in accordance with the market-based pricing and on arm's length basis by similarity to any transactions does with other third parties.
<u>Transaction with Subsidiaries</u>					
- Dawei Development Co., Ltd. - Italian-Thai Hongsa Co., Ltd.	<ul style="list-style-type: none"> - The Company purchased the machines, spare parts and maintenance services - The Company purchased the machines, spare parts and maintenance service 	- Accounts payable	3.59	- Dawei Development Co., Ltd and ItalianThai Hongsa Co., Ltd. purchased machines, spare parts and maintenance service from ItalThai Industrial Co., Ltd. with 30-60 days of credit term.	- Ordinary business support transaction
		- Accounts payable	2.83		- Spare parts, machines and other expenses were in accordance with the market-based pricing on arm's length basis that Italian-Thai Hongsa Co., Ltd. does with other third parties.
		- Cost of spare parts and maintenance expense	9.69		

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2020 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
3. Italthai Engineering Co., Ltd. (Construction; and Gas and Air Conditioning Systems Installation)	<ul style="list-style-type: none"> - Related company - The Directors and the Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Mr.Peeti Karnasuta, Ms.Prachaya Karnasuta, Mr.Thoranis Karnasuta, and Mr.Piyachai Karnasuta) and related persons indirectly hold 95.53% of the total outstanding shares via Italthai Holding Company Co., Ltd. and Sak Di Sin Prasit Co., Ltd. 	<ul style="list-style-type: none"> - Accounts payable - Cost of the construction services - Accounts receivable 	<ul style="list-style-type: none"> 693.27 828.54 86.48 	<ul style="list-style-type: none"> - The Company hired Italthai Engineering Co., Ltd. to install electric and communication systems and the construction. - The Company constructed High Voltage Station Project, Patthalung Province (Civil work). 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the market-based pricing and on arm's length basis that the Company done with other third parties. - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
4. Auo-Po Grand Marina Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Director of the Company (Mr.Premchai Karnasuta) indirectly holds 90% of the total outstanding shares via 3B Holding Co., Ltd. - The Director and the Management of the Company (Mr.Premchai Karnasuta and Ms.Prachaya Karnasuta) are the Directors of Auo-Po Grand Marina Co., Ltd. 	<ul style="list-style-type: none"> - Accounts receivable 	<ul style="list-style-type: none"> 50.66 	<ul style="list-style-type: none"> - The Company provided the jetty and Yacht Club construction service at Auo-Po, Phuket Province. (Provision for loses in the amount of Baht 50.66 million) 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties. - Auo-Po Grand Marina Co.,Ltd. had a repayment plan and gradually paid debt upon its financial capabilities. [remark: It is in the process of following up the debt repayment plan]
5. Pan African Mining Corp. (Holding Company)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr.Premchai Karnasuta and Mrs.Nijaporn Charanachitta) indirectly hold 90% of the total outstanding shares via Asia Thai Mining Co., Ltd. - The Directors of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, and Mr.Peeti Karnasuta) are the Directors of Pan African Mining Corp. 	<ul style="list-style-type: none"> - Accounts receivable 	<ul style="list-style-type: none"> 103.57 	<ul style="list-style-type: none"> - The Company provided project management service for SAKOA Coal Mine Project in Madagascar with 30-60 days of credit term. - Provision for loses in the amount of Baht 103.57 million 	<ul style="list-style-type: none"> - Ordinary business support transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
6. PAM SAKOA COAL SA (Coal Mine)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr.Premchai Karnasuta and Mrs.Nijaporn Charanachitta) indirectly hold 89.73% of the total outstanding shares via Asia Thai Mining Co., Ltd. - The Director of the Company (Mr. Peeti Karnasuta) is the Director of PAM SAKOA COAL SA. 	<ul style="list-style-type: none"> - Accounts receivable - Short term loan and advance payment 	<ul style="list-style-type: none"> 54.27 13.80 	<ul style="list-style-type: none"> - ITD Madagascar provided consultancy service for coal mining project of PAM SAKOA COAL SA in Madagascar (Provision for loses in the amount of Baht 54.27 million) - Advance payment for Import duty of Machinery and expenses for Mining Coal Project. (Provision for loses in the amount of Baht 13.80 million) 	<ul style="list-style-type: none"> - Ordinary business support transaction - The service fee was in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties. - Providing or receiving financial assistance transaction - The amount was the import fee on behalf of the project owner (PAMS) to ITD Madagascar and in a precess of TAX benefits approval. Once the Government issued BOI to PAMS, PAMS would regain the paid-up tax and advance. Then, it would return the regained tax ITD Madagascar.

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2020 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
7. LNG Plus International Co., Ltd. (Manufacture and distribution of electricity)	<ul style="list-style-type: none"> - Related company - The Directors and the Managements of the Company (Mr.Premchai Karnasuta, Ms.Prachaya Karnasuta and Mr.Thoranis Karnasuta) hold 0.0008% of the total outstanding shares. - The Directors and the Managements of the Company (Mr.Premchai Karnasuta, Mr.Peeti Karnasuta, Ms.Prachaya Karnasuta and Mr.Thoranis Karnasuta) indirectly hold 60% of the total outstanding shares via 3B Holding Co., Ltd. - The Director and the Management of the Company (Mr.Thoranis Karnasuta and Ms.Prachaya Karnasuta) are the Directors of LNG Plus International Co., Ltd. 	<ul style="list-style-type: none"> - Accounts payable - Accounts payable 	<p style="text-align: right;">4.62 20.00</p>	<ul style="list-style-type: none"> - The Company purchased Electricity for Dawei Industrial Estate Project. - The Compensation for Dawei Project contract breach with 30-60 days of credit term. 	<ul style="list-style-type: none"> - The transaction price was based on Take or Pay Agreement.
8. Construction Concrete Co., Ltd. (Concrete Trading) <u>Transaction with Subsidiaries</u> Thai Pride Cement Co., Ltd. (Manufacture and distribution of cement)	<ul style="list-style-type: none"> - Related company - The Director of the Company (Mr.Peeti Karnasuta) holds 99.99% of the total outstanding shares - The Director of the Company (Mr.Peeti Karnasuta) is the Director of Construction Concrete Co., Ltd. 	<ul style="list-style-type: none"> - Cost of construction service - Accounts payable - Revenue from sale - Accounts receivable - Revenue from sale - Accounts receivable 	<p style="text-align: right;">159.38 62.66 16.11 12.06 25.02 39.78</p>	<ul style="list-style-type: none"> - The Company purchased concrete from Construction Concrete Co., Ltd. with 60 days of credit term. - The Company sold “3/4 stone to Construction Concrete Co., Ltd. with 30-60 days of credit term. - Thai Pride Cement Co., Ltd. sold cement powder to Construction Concrete Co., Ltd. with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the market-based pricing and on arm’s length basis that the Company does with other third parties. - Ordinary business transaction - The transaction price was in accordance with the market-based pricing and on arm’s length basis that the Company does with other third parties. - Ordinary business transaction - The transaction price was in accordance with the market-based pricing and on arm’s length basis that Thai Pride Cement Co., Ltd. does with other third parties.
9. Charoong Thai Wire and Cable Public Co., Ltd. (CTW) (Wire and Cable Manufacture and Distributor)	<ul style="list-style-type: none"> - Related company - The Company holds 12.90% of the total outstanding shares - The Directors of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta and Mr.Sai Wah Simon Suen) are the Directors of Charoong Thai Wire and Cable Public Co., Ltd. 	<ul style="list-style-type: none"> - Cost of construction service - Accounts payable - Revenue from construction service - Account receivable 	<p style="text-align: right;">121.99 130.83 102.42 7.16</p>	<ul style="list-style-type: none"> - The Company purchased material from Charoong Thai Wire and Cable Public Co., Ltd. with 30-60 days of credit term. - The Company constructed machinery platform building for CDCC LINE with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the market-based pricing and on arm’s length basis that the Company does with other third parties. - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm’s length basis by similarity to any transactions done with other third parties.
10. Nishi-O Rent All (Thailand) Co., Ltd. (Machine rental for construction) (Former name: Thai Rent All Co., Ltd.)	<ul style="list-style-type: none"> - Related company - The Company holds 15% of the total outstanding shares. - The Directors of the Company (Mr.Premchai Karnasuta and Mrs.Nijaporn Charanachitta) are the Directors of Nishi-O Rent All (Thailand) Co., Ltd. 	<ul style="list-style-type: none"> - Cost of construction service - Accounts payable 	<p style="text-align: right;">127.97 141.33</p>	<ul style="list-style-type: none"> - The Company rented the machines from Nishi-O Rent All (Thailand) Co., Ltd. with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transaction - The transaction price was in accordance with the market-based pricing and on arm’s length basis by similarity to any transactions done with other third parties.

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2020 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
11. Praram 9 Square Co., Ltd. (Department Store Development)	<ul style="list-style-type: none"> - Related company - The Company holds 6.32% of the total outstanding shares. - The Directors of the Company (Mr.Premchai Karnasuta and Mrs.Nijaporn Charanachitta) are the Directors of Praram 9 Square Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from construction service 	17.42	<ul style="list-style-type: none"> - The Company provided construction service for steel reinforcement to G Tower, the Grand Rama 9 project with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
12. Amari Pattaya Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Directors and the Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Mr.Peeti Karnasuta, Mr.William Lee Zentgraf, Ms.Prachaya Karnasuta and Mr.Piyachai Karnasuta) and related persons indirectly hold 77.41% of the total outstanding shares via Amari Co., Ltd. - The Director of the Company (Mrs.Nijaporn Charanachitta) is the Director of Amari Pattaya Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from construction service - Accounts receivable 	37.69 15.7	<ul style="list-style-type: none"> - The Company provided construction service to Amari Orchid Pattaya with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
13. Ozo Pattaya Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Director of the Company (Mrs.Nijaporn Charanachitta) and related persons hold 0.02% of the total outstanding shares. - The Directors of the Company (Mr.Premchai Karnasuta and Mrs.Nijaporn Charanachitta) and related persons indirectly hold 89.21% of the total outstanding shares of via Sak Di Sin Prasit Co., Ltd. and Italthai Real Estate Co. Ltd. - The Director of the Company (Mrs.Nijaporn Charanachitta) is the Director of Ozo Pattaya Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from construction service - Accounts receivable 	22.24 14.95	<ul style="list-style-type: none"> - The Company provided construction service to Ozo Pattaya hotel with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
14. C.P.K. Plantation Co., Ltd. (Temperate Produce Producer and Distributor)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Mr.Peeti Karnasuta, and Mr.Thoranis Karnasuta) and related persons hold 0.02% of the total outstanding shares. - The Directors of the Company (Mr.Premchai Karnasuta, and Mrs.Nijaporn Charanachitta) are the Directors of C.P.K. Plantation Co., Ltd. 	<ul style="list-style-type: none"> - Service cost 	4.24	<ul style="list-style-type: none"> - The Company purchased merchadises from C.P.K. Plantation Co., Ltd. as new year gifts for customers with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transaction - The transaction price was in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties.
15. OHTL Public Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Directors and Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Ms.Prachaya Karnasuta and Mr.Piyachai Karnasuta) and related persons hold 31.76% of the total outstanding shares. - The Directors of the Company (Mrs.Nijaporn Charanachitta and Mr.William Lee Zentgraf) are the Directors of OHTL Public Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from construction service - Accounts receivable 	80.07 4.91	<ul style="list-style-type: none"> - The Company provided construction and renovation service to Mandarin Oriental, Bangkok in residential rooms, restaurant and conventions with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2020 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
16. Ms. Prachaya Karnasuta	<ul style="list-style-type: none"> - Related person - The Management of the Company 	<ul style="list-style-type: none"> - Revenue from construction service - Accounts receivable 	<p>23.20</p> <p>50.90</p>	<ul style="list-style-type: none"> - The Company provided construction service to Ms. Prachaya Karnasuta's house with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
17. Siam Machinery and Equipment Co., Ltd. (Manufacture and Assemble of Construction Machinery)	<ul style="list-style-type: none"> - Related company - The Directors and Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, and Mr.Piyachai Karnasuta) and related persons hold 94.30% of the total outstanding shares. - The Directors and Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, and Mr.Piyachai Karnasuta) are the Directors of Siam Machinery Equipment Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from metal remnant sale 	<p>11.39</p>	<ul style="list-style-type: none"> - The company sold metal remnant with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transaction - The price is in accordance with the market-based pricing by similarity to any transactions done with other third parties.
18. Group of Mrs. Pilajit Roengpittaya	<ul style="list-style-type: none"> - Related person - A Sibling of the Company's Directors (Mr.Premchai Karnasuta and Mrs.Nijaporn Charanachitta) 	<ul style="list-style-type: none"> - Land lease fee - Outstanding dues 	<p>6.36</p> <p>65.25</p>	<ul style="list-style-type: none"> - Italthai Marine Co., Ltd. leased land from the group of Mrs. Pilajit Roengpittaya with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transaction - The leasing fee is in accordance with the market-based pricing - and on arm's length basis by similarity to any transactions Italthai Marine Co., Ltd. done with other third parties.
<u>Transaction with Subsidiaries</u>					
<ul style="list-style-type: none"> - Italthai Marine Co., Ltd. (Ship Building and Repair) 					
19. Partnership of Mrs. Preeya Karnasuta	<ul style="list-style-type: none"> - Related person - Mother of Mr.Piyachai Karnasuta, the Management 	<ul style="list-style-type: none"> - Outstanding dues - Outstanding dues 	<p>3.89</p> <p>41.37</p>	<ul style="list-style-type: none"> - Italthai Marine Co., Ltd. leased land from the Partnership of Mrs. Preeya Karnasuta with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transaction - The leasing fee is in accordance with the market-based pricing and on arm's length basis by similarity to any transactions Italthai Marine Co., Ltd. done with other third parties.
<u>Transaction with Subsidiaries</u>					
<ul style="list-style-type: none"> - Italthai Marine Co., Ltd. (Ship Building and Repair) 					

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2020 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
20. Thai Nippon Steel Engineering & Construction Corp. Co., Ltd. (Engineering Solutions Provider)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr.Premchai Karnasuta and Mrs.Nijaporn Charanachitta) and related persons indirectly hold 7.42% of the total outstanding shares. - The Directors and Management of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, and Mr.Piyachai Karnasuta) and related persons indirectly hold 39.75% of the total outstanding shares via Siam Machinery Equipment Co., Ltd. - The Directors of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta and Mr.Pathai Chakornbundit) are the Directors of Thai Nippon Steel Engineering & Construction Corp. Co., Ltd. 	<ul style="list-style-type: none"> - Cost of construction service - Accounts payable 	17.95 4.49	- The company hired Thai Nippon Steel Engineering & Construction Corp. Co. Ltd. to weld pipes in Bang Pakong Combined Cycle Power Plant Project with 30 days of credit term.	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
21. Amari Watergate Bangkok Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Director of the Company (Mrs.Nijaporn Charanachitta) and related persons hold 0.01% of the total outstanding shares - The Directors and Managements of the Company (Mr.Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Mr.Peeti Karnasuta, Mr.William Lee Zentgraf, Ms.Prachaya Karnasuta and Mr.Piyachai Karnasuta) and related persons indirectly hold 77.41% of the total outstanding via Amari Co., Ltd. - The Director of the Company (Mrs. Nijaporn Charanachitta) is the Director of Amari Watergate Bangkok Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from construction service - Accounts receivable 	39.63 5.49	- The company provided the renovation service of underground to Amari Watergate Bangkok Co., Ltd.with 30 days of credit term.	<ul style="list-style-type: none"> - Ordinary business transaction - The transaction price was in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.

Remark: the transaction no. 1- 21 is the ordinary business transaction which is reasonably considered by the Audit Committee.



Dr. Krisorn Jittomtrum
Chairman of the Audit Committee
March 15, 2021

Summary of Financial Information

(1) Financial Statements

	Unit	2020		2019*		2018*	
		Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
		F/S	F/S	F/S	F/S	F/S	F/S
Total Assets	Million Baht	107,873	87,648	105,085	85,677	98,015	79,561
Total Liabilities	Million Baht	92,429	74,942	88,108	71,998	81,544	65,462
Share Capital - Issued and Fully Paid-Up	Million Baht	5,280	5,280	5,280	5,280	5,280	5,280
Shareholders' Equity	Million Baht	15,444	12,706	16,977	13,679	16,470	14,099
Total Turnovers (Total Revenues)**	Million Baht	55,390	39,881	65,845	47,874	61,730	43,312
Revenues from Construction Works, Sales and Services	Million Baht	53,968	39,040	62,221	44,880	60,644	42,310
Gross Profit	Million Baht	4,144	2,472	6,518	3,824	6,561	3,220
Total Expenses - net	Million Baht	56,518	40,833	64,463	47,823	61,054	43,160
Profit (Loss) after Tax	Million Baht	(1,127)	(952)	1,382	51	675	153
Profit (Loss) Attributable to Shareholders of the Company	Million Baht	(1,104)	(952)	1,258	51	306	153
EBITDA	Million Baht	5,903	3,655	7,963	4,423	6,792	3,854
Par Value	Baht	1	1	1	1	1	1

(2) Financial Ratios and Results of Operation of the Company and Its Affiliates by SET's Guideline

	Unit	2020		2019*		2018*	
		Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
		F/S	F/S	F/S	F/S	F/S	F/S
Current Ratio							
Current Ratio	Times	0.84	0.78	0.92	0.88	1.07	1.11
Quick Ratio	Times	0.28	0.30	0.35	0.37	0.32	0.34
A/R Turnover	Times	3.71	2.69	4.38	3.30	5.46	4.02
Collection Period	Days	98.44	135.54	83.24	110.65	66.85	90.82
Inventory Turnover	Times	11.24	14.38	11.13	12.97	12.58	14.59
Return on Sales	Days	32.46	25.38	32.79	28.15	29.02	25.02
A/P Turnover	Times	2.43	2.12	3.26	2.83	3.96	3.72
Payment Period	Days	150.01	172.23	112.08	129.00	92.08	98.07
Cash Cycle	Days	(19.11)	(11.31)	3.96	9.80	3.80	17.78
Profitability Ratio							
Gross Profit	%	7.68	6.33	10.48	8.52	10.82	7.61
Net Profit	%	(1.99)	(2.39)	1.91	0.11	0.50	0.35
Return on Equity	%	(8.05)	(7.21)	8.91	0.37	2.26	1.08
Efficiency Ratio							
Return on Assets	%	1.69	1.19	4.54	2.86	4.03	2.87
Return on Fixed Assets	%	130.04	232.81	162.21	286.54	168.48	316.26
Assets Turnover	Times	0.52	0.46	0.65	0.58	0.66	0.58
Financial Ratio Analysis							
Debt to Equity	Times	7.10	5.90	6.11	5.26	5.91	4.64
Interest Coverage	Times	0.72	0.58	1.76	1.27	1.61	1.31
Dividend Payout Ratio	%	0.00	0.00	0.00	0.00	24.88	49.83
Debt to Equity (Under Terms and Conditions of Bond Issuer and Bond Holders)***	Times	2.41	2.66	2.35	2.54	2.58	2.47
Data per Share and Growth Ratio of Business							
Growth Ratio							
Total Assets	%	2.65	2.30	7.21	7.69	11.60	15.00
Total Liabilities	%	4.90	4.09	8.05	9.98	11.62	18.92
Revenues from Construction Services	%	(13.26)	(13.01)	2.60	6.08	9.79	11.60
Cost of Services	%	(10.55)	(10.93)	2.99	5.03	11.13	11.15
Net Earning	%	(187.82)	(1975.29)	311.51	(66.74)	(25.94)	51.11
Data per Share							
Book Value	Baht	2.47	2.41	2.73	2.59	2.61	2.67
EPS	Baht	(2.09)	(0.18)	0.24	0.01	0.06	0.03
Dividend per Share	Baht	0.00	0.00	0.00	0.00	0.01	0.01

(3) Key Financial Ratio from the Announcements of Capital Market Supervisory Board

	Unit	2020		2019*		2018*	
		Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
		F/S	F/S	F/S	F/S	F/S	F/S
1) Current Ratio	Times	0.84	0.78	0.92	0.88	1.07	1.11
2) Interest Coverage Ratio	Times	2.33	2.05	2.96	2.31	2.84	2.30
3) Interest Bearing Debts to EBITDA	Times	8.22	11.39	6.04	9.07	6.91	9.71
4) Debt Services Coverage Ratio	Times	0.22	0.15	0.33	0.22	0.31	0.23
5) Debt to Equity Ratio	Times	5.98	5.90	5.19	5.26	4.95	4.64
6) Interest Bearing Debts to Total Equity Ratio	Times	3.14	3.28	2.83	2.93	2.85	2.65
7) Current Portion of Interest Bearing Debts to Total Interest Bearing Debts Ratio	%	55.43	56.88	50.74	51.07	47.10	43.83
8) Loans from Financial Institution to Interest Bearing Debts Ratio	%	64.16	59.01	64.95	58.33	64.71	56.20

Note:

* Restated

** Summation of revenues and gain from operation only

*** The Debt to Equity was calculated base on the definition in terms and conditions and in the approval by Bond Holders meeting.

Management's Discussion and Analysis of Results of Operations and Financial Condition at December 31, 2020

1. Overview

1) Results of operation and factors of major changes

Market share 27.78% in 2020



As of December 31, 2020, backlog for construction and concession Baht 269,446 million, the backlog for construction Baht 121,581 million was in public sector 72.83% and in Thailand 67.85%

ITD is considered to be a large civil engineering and construction firm on the Stock Exchange of Thailand as measured by total revenues of construction companies listed on the Stock Exchange of Thailand (SET). The Company's market share of the total construction industry revenues was 27.78% and 30.15% in 2020 and 2019, respectively. In 2020, the total revenue of the Company was Baht 55,390 million which was mainly the revenue from construction services and the allocation of loss under the portion of the Company's shareholders in the amount of Baht 1,104 million.

As at December 31, 2020 the Company's backlog for construction and concession was Baht 269,446 million, compared to Baht 260,161 million in December 31, 2019. In addition to the Company's backlog at December 31, 2020, as at February 15, 2020 the Company has signed new contracts valued at Baht 680 million and has been awarded, but has yet to sign, contracts for a further Baht 95,880 million. The Company's current backlog, therefore, has an accumulated value of Baht 366,006 million.

As at December 31, 2020, the backlog for construction (by Italian-Thai Development Public Company Limited, joint ventures, consortium and subsidiaries with the Company's role) was Baht 121,581 million, of which over 72.83% comprised public sector infrastructure development and 67.85% comprised work in Thailand

In 2020, the Company got new large construction projects which will increase the future revenues such as:

- The Malolos – Clark Railway Project for Package CP N-03 Baht 12,281 million
- The High Speed Railway Development for Regional Connectivity Project from Bangkok to Nongkai (Section 1: Bangkok – Nakhon Ratchasima) Contract 3-4: Civil Works (Lumtakong – Sikhiu and Kut Chik – Khok Kruat Section) Baht 9,204 million
- The Civil Works for Thai Oil Clean Fuel Project: Package 1-7 Baht 3,771 million
- The EmSphere/EmLive Project Baht 3,124 million
- The Bang Ban – Bang Sai Flood Drainage Canal Project: Contract 2 Baht 2,612 million

2) Economic and industry conditions to operation

The GDP of Thai economy in 2020 had been expanded to -6.1% and GDP of the construction industry increased 2.3%. The Company had turnover more than Baht 50,000 million and expected the up-coming projects from public sector such as the power plant projects, the track railway projects, the express way projects and water pipeline projects will lift up the Company's turnover in case winning those projects.

3) Policy, strategy or option to business decisions

Vision: "To be the leading contractor in Southeast Asia"

Strategy:

- To build the Company's credibility and trust through high quality construction
- To complete our construction works with professional quality and punctuality
- To develop and apply the advanced construction technologies and techniques
- To develop knowledge and extend the construction experiences of all-levels of employees to be skilful and able to work efficiently
- To develop and enhance the potential of the organization and its human resources management

- To develop and enhance the potential of the organization and its human resources management, the Company also aims at supporting and developing projects such as
 - The Dawei SEZ project in Myanmar
 - The Potash project in Udon Thani
 - The Port and Railway Construction Services project in the Republic of Mozambique
 - The Bauxite Mining and Production of Alumina project in Lao PDR

These projects are under studying for commencement which will increase turnover to the Company continuously.

4) Explanation by business segments

The operations of the Company and subsidiaries for the years ended 31 December 2018 and 2017 were mainly engaged in a single industry segment, construction services, and were conducted in the following geographical segments.

	Consolidated F/S													
	For the years ended 31 December													
	Thailand		India		Bangladesh		Other countries		Total		Eliminate		Grand total	
(Unit: Million Baht)	2563	2562	2563	2562	2563	2562	2563	2562	2563	2562	2563	2562	2563	2562
Revenue from construction work	33,806	37,960	11,018	12,800	3,497	5,537	887	427	49,208	56,724	(3,019)	(1,280)	46,189	55,459
Revenue from sale and service	7,277	5,907	-	-	-	-	1,886	2,448	9,163	8,355	(1,384)	(1,247)	7,779	6,763
Total	41,083	43,867	11,018	12,800	3,497	5,537	2,773	2,875	58,371	65,079	(4,403)	(2,527)	53,968	62,222

In 2020, the Company had the revenues from construction work and revenues from sale and service totally Baht 53,968 million. The major revenues were the revenues from construction work Baht 46,189 million and the revenues from sale and service Baht 7,779 million mainly from the decrease of revenues from the large nearly completed projects and the affect from the COVID-19 which impacted construction progress in the oversea branch, subsidiaries and joint ventures.

5) Summary of auditor's opinion

The Auditor provided the auditor's opinion which was unable to consider the effect as follow.

- In Note 18 to the financial statements, the consolidated and separate financial statement as at 31 December 2020 include the development costs for concession right - Dawei Project of Baht 7,825 million and Baht 5,206 million, respectively.
- In Note 16.3 to the financial statements, the consolidated statement of financial position as at 31 December 2020 included an investment in joint venture accounted for by the equity method of Baht 179 million.
- In Note 9 to the financial statements, the consolidated and separate statement of financial position as at 31 December 2020 included trade accounts receivable from a State Enterprise for a construction project totaling Baht 1,126 million

The auditor drew attention to the following information

- (1) As discussed in Notes 16.2, 19 and 26 to the financial statements, the Group has significant investments in projects, including the construction of alumina production plant project, the potash mining project and project under development in the Republic of Mozambique, with Thailand and overseas Government Agencies which required significant amount of investment for the development such projects.
- (2) The auditor had previously expressed a qualified opinion on the consolidated financial statements for the year 2019 in respect of the doubtful collection of trade accounts receivable of an overseas subsidiary of Baht 238 million (net allowance for impairment loss of Baht 46 million) which was considered to recognize the full allowance for impairment loss which affected the consolidated statements of profit or loss for the year ended 31 December 2020 as discussed in Note 9 to the financial statements.
- (3) The auditor had previously expressed a qualified opinion on the consolidated financial statements for the year 2019 in respect of the doubtful collection of trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 122 million and Baht 63 million, respectively which was considered recognizing impairment loss for the full amount of such receivable which affected the consolidated statements of profit or loss for the year ended 31 December 2020 as discussed in Note 9 to the financial statement.

- (4) In Note 12.1 to the financial statements, the consolidated financial statements as at 31 December 2020 include the Company's portion of earned revenues not yet billed of Baht 277 million for a construction project with a State Enterprise of an overseas joint venture between the Company and an overseas subsidiary.
- (5) In Note 6 to the financial statements, the consolidated financial statement for the year ended 31 December 2019 which presented as comparative information has been restated from the impact of the increase in shares capital and change in the shareholder structure of an overseas subsidiary during the 3rd and 4th quarter of the year 2019 which has newly issued common shares to the new investors at the par value which the price is lower than the fair value of shares from the valuation report appraised by the independent financial advisor which completed in the year 2020.

6) Extraordinary items

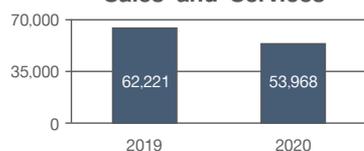
In 2020, there was no significant extraordinary item.

For more information of conducting business, please find them under topic of the policy and business overview and topic of the nature of business.

2. Operations Results and Profitability

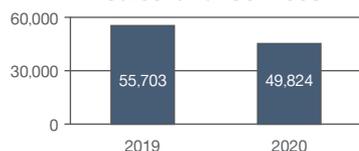
Revenues from construction work, sales and services Baht 53,968 million in 2020 decreased 13.26% YoY

Revenues from Construction Work, Sales and Services

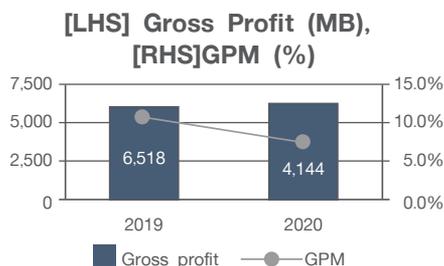


Costs of construction work, sales and services Baht 49,824 million in 2020 decreased 10.55% YoY

Costs of Construction Work, Sales and Services



Gross profit Baht 4,144 million and gross profit margin 7.68% in 2020



Revenues from construction Work, sale and services

In 2020 the Company's revenues from construction work, sales and services were Baht 53,968 million, a decrease of Baht 8,253 million from the previous year partially from the decrease of revenue from the nearly completion of large projects such as the MRT Green Ling (North) Contract 1: Civil Works Mo Chit – Saphan Mai Section project, the Track Doubling: Map Kabao – Thanon Chira Junction: Contract 1, Map Kabao-Khlong Khannan Chit project, the Track Doubling: Hua Hin – Prachuab Kirikhan project, the Bang Pakong Combined Cycle Power Plant project and the Queen Savang Vadhana Memorial Hospital Phase 2 project. In addition, the Company also got affected from the COVID-19 which impacted construction progress in the oversea branch, subsidiaries and joint ventures.

Costs of construction work, sale and service

In 2020 the Company's costs of construction work, sales and services were Baht 49,824 million, a decrease of Baht 5,879 million from the previous year in way of the decrease of the revenues from construction work.

In 2020 the Company's gross profit was Baht 4,144 million, a decrease from the previous year for which the gross profit was Baht 6,518 million. While the Company's gross profit margin in 2020 was 7.68%, a decrease from the previous year for which the gross profit margin was 10.48% according to the decrease of gross profit on the nearly completed railway projects and the increase of construction costs in branch and subsidiaries.

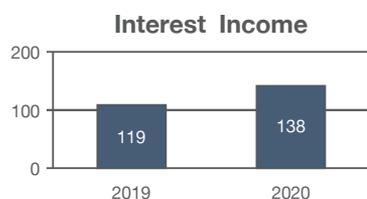
Dividend income and profit sharing Baht 12 million in 2020 decreased 53.34% YoY



Dividend Income and Profit Sharing

In 2020 the Company's dividend income and profit sharing were Baht 12 million, a decrease of Baht 13 million from the previous year according to the decrease of dividend income from the listed company.

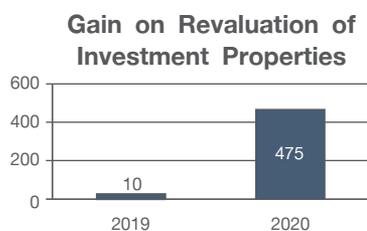
Interest Income Baht 138 million in 2020 increased 15.35% YoY



Interest Income

In 2020 the Company's interest income was Baht 138 million, an increase of Baht 18 million from the previous year according to the increase of interest income of the oversea subsidiaries and joint ventures.

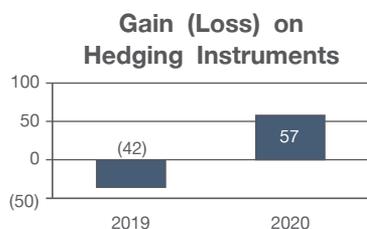
Gain on revaluation of investment properties Baht 475 million in 2020 increased 4,518.36% YoY



Gain on Revaluation of Investment Properties

In 2020 the Company's gain on revaluation of investment properties was Baht 475 million, an increase of Baht 465 million from the previous year mainly from the revaluation of subsidiaries' investment properties.

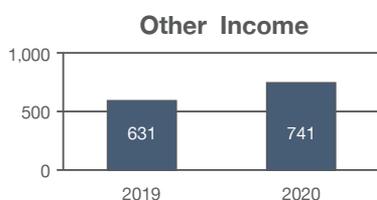
Gain on hedging instruments Baht 57 million in 2020 increased 235.08% YoY



Gain on Hedging Instruments

In 2020 the Company's gain on hedging instruments were Baht 57 million, an increase of gain Baht 98 million from the previous year mainly from the gain on mark to market of exchange rate hedge.

Other income Baht 741 million in 2020 increased 17.50% YoY



Other Income

In 2020 the Company's other income were Baht 741 million, an increase of Baht 110 million from the previous year according to the increase of the other income from oversea projects.

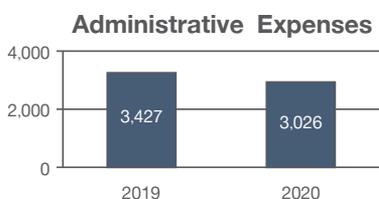
Selling expenses Baht 59 million in 2020 decreased 26.06% YoY



Selling Expenses

In 2020 the Company's selling expenses were Baht 59 million, a decrease of Baht 21 million from the previous year according to the decrease of selling expenses of a subsidiary in property development business.

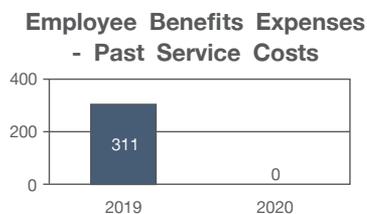
Administrative expenses Baht 3,026 million in 2020 decreased 11.71% YoY



Administrative Expenses

In 2020 the Company's administrative expenses were Baht 3,026 million, a decrease of Baht 401 million from the previous year partially from the decrease of administrative expenses of the oversea entities.

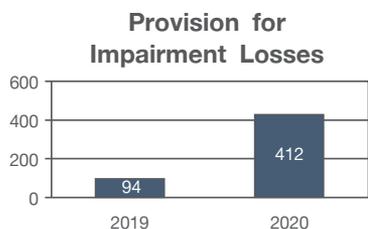
Employee benefits expenses - past service costs 0 Baht in 2020 decreased 100% YoY



Employee Benefits Expenses - Past Service Costs

In 2020 the Company had no the employee benefits expenses – past service costs, a decrease of Baht 311 million from the previous year.

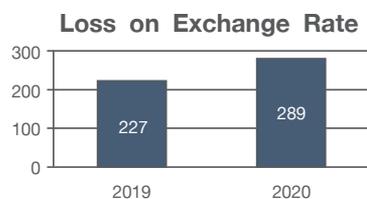
Provision for impairment losses Baht 412 million in 2020 increased 339.82% YoY



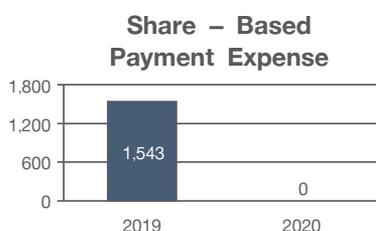
Provision for Impairment Losses

In 2020 the Company's provision for impairment losses were Baht 412 million, an increase of Baht 318 million from the previous year mainly from the provision for impairment losses in the oversea subsidiaries.

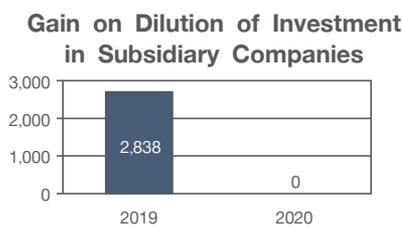
Loss on exchange rate Baht 289 million in 2020 loss increased 27.69% YoY



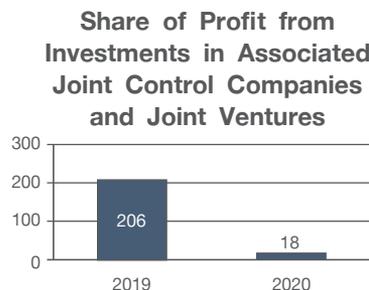
Share – based payment expense 0 Baht in 2020 loss decreased 100% YoY



Gain on dilution of investment in subsidiary companies 0 Baht in 2020 decreased 100% YoY



Share of profit from investments in associated joint control companies and joint ventures Baht 18 million in 2020 gain decreased 91.39% YoY



Loss on Exchange Rate

In 2020 the Company’s loss on exchange rate was Baht 289 million, a decrease of loss Baht 63 million from the previous year according to the loss on exchange rate from the Company and subsidiaries’ foreign liabilities.

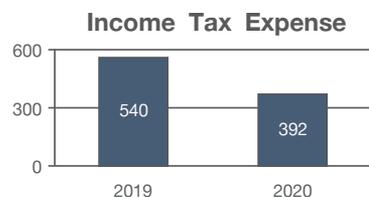
Share-Based Payment Expense and Gain on Dilution of Investment in Subsidiary Companies

In 2020 the Company had no the share – based payment expense, a decrease of loss Baht 1,543 million and had no the gain on dilution of investment in subsidiary companies, a decrease of Baht 2,838 million according to from the impact of the increase in shares capital and change in the shareholder structure of an overseas subsidiary during the 3rd and 4th quarter of the year 2019 which has newly issued common shares to the new investors at the par value which the price is lower than the fair value of shares from the valuation report appraised by the independent financial advisor which completed in the year 2020. Such transaction is determined as share-based payment transaction under Thai Financial Reporting Standards 2 “Share-based Payments”, the subsidiary measured the fair value of shares at the granted date to recognize the different price of shares as expenses relating to the increase in shareholder’s equity of subsidiary company of Baht 1,543 million in the consolidated statements of profit and loss for the nine-month period ended 30 September 2019. As a consequence of the completeness of shares capital increase, the subsidiary restructuring of shareholders during the 4th quarter of the year 2019 and the new investors have power to jointly control such subsidiary with the Company. Therefore, the Company losses control in such subsidiary. The Company has adjustment to recognizes the investment retained in the former subsidiary (joint control company at present) at the fair value of Baht 1,295 million and recognizes the difference between the fair value and the derecognizes of carrying amounts of net asset and capital reserve for share-based payment which has been recognized as at 30 September 2019 as gain from the loss of control in subsidiary of Baht 2,838 million in the consolidated financial statements for the year ended 31 December 2019. The appraisal of fair value of such subsidiary was assessed by the independent financial advisor.

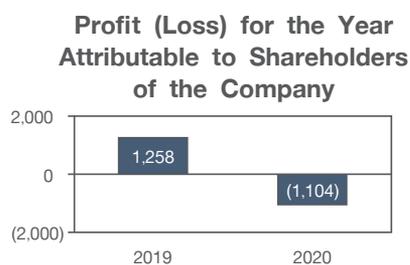
Share of Profit from Investments in Associated Joint Control Companies and Joint Ventures

In 2020 the Company’s share of profit from investments in associated joint control companies and joint ventures were Baht 18 million, a decrease in share of profit Baht 188 million from the previous year partially from the increase on share of loss in the oversea associated company.

Income tax expense Baht 392 million in 2020 decreased 27.39% YoY



Profit (loss) for the year attributable to shareholders of the company Baht (1,104) million in 2020 loss increased 187.82% YoY



Income tax expense

In 2020 the Company's income tax expense was Baht 392 million, a decrease of Baht 148 million from the previous year mainly from the decrease of the income tax in the oversea branch.

Profit (Loss) for the Year Attributable to Shareholders of the Company

As a result of the foregoing, in 2020 the Company's loss for the year attributable to shareholders of the company was Baht 1,104 million, an increase of loss Baht 2,362 million from the previous year.

3. Assets Management Abilities

Total assets Baht 107,873 million at the year ended 2020 increased 2.65% y-o-y



Total assets

The Company's total assets were Baht 107,873 million in 2020, an increase of Baht 2,788 million from the previous year, or by approximately 2.65% because, in 2020, the Company's non-current assets was Baht 55,581 million, an increase of Baht 3,794 million from the previous year, or by approximately 7.33%. It was mainly from the increase of the right-of-use assets, the property, plant and equipment and the investment properties as well as the increase of some transaction in the current assets such as the earned revenues not yet billed and the cash and cash equivalents.

1) Quality of trade accounts receivable, aging analysis, provision and sufficiency of allowance for impairment losses

The gross trade accounts receivable-unrelated parties, which the given credit terms to clients or customers as normal, as at December 31, 2020 was Baht 11,419 million. The Company already set up the allowance for impairment losses Baht 1,116 million and the net trade accounts receivable-unrelated parties was Baht 10,304 million, a decrease of Baht 5,374 million from the previous year, or approximately 34.28% partially from the collection of the outstanding amount, on large projects, which has been held and also some large projects already completed.

For the receivable ages more than 12 months as at December 31, 2020 was Baht 2,899 million, an increase of Baht 194 million, or approximately 7.15% mainly increased from a public debtor who was under negotiating for the collection of this outstanding amount which had been held and from another private debtor who gradually repaid.

Outstanding Ages (Unit : Thousand Baht)	Consolidated F/S					
	31 December 2020			1 January 2020		
	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses
Less than 3 months	0.40% - 2.06%	7,860,838	(109,066)	0.08% - 2.06%	11,343,143	(116,082)
3 – 6 months	0.63% - 9.01%	376,309	(14,033)	0.08% - 9.01%	1,859,715	(48,919)
6 – 12 months	0.63% - 20.29%	282,913	(12,699)	0.08% - 20.29%	723,529	(13,232)
More than 12 months	0.63% - 100%	2,899,187	(979,768)	0.08% - 100%	2,705,646	(789,017)
Total		11,419,247	(1,115,566)		16,632,033	(967,250)

Outstanding Ages (Unit : Thousand Baht)	Separate F/S					
	31 December 2020			1 January 2020		
	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses
Less than 3 months	0.40% - 2.06%	6,530,450	(14,666)	0.40% - 2.06%	10,176,781	(40,764)
3 – 6 months	4.24% - 9.01%	276,258	(2,728)	4.24% - 9.01%	1,712,817	(33,177)
6 – 12 months	12.87% - 20.29%	211,892	(1,344)	12.87% - 20.29%	619,615	(846)
More than 12 months	20.46% - 100%	1,988,089	(320,622)	20.46% - 100%	1,727,334	(370,368)
Total		9,006,689	(339,360)		14,236,547	(445,155)

The Company recognized the impairment of receivables by forward-looking “Expected Credit Loss” (ECL) model, except for the following receivables: (Details in the Note 9 to the financial statements)

- As at 31 December 2020, the consolidated and separate financial statements include trade accounts receivable from a State Enterprise in respect of a construction project totaling Baht 1,126 million (31 December 2019: Baht 3,177 million).
- As at 31 December 2019, the consolidated financial statements included trade account receivable of an overseas subsidiary of Baht 238 million (net of an allowances for impairment amount of Baht 46 million).
- As at 31 December 2019, the consolidated financial statements included trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 122 million and Baht 63 million, respectively.
- As at 31 December 2019, the consolidated and separate financial statements included a local trade accounts receivable of Baht 112 million (net of an allowance for impairment loss of Baht 112 million) which was under negotiation to claim the payment of construction work with the employer which had been under the consideration of an Arbitration Tribunal.

Trade and other accounts receivable - related parties as at 31 December 2020 were Baht 1,883 million, an increase of Baht 637 million from the previous year or approximately 51.12% mainly increased from an associated company debtor of an overseas subsidiary.

2) Inventories and depletion or obsolete

As of December 31, 2020 the inventories and work in progress were Baht 3,923 million, a decrease of Baht 1,017 million from the previous year or approximately 20.59% partially from the decrease of raw material from the railway projects and the construction project in overseas branches. The Company’s allowance for obsolete inventories were Baht 130 million, an increase of Baht 57 million from the previous year or approximately 76.97% mainly from idle material and spare parts in the overseas projects.

3) Investment, goodwill and impairment (If any)

The investments in subsidiaries, associated and joint control companies and joint ventures as of December 31, 2020 were Baht 2,676 million, a decrease of Baht 296 million from the previous year or approximately 9.96% partially from the decrease of investment under equity method of an overseas associated company who was deducted the stake sharing from the construction work by another subsidiary as well as another associated company had the impairment loss. The other long-term investments as of December 31, 2020 were Baht 1,025 million, an increase of Baht 73 million from the previous year or approximately 7.71% because of recognizing the unrealized gain from changes in value of investments.

The goodwill as of December 31, 2020 was Baht 853 million, a decrease of Baht 3 million from the previous year or approximately 0.30% according to the translation adjustments. Based on impairment test for goodwill by increasing discount rate for 0.5 percent, the Company does not have to recognize an impairment of goodwill in the consolidated financial statements for the year end 31 December 2019. The details were in the note to financial statements no. 25.

4) Other component of other assets and reasons of change

As of December 31, 2020 the restricted deposits with banks were Baht 234 million, a decrease of Baht 10 million from the previous year or approximately 4.17%. At December 31, 2020 it was reclassified to the non current assets Baht 231 million because a project office in India had deposited cash with bank of Baht 231.20 million as collateral for the issuance of performance bonds to the employer. The period of guarantee will be extended until further orders of the Court with regard to the dispute between the Project Office and the employer. Currently, the outcome of the lawsuit has not yet finalized.

The fixed deposits less than one year as of December 31, 2020 were Baht 1,287 million, an increase of Baht 225 million from the previous year or approximately 21.15% according to the increase of the fixed deposits of the oversea subsidiaries.

The earned revenues not yet billed as of December 31, 2020 were Baht 22,366 million, an increase of Baht 2,676 million from the previous year or approximately 13.59% according to the progress of construction projects.

The costs of property development projects as of December 31, 2020 were Baht 306 million, a decrease of Baht 145 million from the previous year or approximately 32.19% according to the reduction of the production capacity in the property development subsidiaries and their increasing sale campaign.

The advances for purchases of construction materials and to sub-contractors as of December 31, 2020 were Baht 1,005 million, an increase of Baht 469 million from the previous year or approximately 69.69% mainly for the increasing of the advances for sub-contractors.

The investment properties as of December 31, 2020 were Baht 2,510 million, an increase of Baht 469 million from the previous year or approximately 22.99 because of the gain on adjustment on fair values.

The advances for purchases of machinery as of December 31, 2020 were Baht 36 million, a decrease of Baht 148 million from the previous year or approximately 80.60% due to the decrease of the advances for purchases of machinery for the large projects who required special machinery.

The right-of-use assets as of December 31, 2020 were Baht 2,844 million, an increase of whole amount from the previous year according to the guidance of Thai Financial Reporting Standards No. 16 “Lease” to recognize the right-of-use assets as details in the Note 24.1 to financial statements.

The other non-current assets as of December 31, 2020 were Baht 560 million, a decrease of Baht 202 million from the previous year of approximately 26.48% mainly from the decrease of the advances for site mobilization on large projects.

4. Liquidity and sufficiency of funds

1) Source and use of funds, and liquidity

Summary of cash flow statement

Activities (Expressed in thousand Baht)	2020	2019	2018
Net cash provided from (used in) operating activities	8,792,955	5,047,210	1,865,451
Net cash provided from (used in) investing activities	(2,789,303)	(3,714,206)	(5,968,786)
Net cash provided from (used in) financing activities	(3,951,964)	(2,705,425)	4,024,727
Translation adjustment on foreign currency financial statement	13,227	(14,665)	22,348
Cash and cash equivalents at beginning of year	1,990,707	3,377,793	3,434,053
Cash and cash equivalents at end of year	4,055,622	1,990,707	3,377,793

As shown in the table above, in 2020 the cash flow provided from operating activities was at Baht 8,793 million because the increase of depreciation and amortization, the decrease of operating assets such as the trade accounts receivable – unrelated parties and the inventories and work in process, as well as the increase of operating liabilities such as the customer advances under construction contracts, and the receipts in excess of contracted work in progress.

In 2020, cash flow used in investing activities amounted to Baht 2,789 million mainly from the purchase of assets for construction and the investments in subsidiaries, associated companies, joint control companies and joint ventures.

The Company's net cash used in financing activities mainly for the interest payment, debenture redemption and repayment of long-term loans.

The Company's current ratios were about 0.84 times and 0.92 times at year ended 2020 and 2019, respectively, and quick ratios were 0.28 times and 0.35 times at year ended 2020 and 2019, respectively. The decrease of said ratios partially from the increase of current liabilities from the long term loans for new construction projects which had terms to repay the loans faster than usual and the increase of the receipts in excess of contracted work in progress of the oversea subsidiaries as well as the decrease of current assets according to the collection of this outstanding amount which had been held and the reclassification of the restricted deposits with banks to the non-current assets.

2) Capital expenditure, financial resource, repayment ability and capability to provide additional source of funds

2.1) Capital expenditure

The Company intends to invest in other business related to construction services i.e. manufacturing and providing construction materials, real estate development, power business, mining business, port business and logistic business.

2.2) Financial resources and commitments

■ Short-term debt : The Company's short-term debt consists of

- 1) general working capital; and
- 2) project specific loans in Thailand and Internationally.

It was the Company's practice to advance funds to its joint ventures for working capital. The Company's short-term debt was incurred at the parent Company level and branch levels in other countries.

At December 31, 2020 and 2019 the Company, on a consolidated basis, had Baht 7,119 million and Baht 7,336 million, respectively, outstanding in bank overdrafts and loans from financial institutions. On a stand-alone basis, the Company's corresponding amounts were Baht 4,701 million and Baht 4,127 million, respectively. This kind of project tied debt will normally be repaid as the projects progress, with full repayment being achieved at project completion.

Besides, the Company's Liabilities under trust receipt at December 31, 2020 and 2019, on a consolidated basis, were Baht 2,793 million and Baht 1,761 million respectively to import machines for construction project.

■ Long-term debt : The Company's long-term debt consists of

- 1) long-term foreign loans for investing in assets, project finance and working capital; and
- 2) long-term Thai Baht loans for purchasing equipment and project financing and working capital.

The Company has used long-term loans for supporting the Company's long term projects. As of December 31, 2020 and 2019 the Company had outstanding long-term loans and debentures of Baht 35,725 million and Baht 37,414 million respectively.

■ Share capital :

As of December 31, 2020, the Company's common shares were Baht 6,338 million while the share issued and fully paid-up were Baht 5,280 million.

3) Covenant

The Company committed to maintain the debt to equity ratio not excess than 3.0 times under the conditions of debentures and some banks on each consecutive half year and ended year on its consolidated financial statements. As at December 31, 2020 and 2019, the debt to equity ratio from the Company's consolidated financial statement for debentures were 2.41 times and 2.53 times, respectively and for some banks were 2.76 times and 2.83 times, respectively.

The details of the factors on the ability to pay debts and to comply with the financial covenants are in the Risk Factors no.3 and 4.

5. Contingent liabilities and off-balance sheets

Guarantees

As at December 31, 2020 and 2019, there were outstanding guarantees of approximately Baht 68,966 million and Baht 68,453 million, respectively, issued by financial institutions on behalf of the Company, subsidiaries and its joint ventures in respect of certain performance bonds required in the normal course of business.

As at December 31, 2020 and 2019, there were guarantees of approximately Baht 4,280 million and Baht 3,503 million, respectively, issued by the Company to financial institutions and its ventures to secure credit facilities granted by those financial institutions and ventures to subsidiaries, associated and related companies and joint ventures. The Company had issued guarantees in proportion to its shareholding, except for ItalThai Trevi Co., Ltd. ItalThai Marine Co., Ltd., ITD-ITD Cem Joint Venture, ITD-Cemindia Joint Venture for which the Company issued full guarantees for the credit facilities. Such guarantees were necessary for regular operation of the Company, its subsidiaries and its joint ventures.

6. Factors to the future operation

The impacts from the pandemic of Coronavirus Disease 2019 (COVID-19), caused the labor mobilization and related disruption influence to the construction period of projects might pressure the construction industry's outcome. In 2021, the vaccines to protect the said disease are started in use which may relieve impacts to the construction industry. The Company believes that the policies of public and private sector to participate in preventing the said problems as well as the new coming infrastructure development from the public sector will push continuing growth of the construction business.

Independent Auditors' Report and Consolidated Financial Statements of
Italian-thai Development Public Company Limited and Its Subsidiaries
For the Year Ended 31 December 2020

The Board of Director's Report on their Responsibilities for Financial Reports for the Year 2020

The Financial Statements of Italian-Thai Development Public Company Limited and its subsidiaries have been prepared in accordance with the policy of the Board of Directors which requires compliance with generally accepted accounting principles and careful book-keeping to reflect the accurate performance of the Company.

The Board of Directors stresses the importance of substantial information and significant disclosure with sufficient information and explanation in condensed notes and in the Management Discussion and Analysis (MD&A) for the optimum benefit of shareholders and investors.

The Board of Directors recognizes the importance of the Financial Statements by auditing the input financial data. In this regard, the Board of Directors has appointed the Audit Committee comprising independent and non-executive members of the Board to oversee the quality of financial reports. Their opinion is shown in the Report of Audit Committee disclosed in the Annual Report.

Based on the management structure and internal audit system as mentioned above, as well as the Audit Report prepared by the Certified Public Auditor, the Board of Directors is convinced that the Financial Statements for the Company and its subsidiaries as of December 31, 2020 reasonably represent an accurate statement of the financial status, business performance and cash flow of the Company in accordance with generally accepted accounting principles.



(Mr. Premchai Karnasuta)
President



(Mrs. Nijaporn Charanachitta)
Director and Senior Executive Vice President

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Italian-Thai Development Public Company Limited

Qualified Opinion

I have audited the consolidated and separate financial statements of Italian-Thai Development Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2020, the consolidated and separate statements of profit and loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described under the Basis for Qualified Opinion paragraph, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of Italian-Thai Development Public Company Limited and its subsidiaries as at 31 December 2020, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

The basis for my qualified opinion are as follows:

- As discussed in Note 18 to the financial statements, the consolidated and separate financial statement as at 31 December 2020 include the development costs for concession right - Dawei Project of Baht 7,825.34 million and Baht 5,205.96 million, respectively. Such amounts represent project costs for developing the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone ("DSEZ") for obtaining concession right. Such development right was previously granted by the government of the Republic of the Union of Myanmar (the project is managed by Dawei Special Economic Zone Management Committee, "DSEZ MC"). The Group had developed some areas in this project since the year 2010. Subsequently in the year 2013, such project under development has been supported by the Governments of Thailand and the Republic of the Union of Myanmar which had established the Special Purpose Vehicle (Dawei SEZ Development Company Limited "SPV") to mutually promote the project and determine the development policy of the project. The DSEZ MC and SPV determined to reimburse the Group the previously costs incurred under Tripartite Memorandum. The reimbursement will be obtained from new investors of each concession project in accordance to the results of due diligence assessment undertaken by the consulting firm appointed by the SPV. The Parties under the memorandum has mutually agreed that the Due Diligence report will be submitted directed and exclusively submit to the SPV in order to summarize amount reimbursement as stipulated in the Term of Reference (TOR) of the new investor of each concession. Under such mutually agreed memorandum, the Group currently does not have access to nor can claim any rights to such Due Diligence report.

However, in the year 2015, the DSEZ MC has considered the Dawei SEZ development plan and development of the Dawei Special Economic Zone Initial Phase (DSEZ Initial Phase) to develop an industrial estate of 27 square kilometers and related infrastructure and utilities. The subsidiaries in overseas and investors ("the Concessionaires") has signed 7 concession agreements for the rights to develop 8 concession projects with the DSEZ MC. The DSEZ MC, SPV and the Group entered into the Supplemental Memorandum of Understanding to the Tripartite Memorandum to define the framework conditions to the Company for the Land Right Option for development and management of the DSEZ Initial Phase to compensate the reimbursement of the Group's previously invested. The Company will be able to exercise such option when the Concessionaires and the DSEZ MC fulfill all the Conditions Precedent (CP) as determined in the Concession Agreements for the Initial Phase. The Concessionaires had complied with such condition except for the signing of Land Lease Agreement and the payment of annual concession fee since the Concessionaires and the DSEZ MC have not yet agreed to the content and condition of the Land Lease Agreement. The Concessionaires therefore explained to the DSEZ MC to request for the payment for the annual concession fee of each concession including interest to the DSEZ MC when the Concessionaires obtained the Land Lease Agreement of each concession which have been agreed by both parties.

However, on the 30 December 2020, the Concessionaires received the Notice of Termination for all concession agreements of the DSEZ Initial Phase from the DSEZ MC claiming that the Concessionaires had breached the conditions of the concession agreement relevant to the payment of annual concession fee and the conditions of the concession agreement for the Initial Industrial Estate and Two-lane Road which additional determined by the DSEZ MC. This requires the Concessionaires to enforce Italian-Thai Development Public Company Limited, to sign the document releasing the Group's right to reimburse the previous investments in the Tripartite Memorandum.

In order to protect the right to reimburse investment cost mention in the aforementioned memorandum, on 19 January 2021, the Concessionaires has sent the notice to elucidate the reason for cancellation of agreement to the DSEZ MC disputing that the additional conditions stated are not form part of the mutually agreed by the Concessionaires but merely came from the judgement of the DSEZ MC only. The Concessionaire has proposed a discussion on this matter which is under process of consideration from such entity.

As above mentioned, although the right for the reimbursement of the investments in the Dawei Special Economic Zone and related infrastructure and utilities which the Group has previously invested still refer in the Tripartite Memorandum. However, the reimbursement amount is depending on the Due Diligence report from the advisor of SPV, for which the Group currently does not have the right to access to such report. It also depends on the progress of the development of the DSEZ (Full Phase), which is dependent upon the support from the Government of Thailand and the Government of Republic of the Union of Myanmar to promote the concession projects in the future as well as the investment from new investors who are interested in each concession project. The Group's management is unable to assess the potential impact (if any) on the realizable value of the development costs for concession right - Dawei Project whether the reimbursement amount will be higher or lower than the project development costs recorded by the Group in the financial statements or not. In addition, the potential impact from the Notice of Termination for all concession agreements of the DSEZ Initial Phase which is under negotiation with the DSEZ MC and cannot be presently concluded. Moreover, the current political unrest and economic situation in the Republic of the Union of Myanmar which still present the uncertainty that may affect to the development of such projects of the Group in the future. Therefore, I am unable to assess the potential impact (if any) on the amount of the development costs for the concession right - Dawei Project and unable to consider the effect it may have on the consolidated and separate financial statements cause from the uncertainty and the limitations of the situation as mentioned above.

- As discussed in Note 16.3 to the financial statements, the consolidated statement of financial position as at 31 December 2020 included an investment in joint venture accounted for by the equity method of Baht 179.33 million. Such amount was based on the financial information of a joint venture as of 30 September 2019 which had been reviewed by the joint venture's auditor. The joint venture's management was unable to prepare the financial information up to date since the joint venture and the project owner have been in dispute regarding the termination of construction contract and are in process of negotiation for the realizable value of assets, netted of current obligation in liabilities and contingent liabilities. The joint venture's management is unable to assess the potential impact (if any) from the termination of such construction contract which an outcome cannot presently be concluded. I am unable to assess the potential impact that may need to adjust the accounting transactions relevant to the accounted for by equity method in such joint venture.
- As discussed in Note 9 to the financial statements, the consolidated and separate statement of financial position as at 31 December 2020 included trade accounts receivable from a State Enterprise for a construction project totalling Baht 1,125.79 million for which the construction work has been completed in September 2019 and the Company has been negotiating for the collection of this outstanding amount which has been held by the project owner since the construction project was completed after the key completion dates (Key Date) and the ended date under construction contract. In January 2020, the Company opposed to the claims by submitting letters declaring the causes of the delays from the project plan that need the Company to request for the revision/extension of the completion date as initially determined in the construction contract with the project owner. Such declarations are concerned with many cases and events which impacted the delay of construction work. In September 2020, the Company received a notification from the project owner summarizing the consideration of the extension of the completion dates for some cases of the delay causes and reduction in the penalty charges. However, the Company still opposed to the extended number of days relating to the causes of construction delays as approved by the project owner. Consequently, the Company submitted a letter to the project owner to reserve the right for abstaining and reducing the remaining penalty charges and request for receive the payment for the construction work which has been held. The Company also requests for the extension of completion date of construction for the delays caused by other cases which are being proposed to the Board of Directors of the project owner for further approval. The Company's management is currently unable to assess the impact of such matter which are depending on the events that cannot be presently concluded. I am unable to assess the potential impact (if any) to such outstanding trade accounts receivable in the consolidated and separate financial statement.

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described under the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Without changing my qualified opinion, I draw attention to the following information:

- 1) As discussed in Notes 16.2, 19 and 26 to the financial statements, the Group has significant investments in projects with Thailand and overseas Government Agencies which projects are under development stages, whereby the future development to meet the milestone of such projects are dependent upon various circumstance and factors. The investments in the significant projects included in the consolidated and separate financial statements as of 31 December 2020 are as follows:
 - As discussed in Note 16.2 to the financial statements, the Company has investment in bauxite mining, and the construction of Alumina Production Plant Project. Such investment was made through an associated company which was established in Lao People's Democratic

Republic. The Company has investment in associated company in order to invest in such project including trade account receivable, retention receivable and loan to associated company totalling of Baht 1,087.80 million. This associated company has obtained the concession right for bauxite mining from the Government of Lao People's Democratic Republic and has been in consideration process for approval of the ESIA Certificate from the authority entity in order to start the construction of alumina production plant. In addition, the associated company's management is in the process of negotiating with strategic partner to obtain the project financing for future development of the project since the associated company requires significant amount of investment for the development such project.

- As discussed in Note 19 to the financial statements, the subsidiary company has costs of acquiring rights to survey and development a potash mining project of Baht 2,293.49 million, and costs of survey and mining project development totalling Baht 953.57 million. The application for potash mining concessions is in process of consideration from the government. The Company's management believes that this project will be approved by the government and will become operational in the future as the process for concessionaire application has been completed. The investment in such project after obtaining the potash mining concessions from the government requires significant financing.
 - As discussed in Note 26 to the financial statements, the consolidated and separate financial statements included deferred concession costs and costs of project under development in the Republic of Mozambique of Baht 2,284.28 million and Baht 1,993.23 million, respectively. Such amounts represent costs for the concession right and development costs for construction of a Heavy Haul Railway Lines and construction of a Deep - Sea Port which the subsidiary company obtained from the Government of the Republic of Mozambique. The progress of such project under development is dependent on the negotiation with a strategic partner in the future as well as the approval for the project finance from the financial institution.
- 2) I had previously expressed a qualified opinion on the consolidated financial statements for the year 2019 in respect of the doubtful collection of trade accounts receivable of an overseas subsidiary of Baht 238.46 million (net allowance for impairment loss of Baht 46.04 million) which was in process of collection under a debt settlement plan. At present, such debtor, is unable to fulfil its commitment as planned and has requested to extend the debt settlement plan since it has been facing with the project operating problem caused by the effect of Corona virus 2019 pandemic. The management of subsidiary company had reassessed to have higher degree of doubt about the collection of such receivable, and therefore considered to recognize the full allowance for impairment loss which affected the consolidated statements of profit or loss for the year ended 31 December 2020 as discussed in Note 9 to the financial statements.
 - 3) I had previously expressed a qualified opinion on the consolidated financial statements for the year 2019 in respect of the doubtful collection of trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 121.55 million and Baht 63.48 million, respectively. The subsidiary's management has negotiated/discussed with the debtor for debt collection and for the financial support from the group companies of the debtor to provide financial support to complete the construction project. However, such negotiation/discussion has not been approved from the Board of Director of the group companies of the debtor. The management of subsidiary company therefore considered recognizing impairment loss for the full amount of such receivable which affected the consolidated statements of profit or loss for the year ended 31 December 2020 as discussed in Note 9 to the financial statement.
 - 4) As discussed in Note 12.1 to the financial statements, the consolidated financial statements as at 31 December 2020 include the Company's portion of earned revenues not yet billed of Baht 276.94 million for a construction project with a State Enterprise of an overseas joint venture between the Company and an overseas subsidiary. The Joint Venture has completed the construction work in previous years and received the Taking Over Certificate from the project owner but has not been able to issue billing for the final work done. The joint venture has submitted the Statement of Completion to the project owner for issuing the Final Completion Certificate to enable it to issue billing for the work done. The recoverability of such earned revenues not yet billed is dependent on the outcome from the negotiation with the project owner which cannot presently be concluded caused by the Corona virus 2019 pandemic situation. However, the joint venture's management is confident to get the final bill certification and will be able to collect the full payment from the project owner subsequently.
 - 5) As discussed in Note 6 to the financial statements, the consolidated financial statement for the year ended 31 December 2019 which presented as comparative information has been restated from the impact of the increase in shares capital and change in the shareholder structure of an overseas subsidiary during the 3rd and 4th quarter of the year 2019 which has newly issued common shares to the new investors at the par value which the price is lower than the fair value of shares from the valuation report appraised by the independent financial advisor which completed in the year 2020. Such transaction is determined as share-based payment transaction under Thai Financial Reporting Standards No. 2 "Share-based Payments", the subsidiary measured the fair value of shares at the granted date to recognize the different price of shares as expenses relating to the increase in shareholder's equity of subsidiary company of Baht 1,543.14 million in the consolidated statements of profit and loss for the nine-month period ended 30 September 2019. As a consequence of the completeness of shares capital increase, the subsidiary restructuring of shareholders during the 4th quarter of the year 2019 and the new investors have power to jointly control such subsidiary with the Company. Therefore, the Company losses control in such subsidiary. The Company has adjustment to recognizes the investment retained in the former subsidiary (joint control company at present) at the fair value of Baht 1,295.00 million and recognizes the difference between the

fair value and the derecognizes of carrying amounts of net asset and capital reserve for share-based payment which has been recognized as at 30 September 2019 as gain from the loss of control in subsidiary of Baht 2,838.14 million in the consolidated financial statements for the year ended 31 December 2019. The appraisal of fair value of such subsidiary was assessed by the independent financial advisor using the Income Approach method and discounted the future cash flows to present value. This is based on the information and assumptions about the possibility of the project to estimate the expected future cash inflows and outflows since at present, the concession project of such joint control company (former subsidiary) is under the construction period. The actual cash flows are subject to change which depending on the various factors in the future.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section. I have determined the matters described below to be the key audit matters to be communicated in my report.

Key audit matters	How the matter was addressed in the audit
<p>Revenue recognition for construction contract</p> <p>The Group and the Company have revenues from construction services for the year ended 31 December 2020 of Baht 46,189.11 million and Baht 35,293.89 million, respectively. Revenue recognition for construction services requires significant judgment and assumption to assess the appropriateness of the estimation of transaction relating to the revenue recognition in each contract.</p> <p>Revenues from construction services of the Group are recognized over time by measuring the progress of construction work by contract, by the percentage of cumulative costs incurred with total costs budget estimation until the completion of the project. The estimation of costs budget, including the provision for loss on construction project, requires significant judgment of the management which continuous reviewed throughout the construction periods and the estimates need to be adjusted as necessary. In addition, the revenues from contract modification which have not yet been determined for the corresponding change in price requires significant judgment of the management to assess the probable of the Group will be entitled of the consideration amount and estimates the change to transaction prices and amounts which the Group will be entitled to receive.</p> <p>Revenues from construction services are material and have a significant impact to accounting transactions which are related to the construction contract, including earned revenues not yet billed, receipts in excess of contracted work in progress and costs of construction.</p> <p>The Group and the Company disclosed accounting policies relating to revenue recognition, detail of revenues from construction services and balance of accounting transactions relating to revenue recognition in Notes 4, 12 and 48 to financial statements.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Obtained an understanding the process and internal control for the preparation of reports and budgets estimation used for the determination of the percentages of completion of construction projects of the Group and the Company. - Sampling tested cost budgets estimation for construction projects by making inquiry of responsible executives and assessed the appropriateness of estimation. - Tested and assessed the reasonableness of changes in estimated costs during the year. - Sampling verified the actual costs with supporting documents and assessed the reasonableness of estimated costs to complete the construction for evaluate the possible losses on the construction projects. - Compared gross profit from the start of projects up to date to evaluate and assess the appropriateness of estimated costs. - Sampling tested contracts with changed orders during the year with supporting documents and assessed the reasonableness of consideration which the Group and the Company will be entitled to receive from the contract modification which prices have not yet been fixed. - Tested the bills for payment from client during the year with construction contracts and client' acceptance documents to determine the appropriateness of earned revenues not yet billed and receipts in excess of contracted work in progress. - Sampling visited sites for significant projects to obtain understanding of the progress of projects work by discussion with responsible engineers and compared the percentages of physical completion of construction as determined by engineers with percentages of completion based on accounting method to ensure that the revenues and costs recognition are made correspondingly. - Assessed the adequacy of the Group's and the Company's disclosure for revenues from construction service recognition.

Key audit matters	How the matter was addressed in the audit
<p>Impairment loss of trade and other accounts receivable</p> <p>As at 31 December 2020, the Group and the Company have trade and others accounts receivable net of allowance for impairment loss of Baht 12,187.12 million and Baht 12,468.47 million, respectively. The Group and the Company recognized allowance for impairment loss during the year of Baht 199.75 million and reversal of allowance for impairment loss of Baht 49.79 million, respectively.</p> <p>The estimation of allowance for impairment loss to reflect realizable of trade and other receivables that may result from non-collection including the expected credit loss. Management is required to use judgment to assess the appropriateness of estimation and assumption, including the probability for collection based on circumstances including the consideration for the significant increase in credit risk from initial recognition, except for the matters discussed under the basis for qualified opinion.</p> <p>The Group and the Company disclosed balance of trade accounts receivable and other receivable in Notes 9 and 10 to financial statements.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Obtained an understanding of the internal controls related to procedures for the assessment of recoverable amount from the collection of trade and other accounts receivable including the process to consider the expected credit loss to determine the appropriateness of management estimates for the realization. - Reviewed the aging of receivables that have been long outstanding and developed expectation of allowance for impairment loss based on the circumstances for comparison with the allowance for impairment loss recognized by the Group and the Company. Considered the reason for the differences and the appropriateness of allowance for impairment loss. - Assessed the realizable values of receivables including subsequent collection testing together with the assessment of the cash flows projection of debtors to assess their ability to settle their accounts in the future. - Assessed the adequacy of the Group's and the Company's disclosure for trade accounts receivable and allowance for impairment loss.
<p>Investments in subsidiaries and goodwill, investments in associated and joint control companies</p> <p><i>Investment in subsidiaries and goodwill</i></p> <p>As at 31 December 2020, the Company has investments in subsidiaries net of allowance for impairment of investment of Baht 11,788.29 million. The Company recognizes allowance for impairment of investment during the year of Baht 221.81 million. In addition, the Company has goodwill of Baht 852.50 million which arose from the acquisition of investments in Potash mining, cement business in Thailand and construction business in India.</p> <p><i>Investment in associated and joint control companies</i></p> <p>As at 31 December 2020, the Group and the Company have investments associated and joint control companies accounted by the equity method in the consolidated financial statements totaling of Baht 2,333.08 million, which has been recorded at cost of Baht 2,369.98 million in the separate financial statements.</p> <p>In consideration of the recoverable amount of investments in subsidiaries, associated and joint control companies, including the impairment test of goodwill, management is required to use highly judgment for the assessment of appropriate estimates and significant assumptions relating to the subsidiaries and associated and joint control companies' ability to operate profitably, including their future cash flows projection and expenses from the continuing operations of such businesses and the use of the appropriate discount rate to discount cash flows projection used for the calculation of recoverable amount.</p> <p>The Group and the Company disclosed accounting policies and detail of investments in subsidiaries, associated and joint control companies and goodwill in Notes 4, 16 and 25 to financial statements.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Obtained an understanding of the process for assessment of recoverable amounts of investments in subsidiaries, associated companies and group of business units. - Considered the indication of impairment for investments in subsidiaries, associated companies, and goodwill of each business unit. - Considered the reasonableness of management's assumptions and procedures for calculation of cash flow projections including the tests of documents supporting the best estimates of management, especially the projected growth in revenues, gross margins and operating net income of subsidiaries and business units. - Tested the calculation and assess the appropriateness of discount rates used by management for the recoverable amounts from investments in subsidiaries and goodwill. - Assessed the appropriateness of the management estimates by reviewing the actual operating results to the estimates in the prior year. - Considered the key drivers as the sensitivity analysis and the impact to recoverable amounts of investments in subsidiaries, and goodwill. - Considered the recoverable amounts of investments in projects under development which the Company invested through the associated and joint control companies by assessing project feasibility study and other environment factors. - Considered the adequacy of the Group's and Company's disclosures for investment in subsidiaries and goodwill, investments in associated and joint control companies.

Key audit matters	How the matter was addressed in the audit
<p>Investments in projects under development</p> <p>The Group and the Company have significant investments in projects with Thailand and overseas Government Agencies which are in stages of project development. The total amount of the investments in the consolidated and separate financial statements as of 31 December 2020 are as follows:</p> <ul style="list-style-type: none"> • Development costs for concession right - Dawei project of Baht 7,825.34 million and Baht 5,205.96 million, respectively. • Potash mining right of Baht 2,293.49 million and deferred exploration and development costs of Baht 953.57 million. • Deferred concession costs and costs of project under development in Mozambique of Baht 2,284.28 million and Baht 1,993.23 million, respectively. <p>The assessment of the realizable value of the investments in such projects, requires management high judgment about the future project feasibility, forecasted cash flows and expenses from operations in such projects, except for the matters discussed under the basis for qualified opinion.</p> <p>The details of the investments in project under development are disclosed in Notes 18, 19 and 26.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Obtained an understanding of the process for assessment of recoverable amounts of projects which the Group and the Company have invested. - Considered the feasibility of projects and assessed the progress of the projects in various sides which the Group's and the Company's executive management have periodically discussed with the project owners and Government Agencies along with the review of supporting evidence. - Considered the reasonableness of management's assumptions and procedures used for calculation of cash flows projection including the review of documents supporting the best estimates of management, especially the projected revenues, gross margins and operating profits from the projects which the Group and the Company invested. - Considered the adequacy of the Group's and Company's disclosures for investments in projects under development.
<p>Share-based payment transaction and gain from the loss of control in subsidiary</p> <p>The Company has restated the financial statement from the impact of the increase in shares capital and change in the shareholder structure of an overseas subsidiary as discussed in Note 6 to the financial statement. The Company recognizes the impact from shares-based payment transaction of Baht 1,543.14 million and recognizes the investment retained in the former subsidiary (joint control company at present) at the fair value of Baht 1,295.00 million and recognizes the difference between the fair value and the derecognizes of carrying amounts of net asset and capital reserve for share-based payment which has been recognized as gain from the loss of control in subsidiary of Baht 2,838.14 million in the consolidated financial statements for the year ended 31 December 2019.</p> <p>The appraisal of fair value of such subsidiary in order to assess the fair value of the shares at the granted date appraised by the independent financial advisor using the Income Approach method and discounted the future cash flows to present value. The management of the Group is required to use highly judgement and significant assumptions relating to the estimate expected future cash inflows and outflows since at present, the concession project of the joint control company (former subsidiary) is in the construction period. The actual cash flows are subject to change which depending on the various factors in the future.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Assessed the competency, independence, and objectivity of the independent financial advisor. - Discussed with the subsidiary's management and independent financial advisor to understand the basis used for measurement of the valuation of the subsidiary. - Tested the calculation and considered the reasonableness of the valuation of fair value of subsidiary includes key assumptions which the management's subsidiary used in such valuation. - Considered the reasonableness of the information used to estimate the fair value of subsidiary and key information used for calculation the future cash flows.

Other Information

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

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

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

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

However, as described under the Basis for Qualified Opinion section with respect to the potential impact from the matters which cannot be concluded regarding to the realizable value of the development costs for concession right – Dawei Project, the investment value and relevant accounting transactions for the equity method of the joint venture and the realizable value of trade accounts receivable from a State Enterprise, my opinion is qualified. Therefore, should the management prepare other information based on financial statements that is different from such fact, other information will be materially misstated with respect to the value and other information in annual report which will impact from such matters.

Responsibilities of Management and Those Charged with Governance for the preparation of Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



Mr. Somkid Tiatragul
Certified Public Accountant
Registration No. 2785

Grant Thornton Limited
Bangkok
1 March 2021

STATEMENTS OF FINANCIAL POSITION

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT 31 DECEMBER

(Unit : Thousand Baht)	Notes	Consolidated F/S		Separate F/S	
		2020	2019 (Restated)	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		4,055,622	1,990,707	2,981,349	1,136,838
Restricted deposits with banks	15	3,294	244,687	65	242,528
Fixed deposits less than one year		1,287,381	1,062,645	-	-
Current portion of promissory notes receivable	8	50,000	50,000	50,000	50,000
Trade accounts receivable – unrelated parties	9	10,303,681	15,677,668	8,667,329	13,804,277
Trade and other accounts receivable – related parties	10	1,883,443	1,246,331	3,801,143	2,720,755
Current portion of finance lease receivable – subsidiary	24.4	-	-	6,112	5,993
Short-term loans and advances to related parties	11	352,571	419,811	576,003	1,295,459
Earned revenues not yet billed	12	22,366,105	19,690,374	18,032,163	15,439,524
Retentions receivable	12	3,495,900	3,900,000	2,448,450	2,825,775
Inventories and work in process	13	3,922,786	4,939,785	2,017,647	3,068,045
Costs of property development projects	14	305,629	450,711	-	-
Income tax withheld at sources		1,434,928	1,202,589	787,472	791,039
Refundable value added tax		1,250,459	1,302,543	2,524	22,306
Advances for purchases of construction materials and to sub-contractors		1,005,104	592,327	739,581	415,696
Other current assets		574,926	528,054	287,008	188,665
Total current assets		52,291,829	53,298,232	40,396,846	42,006,900
NON-CURRENT ASSETS					
Restricted deposits with banks	15	231,198	-	231,198	-
Finance lease receivable – subsidiary	24.4	-	-	28,961	30,913
Promissory notes receivable	8	335,939	385,939	335,939	385,939
Investments in subsidiaries, associated and joint control companies and joint ventures	6, 16	2,675,796	2,971,948	14,158,269	13,597,437
Other long-term investments	17	1,025,442	952,050	868,692	799,605
Development costs for concession right – Dawei project	18	7,825,343	7,804,169	5,205,964	5,205,964
Potash mining right	19	2,293,489	2,293,489	-	-
Deferred exploration and development costs	19	953,565	951,454	-	-
Long-term loans and advances to related parties	20	1,010,737	935,647	799,875	727,325
Land awaiting development	21	319,182	296,219	-	-
Investment properties	22	2,510,466	2,041,160	1,182,293	1,068,821
Advances for purchases of machinery		35,566	183,365	12,839	171,965
Property, plant and equipment	23	29,614,035	28,968,713	19,934,606	19,218,397
Right-of-use assets	24.1	2,844,016	-	2,185,894	-
Goodwill	25	852,500	855,069	-	-
Deferred concession costs and costs of project under development	26	2,284,280	2,201,514	1,993,231	1,921,186
Deferred tax assets	35	209,240	184,386	-	-
Other non-current assets		559,897	761,548	313,551	542,584
Total non-current assets		55,580,691	51,786,670	47,251,312	43,670,136
TOTAL ASSETS		107,872,520	105,084,902	87,648,158	85,677,036

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT 31 DECEMBER

(Unit : Thousand Baht)	Notes	Consolidated F/S		Separate F/S	
		2020	2019 (Restated)	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	27	7,118,552	7,335,669	4,701,073	4,126,577
Liabilities under trust receipts		2,792,671	1,760,858	2,792,671	1,747,776
Trade and other accounts payable – unrelated parties		19,310,693	18,398,174	15,015,287	14,497,291
Trade accounts payable – related parties	28	1,577,322	1,668,774	2,222,956	2,774,292
Receipts in excess of contracted work in progress	12	2,799,109	1,942,889	534,207	377,028
Short-term loans and advance from related parties	29	76,826	-	499,264	-
Customer advances under construction contracts due for revenue recognition within 1 year	12	6,964,227	6,410,487	6,677,880	6,053,811
Current portion of lease liabilities (2019 : Finance lease payables)	24.2	850,832	649,150	658,854	585,403
Current portion of other financial liabilities	24.3	367,327	-	346,188	-
Current portion of long-term loans	30	11,943,288	10,851,040	11,224,108	10,219,305
Current portion of debentures	31	4,045,690	3,798,000	4,045,690	3,798,000
Current portion of liabilities under employee benefits obligations	32	709,897	701,276	617,120	620,633
Income tax payable		439,887	341,877	250,145	232,355
Value added tax payable		342,136	497,308	323,444	480,780
Accrued expenses		1,141,138	1,296,243	511,969	612,887
Retentions payable		1,004,595	1,052,357	929,029	971,970
Reserve for project expense	39	45,012	17,600	40,095	17,600
Other current liabilities	33	896,442	1,010,922	641,986	766,685
Total current liabilities		62,425,644	57,732,624	52,031,966	47,882,393
NON-CURRENT LIABILITIES					
Customer advances under construction contracts	14	5,695,411	4,894,654	3,920,684	3,591,215
Lease liabilities (2019 : Finance lease payables)	24.2	1,379,533	920,808	742,150	842,879
Long-term loans	30	9,298,098	11,280,186	5,853,279	7,294,125
Debentures	31	10,437,709	11,484,368	10,437,709	11,484,368
Employee benefits obligations	32	1,116,133	1,065,945	805,612	770,284
Deferred tax liabilities	35	790,670	710,166	156,193	132,407
Other financial liabilities	24.3	1,099,543	-	994,118	-
Other non-current liabilities		186,139	18,986	-	-
Total non-current liabilities		30,003,236	30,375,113	22,909,745	24,115,278
TOTAL LIABILITIES		92,428,880	88,107,737	74,941,711	71,997,671

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT 31 DECEMBER

	Notes	Consolidated F/S		Separate F/S	
		2020	2019 (Restated)	2020	2019
(Unit : Thousand Baht)					
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital – ordinary share at Baht 1 par value					
Registered – 6,337,920,861 shares		6,337,921	6,337,921	6,337,921	6,337,921
Issued and fully paid-up - 5,279,868,944 shares	36	5,279,869	5,279,869	5,279,869	5,279,869
Share premium		8,547,757	8,547,757	8,547,757	8,547,757
Retained earnings (deficit)					
Appropriated – legal reserve	41	529,293	529,293	502,693	502,693
Unappropriated		(597,163)	800,975	(1,096,083)	(17,704)
Other components of shareholders' equity		(737,263)	(727,816)	(527,789)	(633,250)
Total equity attributable to the Company's shareholders		13,022,493	14,430,078	12,706,447	13,679,365
Non-controlling interests		2,421,147	2,547,087	-	-
Total shareholders' equity		15,443,640	16,977,165	12,706,447	13,679,365
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		107,872,520	105,084,902	87,648,158	85,677,036

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)	Notes	Consolidated F/S		Separate F/S	
		2020	2019 (Restated)	2020	2019
REVENUES					
Revenues from construction work		46,189,111	55,458,594	35,293,890	41,696,646
Revenues from sales and services		7,779,044	6,762,833	3,745,661	3,183,357
Total revenues	38, 48	53,968,155	62,221,427	39,039,551	44,880,003
COSTS					
Costs of construction work		44,359,813	51,170,881	34,216,991	39,156,427
Costs of sales and services		5,464,566	4,532,181	2,350,653	1,899,635
Total costs	38, 43	49,824,379	55,703,062	36,567,644	41,056,062
Gross profit		4,143,776	6,518,365	2,471,907	3,823,941
Dividend income and profit sharing		11,759	25,201	84,158	180,353
Interest income	48	137,749	119,417	93,181	85,469
Gain on revaluation of investment properties	22	475,137	10,288	119,303	-
Gain (loss) on hedging instruments		56,566	(41,877)	84,578	(41,877)
Other income	42	740,958	630,607	460,708	314,710
Profit before expenses		5,565,945	7,262,001	3,313,835	4,362,596
Selling expenses		(59,013)	(79,810)	-	-
Administrative expenses	43	(3,025,968)	(3,427,164)	(1,265,035)	(1,605,357)
Employee benefits expenses - past service costs	32	-	(310,638)	-	(277,949)
Reversal of allowance (provision) for impairment losses	48	(412,156)	(93,711)	(537,115)	2,413,292
Loss on exchange rate		(289,313)	(226,581)	(260,346)	(63,592)
Provision for impairment of investments		-	(16,229)	(221,809)	(2,464,879)
Share-based payment expense	6	-	(1,543,137)	-	-
Gain from loss of control in subsidiary	6	-	2,838,140	-	-
Total expenses		(3,786,450)	(2,859,130)	(2,284,305)	(1,998,485)
Profit from operations		1,779,495	4,402,871	1,029,530	2,364,111
Share of profit from investments in associated joint control companies and joint ventures	48	17,738	206,098	-	-
Profit before financial costs and income tax		1,797,233	4,608,969	1,029,530	2,364,111
Financial costs	44	(2,532,535)	(2,687,496)	(1,785,073)	(1,914,300)
Profit (loss) before income tax		(735,302)	1,921,473	(755,543)	449,811
Income tax expense	35, 48	(391,984)	(539,871)	(196,037)	(399,068)
Profit (loss) for the year		(1,127,286)	1,381,602	(951,580)	50,743

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER

	Consolidated F/S		Separate F/S	
	2020	2019 (Restated)	2020	2019
(Unit : Thousand Baht)				
OTHER COMPREHENSIVE INCOME				
Items not to be reclassified subsequently to profit or loss				
Actuarial loss – net of tax	(94,013)	(116,766)	(82,628)	(81,581)
Gain on equity investments designated at fair value through other comprehensive income – net of tax	64,675	-	61,231	-
Items to be reclassified subsequently to profit or loss				
Unrealized loss on changes in value of investments – net of tax	-	(119,802)	-	(113,170)
Translation adjustments for foreign currency financial statements	(119,404)	(554,402)	44,230	(199,900)
Effectiveness loss of cash flow hedge instruments	(19,560)	-	-	-
Total others comprehensive income for the year	(168,302)	(790,970)	22,833	(394,651)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(1,295,588)	590,632	(928,747)	(343,908)
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO :				
Shareholders of the Company	(1,104,448)	1,257,660	(951,580)	50,743
Non-controlling interests	(22,838)	123,942	-	-
	(1,127,286)	1,381,602	(951,580)	50,743
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :				
Shareholders of the Company	(1,208,004)	701,710	(928,747)	(343,908)
Non-controlling interests	(87,584)	(111,078)	-	-
	(1,295,588)	590,632	(928,747)	(343,908)
BASIC EARNINGS PER SHARE				
Profit (loss) (Baht per share)	(0.2092)	0.2382	(0.1802)	0.0096
Weighted average number of ordinary shares (Unit : Thousand shares)	5,279,869	5,279,869	5,279,869	5,279,869

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER

	Equity attributable to shareholders of the Company												
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of shareholders' equity					Total equity attributable to the shareholders of the Company	Non - controlling interests	Total	
			Legal Reserve	Un-appropriated	Unrealized gain (loss) on changes in fair value of investments	Translation adjustments for foreign currency financial statements	Effectiveness loss of cash flow hedge instruments	Surplus on dilution of investment in subsidiary companies	Total				
(Unit : Thousand Baht)	Notes												
Consolidated F/S													
Balance as at 1 January 2019		5,279,841	8,547,392	526,753	(266,601)	88,430	(682,917)	-	311,093	(283,394)	13,803,991	2,666,337	16,470,328
Increase share capital during the year	36	28	365	-	-	-	-	-	-	-	393	-	393
Dividend paid	37	-	-	-	(76,016)	-	-	-	-	-	(76,016)	-	(76,016)
Dividend paid from subsidiaries		-	-	-	-	-	-	-	-	-	-	(36,127)	(36,127)
Subsidiary increases share capital during the year		-	-	-	-	-	-	-	-	-	-	27,955	27,955
Transactions with shareholders		28	365	-	(76,016)	-	-	-	-	-	(75,623)	(8,172)	(83,795)
Profit for the year – restated		-	-	-	1,257,660	-	-	-	-	-	1,257,660	123,942	1,381,602
Other comprehensive income for the year		-	-	-	(111,528)	(119,802)	(324,620)	-	-	(444,422)	(555,950)	(235,020)	(790,970)
Total comprehensive income for the year – restated		-	-	-	1,146,132	(119,802)	(324,620)	-	-	(444,422)	701,710	(111,078)	590,632
Appropriated for legal reserve	41	-	-	2,540	(2,540)	-	-	-	-	-	-	-	-
Balance as at 31 December 2019 - as restated		5,279,869	8,547,757	529,293	800,975	(31,372)	(1,007,537)	-	311,093	(727,816)	14,430,078	2,547,087	16,977,165
Balance as at 1 January 2020 - as previously reported		5,279,869	8,547,757	529,293	(494,028)	(31,372)	(1,007,537)	-	311,093	(727,816)	13,135,075	2,547,087	15,682,162
Correction of error	6	-	-	-	1,295,003	-	-	-	-	-	1,295,003	-	1,295,003
Impact of first-time adoption of new accounting standards	3	-	-	-	(199,581)	-	-	-	-	-	(199,581)	-	(199,581)
Balance as at 1 January 2020 - as restated		5,279,869	8,547,757	529,293	601,394	(31,372)	(1,007,537)	-	311,093	(727,816)	14,230,497	2,547,087	16,777,584
Dividend paid from subsidiaries		-	-	-	-	-	-	-	-	-	-	(38,356)	(38,356)
Transactions with shareholders		-	-	-	-	-	-	-	-	-	-	(38,356)	(38,356)
Loss for the year		-	-	-	(1,104,448)	-	-	-	-	-	(1,104,448)	(22,838)	(1,127,286)
Other comprehensive income (loss) for the year		-	-	-	(94,109)	64,675	(54,562)	(19,560)	-	(9,447)	(103,556)	(64,746)	(168,302)
Total comprehensive income (loss) for the year		-	-	-	(1,198,557)	64,675	(54,562)	(19,560)	-	(9,447)	(1,208,004)	(87,584)	(1,295,588)
Balance as at 31 December 2020		5,279,869	8,547,757	529,293	(597,163)	33,303	(1,062,099)	(19,560)	311,093	(737,263)	13,022,493	2,421,147	15,443,640

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER

	Notes	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of shareholders' equity			Total
				Legal Reserve	Unappropriated	Unrealized gain (loss) on changes in fair value of investments	Translation adjustments for foreign currency financial statements	Total	
(Unit : Thousand Baht)									
Separate F/S									
Balance as at 1 January 2019		5,279,841	8,547,392	500,153	91,690	83,362	(403,542)	(320,180)	14,098,896
Increase share capital during the year	36	28	365	-	-	-	-	-	393
Dividend paid		-	-	-	(76,016)	-	-	-	(76,016)
Transactions with shareholders		28	365	-	(76,016)	-	-	-	(75,623)
Profit for the year		-	-	-	50,743	-	-	-	50,743
Other comprehensive income for the year		-	-	-	(81,581)	(113,170)	(199,900)	(313,070)	(394,651)
Total comprehensive income (loss) for the year		-	-	-	(30,838)	(113,170)	(199,900)	(313,070)	(343,908)
Appropriated for legal reserve	41	-	-	2,540	(2,540)	-	-	-	-
Balance as at 31 December 2019		5,279,869	8,547,757	502,693	(17,704)	(29,808)	(603,442)	(633,250)	13,679,365
Balance as at 1 January 2020		5,279,869	8,547,757	502,693	(17,704)	(29,808)	(603,442)	(633,250)	13,679,365
- as previously reported									
Impact of first-time adoption of new accounting standards	3	-	-	-	(44,171)	-	-	-	(44,171)
Balance as at 1 January 2020 - as restated		5,279,869	8,547,757	502,693	(61,875)	(29,808)	(603,442)	(633,250)	13,635,194
Loss for the year		-	-	-	(951,580)	-	-	-	(951,580)
Other comprehensive income for the year		-	-	-	(82,628)	61,231	44,230	105,461	22,833
Total comprehensive income for the year		-	-	-	(1,034,208)	61,231	44,230	105,461	(928,747)
Balance as at 31 December 2020		5,279,869	8,547,757	502,693	(1,096,083)	31,423	(559,212)	(527,789)	12,706,447

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER

	Consolidated F/S		Separate F/S	
	2020	2019 (Restated)	2020	2019
(Unit : Thousand Baht)				
Cash flows from operating activities				
Profit (loss) before taxation	(735,302)	1,921,473	(755,543)	449,811
Adjustments of cash flows:				
Depreciation and amortisation	4,106,011	3,354,005	2,625,746	2,058,463
Unrealized loss on exchange rate	295,647	97,979	296,772	97,662
Dividend income and profit sharing	(11,759)	(25,201)	(84,158)	(180,353)
Share of loss (profit) from investments in associated companies, joint control companies and joint ventures	(17,738)	(206,098)	-	-
Provision (reversal of allowance) for impairment losses	412,156	93,711	537,115	(2,413,292)
Provision (reversal of allowance) for impairment of investments	-	16,229	221,809	2,464,879
Share-based payment expenses	-	1,543,137	-	-
Gain from the loss of control in subsidiary	-	(2,838,140)	-	-
Provision for devaluation of inventories	58,829	2,458	51,867	-
Provision (reversal of allowance) on construction projects	46,685	(88,981)	41,768	(88,981)
Provision for impairment of assets	5,896	-	-	-
Gain on revaluation of investment properties	(475,137)	(10,288)	(119,303)	-
Loss on impairment of land awaiting development	4,288	-	-	-
Loss (gain) on disposal of assets	(56,048)	(62,733)	(27,205)	(29,284)
Loss on disposal of investment properties	831	-	831	-
Gain on hedging instruments	(56,566)	41,877	(84,578)	41,877
Deferred gain from construction services for project under development of associated companies	849,515	-	-	-
Provision for employee benefits obligations	66,250	400,420	82,481	358,882
Interest expenses	2,532,535	2,687,496	1,785,073	1,914,300
Income from operations before changes in operating assets and liabilities	7,026,093	6,927,344	4,572,675	4,673,964
Decrease (increase) in operating assets:				
Promissory notes receivable	50,000	50,000	50,000	50,000
Trade accounts receivable – unrelated parties	4,964,254	(5,417,847)	5,220,306	(6,118,574)
Trade accounts receivable and other receivable – related parties	(719,411)	(168,410)	(1,205,010)	219,698
Loans and advances to related parties	(169,366)	(234,624)	(90,438)	5,183,114
Earned revenues not yet billed	(2,706,266)	3,619,907	(2,623,174)	4,470,452
Retentions receivable	404,012	(716,963)	377,237	(342,124)
Inventories and work in process	958,170	127,135	998,531	196,437
Costs of property development projects	145,082	(31,542)	-	-
Refundable value added tax	52,084	147,713	19,782	126,954
Advances for purchases of construction materials and to sub-contractors	(412,777)	182,685	(323,885)	169,074
Other current assets	(34,280)	61,240	(85,702)	53,191
Other non-current assets	60,734	(6,432)	88,467	(27,444)
Increase (decrease) in operating liabilities:				
Trade accounts and other payable – unrelated parties	(1,746,336)	2,280,123	(1,585,039)	1,711,147
Trade accounts payable – related parties	(92,232)	(218,531)	(552,116)	(31,086)
Receipts in excess of contracted work in progress	856,220	1,481,972	157,179	(83,889)
Customer advances under construction contracts	1,354,497	(2,625,195)	953,538	(2,513,950)
Value added tax payable	(155,172)	229,133	(157,336)	243,052
Accrued expenses	(155,105)	(381,578)	(100,918)	(86,943)
Retentions payable	(47,762)	111,397	(42,941)	105,868
Other current liabilities	(131,189)	256,153	(111,229)	236,290
Employee benefits obligations	(161,327)	(76,139)	(153,313)	(72,331)
Provision for projects expenses	(17,600)	(126,199)	(17,600)	(126,199)
Other non-current liabilities	(35,958)	(85,456)	-	-
Cash received from operations	9,286,365	5,385,886	5,389,014	8,036,701
Income tax refund	687,598	769,738	614,887	716,284
Income tax payment	(1,181,008)	(1,108,414)	(773,637)	(884,226)
Net cash provided from operating activities	8,792,955	5,047,210	5,230,264	7,868,759

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONTINUED)

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER

	Consolidated F/S		Separate F/S	
	2020	2019 (Restated)	2020	2019
(Unit : Thousand Baht)				
Cash flows from investing activities				
Increase (decrease) in fixed deposits and restricted deposits with banks	(214,541)	(853,679)	11,265	(238,342)
Advance payment for shares subscription	-	(200,000)	-	(200,000)
Decrease (Increase) in investments in subsidiaries, associated companies, joint control company and joint ventures	(450,344)	124,089	(633,765)	(5,809,242)
Disposal of investments properties	5,000	-	5,000	-
Disposal of fixed assets	709,191	427,047	576,486	165,920
Purchases of fixed assets	(2,714,469)	(4,179,328)	(1,775,592)	(2,567,912)
Purchases of land awaiting development	(27,251)	-	-	-
Received from dividend and profit sharing	11,759	25,201	84,158	180,353
Payment of cost for preject under development	-	(65,745)	-	-
Payments for deferred concession costs	(106,537)	(47,543)	(72,045)	(57,507)
Payments for deferred mining exploration and development costs	(2,111)	(1,478)	-	-
Effect on change in proportion of investment in subsidiary to joint control company	-	1,057,230	-	-
Net cash used in investing activities	(2,789,303)	(3,714,206)	(1,804,493)	(8,526,730)
Cash flows from financing activities				
Interest payment	(2,481,178)	(2,613,283)	(1,767,492)	(1,867,303)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(217,117)	(418,573)	574,496	(340,171)
Increase in short-term loans and advance from related parties	76,826	-	499,264	-
Decrease in liabilities under trust receipts	(335,049)	(234,657)	(321,967)	(216,901)
Decrease in lease liabilities (2019 : Decrease in finance lease payables)	(725,436)	(802,387)	(690,403)	(706,026)
Increase in other financial liabilities	1,466,870	-	1,340,306	-
Increase in long-term loans	7,083,769	7,057,294	6,369,712	6,812,670
Repayment of long-term loans	(7,972,292)	(6,102,524)	(6,805,755)	(4,364,746)
Proceeds from issuance of debentures	2,989,999	1,992,500	2,989,999	1,992,500
Payment for debentures redemption	(3,800,000)	(1,500,000)	(3,800,000)	(1,500,000)
Received from share capital increase	-	393	-	393
Dividend paid	-	(76,016)	-	(76,016)
Dividend paid from subsidiary companies	(38,356)	(36,127)	-	-
Received from share capital increment in subsidiaries	-	27,955	-	-
Net cash used in financing activities	(3,951,964)	(2,705,425)	(1,611,840)	(265,600)
Translation adjustment on foreign currency financial statements	13,227	(14,665)	30,580	(104,815)
Net increase (decrease) in cash and cash equivalents	2,064,915	(1,387,086)	1,844,511	(1,028,386)
Cash and cash equivalents at beginning of the year	1,990,707	3,377,793	1,136,838	2,165,224
Cash and cash equivalents at end of the year	4,055,622	1,990,707	2,981,349	1,136,838
Supplemental cash flows information				
Non-cash transactions:				
Unrealized gain (loss) on changes in value of investments through other comprehensive income	73,392	(142,300)	69,087	(134,010)
Accounts payable from purchases of assets	3,809,919	4,467,255	3,252,974	4,367,114
Swapping debt to equity of subsidiaries and joint control company	148,876	-	148,876	2,312,742
Recognition of right-of-use assets and lease liabilities	1,476,835	-	683,510	-
Classified assets under finance leases to right-of-use assets	2,093,345	-	2,045,730	-
Classified other non-current assets to right-of-use assets	119,721	-	119,721	-
Cancellation contract for right-of-use assets	31,233	-	31,233	-
Trasferred right-of-use to fixed assets	253,866	-	253,866	-

The accompanying notes form an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2020 AND 2019

1. GENERAL INFORMATION

Italian-Thai Development Public Company Limited (“the Company”) is incorporated and domiciled in Thailand. The Company and subsidiaries are principally engaged in the construction services and other services related to construction support, providing soil and coal extraction and removal services, real estate business, manufacturing and selling construction materials and products, including investments in other projects in Thailand and overseas.

Coronavirus 2019 pandemic

The Corona Coronavirus 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries in many countries around the world. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing development and assessed the impact in respect of the construction projects in domestic and overseas including the financial impact in respect of the revenues and expenses, valuation of assets, provisions and contingent liabilities. The management has considered to adjust the impact from such matter in the group’s financial statements which using estimates and judgement in respect of various issues as the situation has evolved.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRINCIPLE OF CONSOLIDATION

2.1 Statement of compliance

The Company prepares its financial statements in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Thai Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must conform to the official report in Thai.

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

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use certain critical accounting estimates and to exercise judgement in the process of applying the Group’s accounting policies. The areas in which management users a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.2 to financial statements.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Italian-Thai Development Public Company Limited and subsidiaries in which the Company can exercise control are as follows:

Name of Entity	Country of incorporation	Percentage of share held	
		by the Company	
		2020	2019
<u>Overseas subsidiaries</u>			
PT.Thailindo Bara Pratama	Indonesia	99.99	99.99
ITD Cementation India Limited	India	46.64	46.64
ITD-Madagascar S.A.	Madagascar	99.98	99.98
ITD Construction SDN. BHD.	Malaysia	99.99	99.99
ITD Bangladesh Company Limited	Bangladesh	99.99	99.99
Italian-Thai Development Vietnam Co., Ltd.	Vietnam	80.00	80.00
ITD Mozambique Limitada	Mozambique	99.00	99.00
Thai Mozambique Logistica SA	Mozambique	60.00	60.00
<u>Local subsidiaries</u>			
Italian-Thai International Co., Ltd.	Thailand	99.99	99.99
Bhaka Bhumi Development Co., Ltd.	Thailand	99.99	99.99
Thai Pride Cement Co., Ltd.	Thailand	99.99	99.99
Nha Pralan Crushing Plant Co., Ltd.	Thailand	99.99	99.99
Siam Concrete and Brick Products Co., Ltd.	Thailand	99.80	99.80
Italthai Marine Co., Ltd.	Thailand	92.59	92.59
Italthai Trevi Co., Ltd.	Thailand	90.94	90.94
Asian Steel Product Co., Ltd.	Thailand	69.90	69.90
Thai Maruken Co., Ltd.	Thailand	50.96	50.96
Italian Thai Land Co., Ltd.	Thailand	99.99	99.99
Palit Palanggan Co., Ltd.	Thailand	78.16	78.16
Palang Thai Kaowna Co., Ltd.	Thailand	99.99	99.99
Italian Thai Power Co., Ltd.	Thailand	99.99	99.99
Saraburi Construction Technology Co., Ltd.	Thailand	99.93	99.93
Asia Logistics Development Co., Ltd.	Thailand	99.93	99.93
Asia Industrial and Port Corporation Co., Ltd.	Thailand	99.93	99.93
Myanmar Italian-Thai Power 1 Co., Ltd.	Thailand	99.95	99.95
Italian-Thai Hongsa Co., Ltd.	Thailand	99.97	99.97

Name of Entity	Country of incorporation	Percentage of share held	
		by the Company	
		2020	2019
APPC Holding Co., Ltd.	Thailand	64.52	64.52
ITD - ETF Joint venture	Thailand	100.00	100.00
Asian Rail Co., Ltd.	Thailand	99.99	99.97
ITD - ARC Joint venture	Thailand	10.00	10.00
<u>Indirect overseas subsidiaries</u>			
Ayeyarwady Multitrade Co., Ltd.	Myanmar	99.99	99.99
ITD Cementation Projects India Limited	India	99.99	99.99
ITD Vertex Consortium SDN. BHD	Malaysia	70.00	70.00
Dawei Development Company Limited (Myanmar)	Myanmar	75.00	75.00
Future Prosperity Investment Company Limited	Republic of Mauritius	99.99	99.99
APPC Hong Kong Company Limited	Hong Kong	100.00	100.00
THAI INTERNATIONAL INDUSTRIAL ESTATE DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
THAI POWER DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
THAI TELECOM DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
DAWEI TELECOM HOLDING PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
DAWEI RESIDENCE HOLDING PTE LTD.	Singapore	50.00	50.00
DAWEI POWER HOLDING PTE LTD.	Singapore	100.00	100.00
DAWEI LNG TERMINAL HOLDING PTE LTD.	Singapore	50.00	50.00
MYANDAWEI INDUSTRIAL ESTATE HOLDING PTE LTD.	Singapore	50.00	50.00
DAWEI TELECOM COMPANY LIMITED	Myanmar	100.00	100.00
DAWEI RESIDENCE COMPANY LIMITED	Myanmar	50.00	50.00
DAWEI POWER COMPANY LIMITED	Myanmar	100.00	100.00
DAWEI LNG TERMINAL COMPANY LIMITED	Myanmar	50.00	50.00
MYANDAWEI INDUSTRIAL ESTATE COMPANY LIMITED	Myanmar	50.00	50.00
<u>Indirect local subsidiaries</u>			
Aquathai Co., Ltd.	Thailand	99.99	99.99
Sarithorn Co., Ltd.	Thailand	99.99	99.99
Southern Industries (1996) Co., Ltd.	Thailand	99.99	99.99
Asia Pacific Potash Corporation Limited	Thailand	90.00	90.00
Lasalle Company Limited	Thailand	99.30	99.30
Tongkrai Company Limited	Thailand	99.40	99.40
Tayakhee Company Limited	Thailand	99.40	99.40
Dithe Company Limited	Thailand	99.40	99.40
Panoot Company Limited	Thailand	99.40	99.40
Phannin Company Limited	Thailand	99.40	99.40
Takolkiat Company Limited	Thailand	99.40	99.40
Tridayuk Company Limited	Thailand	99.40	99.40
Bhantuwong Company Limited	Thailand	99.40	99.40
Nahathai Company Limited	Thailand	99.40	99.40
Kanika Company Limited	Thailand	99.40	99.40
Sin Rae Muang Thai Co., Ltd.	Thailand	99.99	99.99
Wildemere Co., Ltd.	Thailand	99.99	99.99
APPC Holding Co., Ltd.	Thailand	35.48	35.48
ITD – ARC Joint venture	Thailand	90.00	90.00

2.3 Significant changes during the year 2020 are as follows:

- The Company made additional payment for share capital of two local subsidiaries totalling Baht 114.68 million. There is no change in investment proportion.
- The Company made additional payment for share capital of an overseas joint control company of BDT 1,395.33 million (equivalent to Baht 519.09 million) and by converting debt to equity of BDT 417.50 million (equivalent to Baht 148.88 million) under the shareholder agreement made in the third quarter of 2019. There is no change in investment proportion for this additional payment of investment.
- The Company registered to liquidate a Company's branch in foreign country and two domestic joint ventures.

- A local associated company increased its shares capital by offering to the existing shareholders. The Company did not participate in additional investment therefore the Company's proportion in such associated company is diluted from 15.00% to 8.52%. However, the Company continues classified such investment as associated company since the Company still has significant influence by the power to participate over the financial and operating policy decisions of such company but can not control those policies.

2.4 Significant changes during the year 2019 are as follows:

- The Company invested in Asian Rail Co., Ltd. which is engaged in construction services with an investment proportion of 99.97% and paid for share capital of Baht 0.25 million.
- The Company and Asian Rail Co., Ltd. have jointly invested in ITD – ARC Joint Venture which is principally engaged in the construction for State Railway of Thailand. The Company has investment proportion of 10% in the joint venture.
- The Company made additional payment for share capital of Thai Mozambique Logistica SA of Baht 2.02 million. There is no change in investment proportion.
- The Company made additional investment for share capital of ITD–Madagascar S.A. by swapping Debt to Equity of Baht 128.46 million with no change in investment proportion.
- The Company made additional investment for share capital of ITD Mozambique Limitada by swapping Debt to Equity of Baht 6.13 million with no change in investment proportion.
- The Company made additional investment for share capital of PT.Thailindo Bara Pratama by swapping Debt to Equity of Baht 2,178.15 million with no change in investment proportion.
- Two domestic joint ventures registered their liquidation.
- Two overseas subsidiaries registered their liquidation.
- An overseas subsidiary (First Dhaka Elevated Expressway Co., Ltd.) increased its shares capital by BDT 3,531.47 million (equivalent to Baht 1,286.68 million) for the Company and new investors. After the payments for shares capital increase as stipulated, the structure of shareholding changed where the diluted proportion of the Company's shareholding in such subsidiary decrease from 99.99% to 51.00%. This also caused the change in the Company's control power in such subsidiary. The Company therefore changed the treatment of such investment in subsidiary to investment in joint control company.
- The Company made addition payment for share capital of five subsidiaries for them to pay their debts to the Company. The investments proportion of such subsidiaries are changed as follow:

Companies	Additional investment for share capital (Million Baht)	Percentage of shareholding	
		31 December 2019	31 December 2018
Italian–Thai International Co., Ltd.	4,180.00	99.99	99.99
Italian–Thai Land Co., Ltd.	412.00	99.99	99.99
Palang Thai Kaowna Co., Ltd.	458.00	99.99	99.94
APPC Holding Co., Ltd.	484.00	64.52	60.00
Palit Palanggan Co., Ltd.	95.39	78.16	74.93

- 2.5 The financial statements of the overseas project offices, branches and subsidiaries are translated into Baht using exchange rates at the date of the statement of financial position for assets and liabilities, and the monthly average exchange rates for revenues and expenses. The resultant differences are presented under the caption "Translation adjustments for foreign currency financial statements" as other comprehensive income under other components of shareholders' equity.
- Goodwill arising on the acquisition of the businesses in overseas is treated as assets of the overseas entity, and they are translated at the closing rate.
- 2.6 Significant transactions and account balances with subsidiaries have been eliminated from the consolidated financial statements, except for intercompany profit in inventories at the end of the year, which has insignificant effect on the consolidated financial statements.
- 2.7 Non–controlling interests represent the portion of subsidiary companies' profit or loss and net assets that are not held by the Group and are presented separately in the consolidated statement of profit or loss and the statement of changes in shareholders' equity.
- 2.8 All subsidiaries have the same reporting date of 31 December, except the group companies in India and Myanmar which have a statutory reporting date of 31 March and 30 September, respectively. However, such companies prepared the financial information for consolidation with the financial statements of the Company for the year ended 31 December with the same accounting policies of the Group and for the same accounting transactions or accounting events.
- 2.9 Dilution gains (loss) arises on shares issued by subsidiaries and sold to third parties are recognized as surplus (discount) on dilution of investment in subsidiary companies, which is presented under shareholders' equity in the consolidated financial statements.
- 2.10 The Company's financial statements for the years ended 31 December 2020 and 2019 include the audited financial statements of 2 overseas project offices, 5 overseas branches, 8 overseas subsidiaries, and 3 overseas joint ventures with aggregate assets and revenues under consolidated financial statement in Baht equivalent as follows:

(Unit : Million Baht)	2020		2019	
	Total assets	Total revenues	Total assets	Total revenues
KOLDAM Project Office	1,134	-	1,181	-
West Bengal Project Office	5	-	7	-
Italian–Thai Development Public Co., Ltd. – Philippines Branch	1,919	-	56	-
Italian–Thai Development Public Co., Ltd. – Taiwan Branch	15	13	3	4
Italian–Thai Development Public Co., Ltd. – India Branch	615	30	640	-
Italian–Thai Development Public Co., Ltd. – Cambodia Branch	1	-	1	-

(Unit : Million Baht)	2020		2019	
	Total assets	Total revenues	Total assets	Total revenues
Italia–Thai Development Public Co., Ltd. – Bangladesh Branch	6,000	1,223	6,493	4,527
ITD Cementation India Limited	13,597	11,025	12,887	12,164
PT. Thailindo Bara Pratama	256	300	502	315
ITD–Madagascar S.A.	16	-	22	99
ITD Bangladesh Company Limited	2,343	1,667	936	-
Italian–Thai Development Vietnam Co., Ltd	1	-	1	-
Italian–Thai Development (Myanmar) Co., Ltd.	-	-	-	11
ITD Mozambique Limitada	165	26	153	5
Thai Mozambique Logistica SA	191	-	195	2
ITD – Cemindia JV	85	40	78	37
ITD – ITD CEM JV	1,594	375	1,774	507
ITD – ITD CEM JV (Consortium)	33	-	39	-
Total	27,970	14,699	24,968	17,671

- 2.11 The consolidated and separate financial statements for the years 2020 and 2019, recognizes assets, liabilities, revenues and expenses of the joint operations which are classified as joint operations based on the Company’s management consideration based on the economic contents of the joint venture agreements and concluded that the Company has rights to the assets, and obligations for the liabilities relating to the arrangements including revenues and expenses sharing relevant to such joint operation, The Company therefore, prepared and presented the financial statements of such joint operations proportionately based on the Company’s interests. Joint operations are as follows:

Name of Entity	Portion of joint operations (percent)		Type of businesses
	2020	2019	
ITD – SQ Joint Venture	50.00	50.00	Soil and coal extraction and removal services for the Electricity Generating Authority of Thailand
SQ – ITD Joint Venture	50.00	50.00	Soil and coal extraction and removal services for the Electricity Generating Authority of Thailand
ITD – SMCC Joint Venture	-	-	Construction the Chao Phraya River Crossing Bridge at Nonthaburi 1 Road Construction Project with the Department of Rural Roads under the Ministry of Transport, Thailand
Samsung – ITD Joint Venture	-	24.00	Construction the LPG expansion project at Khao Bo Ya, Chonburi Province with PTT Public Company Limited, Thailand
ITD – RT Joint Venture	70.00	70.00	Construction the double track train from Map Kabao – Thanon Chira junction, Contract No.3 tunnel works under the state railway of Thailand
SMCC – ITD Joint Venture	49.00	49.00	Construction of Dhaka Mass Transit Development project line 6 (CP-06) at Dhaka, Bangladesh with Dhaka Mass Transit Company Limited

The consolidated and separate financial statements as at 31 December 2020 and 2019 and for the years then ended included assets, liabilities, revenues and expenses of such joint operations as follows:

(Unit : Million Baht)	2020				2019			
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Current assets	Non-current assets	Current liabilities	Non-current Liabilities
ITD – SQ Joint Venture	72	5	2	-	616	484	260	18
SQ – ITD Joint Venture	-	-	-	-	21	-	20	-
Samsung – ITD Joint Venture	-	-	-	-	18	-	1	-
ITD – RT Joint Venture	1,043	23	780	-	795	30	432	268
SMCC – ITD Joint Venture	1,388	202	535	910	994	273	331	1,046

(Unit : Million Baht)	2020		2019	
	Revenues	Expenses	Revenues	Expenses
ITD – SQ Joint Venture	-	171	1,197	1,001
SQ – ITD Joint Venture	12	1	-	5
ITD – SMCC Joint Venture	-	-	-	5
Samsung – ITD Joint Venture	-	-	2	-
ITD – RT Joint Venture	490	408	253	218
SMCC – ITD Joint Venture	686	613	1,078	965

3. NEW AND REVISED FINANCIAL REPORTING STANDARDS, INTERPRETATIONS AND GUIDANCE

During the year, The Federation of Accounting Professions has revised and issued Thai Financial Reporting Standards (TFRS), interpretations and guidance as follow:

3.1 Revised interpretations and guidance for the financial statements for the period beginning on or after 1 January 2020 onwards, as follows:

3.1.1 Thai Financial Reporting Standards related to “Financial instruments”

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

These TFRSs define new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments which were formerly in effect.

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognized as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The Group’s management has assessed the impact on the financial statement of Thai Financial Reporting Standards related to “Financial instruments” as follows:

Classification and measurement of financial assets and financial liabilities

Financial assets

Financial assets for debt instruments are classified into three principal classification categories: (1) measured at amortized cost, (2) measured at fair value through profit or loss, and (3) measured a fair value through other comprehensive income based on the business model of the Group in which they are managed and based on the cash flow characteristics of the financial asset.

Financial assets measured at amortized cost, interest income shall be calculated using effective interest rate and credited to statement of profit or loss.

Financial assets for equity instrument measured at fair value through profit or loss. However, the Group is able to recognize financial assets at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss.

Financial liabilities

Financial liabilities which are classified and measured at amortized cost. The interest expenses are calculated by using effective interest rate and debited to statement of profit or loss.

Derivative liabilities are measured at fair value through profit or loss. Except for derivatives contract which applied hedge accounting are measured at fair value through other comprehensive income.

The classification and measurement of financial assets and financial liabilities in accordance with TFRS 9 including reconciliation, classification and measurement under the former standards as at 1 January 2020 are as follows:

Consolidated F/S

Classification under former standards as at 31 December 2019 - as previously reported		Classification under current TFRS 9 as at 1 January 2020 - as restated		
Transactions	Carrying amounts	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost
(Unit : Thousand Baht)				
Financial assets				
Cash and cash equivalents	1,990,707	-	-	1,990,707
Fixed deposits less than one year	1,062,645	-	-	1,062,645
Restricted deposits with banks	244,687	-	-	244,687
Current portion of promissory notes receivable	50,000	-	-	50,000
Trade accounts receivable – unrelated parties – net	15,677,668	-	-	15,664,783
Trade and other accounts receivable - related parties – net	1,246,331	-	-	1,245,683
Short-term loans and advances to related parties – net	419,811	-	-	419,811
Retentions receivable	3,900,000	-	-	3,900,000
Promissory notes receivable – net	385,939	-	-	385,939
Other long-term investments – net	952,050	655,524	296,526	-
Long-term loans and advances to related parties – net	935,647	-	-	935,647
Financial liabilities				
Bank overdrafts and short-term loans from financial institutions	7,335,669	-	-	7,335,669
Liabilities under trust receipts	1,760,858	-	-	1,760,858
Trade and other accounts payable – unrelated parties	18,398,174	-	-	18,398,174
Trade accounts payable – related parties	1,668,774	-	-	1,668,774
Current portion of lease liability	649,150	-	-	649,150

Classification under former standards as at 31 December 2019 - as previously reported		Classification under current TFRS 9 as at 1 January 2020 - as restated		
Transactions	Carrying amounts	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost
(Unit : Thousand Baht)				
Current portion of long-term loans	10,851,040	-	-	10,851,040
Current portion of debentures	3,798,000	-	-	3,798,000
Retentions payable	1,052,357	-	-	1,052,357
Other current liabilities (Derivative liabilities)	50,216	50,216	-	-
Other non-current liabilities (Derivative liabilities)	-	155,511	-	-
Lease liability	920,808	-	-	920,808
Long-term loans – net	11,280,186	-	-	11,280,186
Debentures – net	11,484,368	-	-	11,484,368

Separate F/S

Classification under former standards as at 31 December 2019 - as previously reported		Classification under TFRS 9 as at 1 January 2020 - as restated		
Transactions	Carrying amounts	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost
(Unit : Thousand Baht)				
Financial assets				
Cash and cash equivalents	1,136,838	-	-	1,136,838
Restricted deposits with banks	242,528	-	-	242,528
Current portion of promissory notes receivable	50,000	-	-	50,000
Trade accounts receivable – unrelated parties – net	13,804,277	-	-	13,791,392
Trade and other accounts receivable – related parties – net	2,720,755	-	-	2,720,005
Current portion of finance lease receivable – subsidiary	5,993	-	-	5,993
Short-term loans and advances to related parties – net	1,295,459	-	-	1,295,459
Retentions receivable	2,825,775	-	-	2,825,775
Finance lease receivable – subsidiary – net	30,913	-	-	30,913
Promissory notes receivable – net	385,939	-	-	385,939
Other long-term investments – net	799,605	520,298	279,307	-
Long-term loans and advances to related parties – net	727,325	-	-	727,325
Financial liabilities				
Bank overdrafts and short-term loans from financial institutions	4,126,577	-	-	4,126,577
Liabilities under trust receipts	1,747,776	-	-	1,747,776
Trade and other accounts payable - unrelated parties	14,497,291	-	-	14,497,291
Trade accounts payable – related parties	2,774,292	-	-	2,774,292
Current portion of lease liabilities	585,403	-	-	585,403
Current portion of long-term loans	10,219,305	-	-	10,219,305
Current portion of debentures	3,798,000	-	-	3,798,000
Retentions payable	971,970	-	-	971,970
Other current liabilities (Derivative liabilities)	50,216	50,216	-	-
Lease liabilities	842,879	-	-	842,879
Long-term loans – net	7,294,125	-	-	7,294,125
Debentures – net	11,484,368	-	-	11,484,368

The value of financial assets and financial liabilities which are measured at amortized costs are closed to fair values.

Impairment - financial assets and contract assets

The Group assesses the impairment of financial assets and contract assets by forward-looking “expected credit loss” (ECL) model. It is no longer necessary for a credit event to have occurred before credit losses are recognized and judgement about how changes in economic factors affect expected credit loss and probability-weighted basis. However, the new assessment applies to financial assets measured at amortized cost and fair value through other comprehensive income.

The Group has determined that the application of TFRS 9 are as follows:

- Trade accounts and others receivable, promissory notes receivable, finance lease receivable, earned revenues not yet billed and retention receivable: These assets are measure with applied simplified approach based on expected credit loss for such transactions.

- Loans and advances to related parties: These are measured with applied general approach whereby allowance for impairment is limited to 12 months expected credit loss / lifetime expected credit loss.

The adoption of the above accounting standards requires the Group to account for an additional allowance for impairment losses and derivative as at 1 January 2020 as follows:

(Unit : Thousand Baht)	Consolidated F/S		
	31 December 2019	Addition	1 January 2020
Allowance for impairment losses of			
- Trade accounts receivable – unrelated parties	954,365	12,885	967,250
- Trade and other accounts receivable – related parties	566,553	649	567,202
- Short-term loans and advances to related parties	26,318	-	26,318
- Earned revenues not yet billed	-	30,536	30,536
Total	1,547,236	44,070	1,591,306

(Unit : Thousand Baht)	Separate F/S		
	31 December 2019	Addition	1 January 2020
Allowance for impairment losses of			
- Trade accounts receivable – unrelated parties	432,270	12,885	445,155
- Trade and other accounts receivable – related parties	563,299	750	564,049
- Finance lease receivable	6,080	-	6,080
- Short-term loans and advances to related parties	338,055	-	338,055
- Earned revenues not yet billed	-	30,536	30,536
- Long-term loans and advances to related parties	358,149	-	358,149
Total	1,697,853	44,171	1,742,024

Derivative contract and hedge accounting

The Group initially recognized derivatives at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or unrecognized from commitments (fair value hedges); or
 - hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).
- The impact of hedge accounting on the retained earnings as at 1 January 2020 is as follows:

(Unit : Thousand Baht)	Consolidated F/S		
	31 December 2019	Addition	1 January 2020
Hedge accounting and derivatives			
- Other non-current liability	-	155,511	155,511

3.1.2 Thai Financial Reporting Standards 16 “Lease”

TFRS 16 defines, the new principles for the recognition of leases, replacing Thai Accounting Standard No.17 “Leases”, and several leases-related Interpretations. The new standard defined the requirement for leases will be recorded in the statement of financial position in the form of rights-of-use assets and a lease liabilities except for short-term leases agreement which period is less than 12 months or with low value asset.

Under the Thai Financial Reporting Standard No.16 “Leases”, no significant changes to the accounting treatments for lessors.

The Group’s recognition of the rights-of-use assets and lease liabilities under TFRS 16 causes the change in the nature of expenses related to those leases whereby the Group has to recognize depreciation expense on rights-of-use assets, and interest expense on lease liabilities, instead of rental expense from lease agreements as formerly used in the preparation of the financial report.

As stay still, payments for short-term lease or leases of low-value assets will be recognized as rental expense in profit or loss on a straight-line basis over the lease term.

The Group used the modified retrospective approach and recognized the right-of-use assets, and lease liabilities at the first adoption date. This method will have no effect to the retained earnings as at 1 January 2020 which no restatement is required to the comparative information.

The following is a reconciliation of the asset and liability according to the financial statement from TAS 17 to TFRS 16 as at 1 January 2020:

(Unit : Thousand Baht)	Consolidated F/S			
	31 December 2019	Reclassification	Remeasurement	1 January 2020
Property plant and equipment	28,968,713	(2,093,345)	-	26,875,368
Right-of-use assets	-	2,213,066	595,494	2,808,560
Non-current other assets	761,548	(119,721)	-	641,827
Total	29,730,261	-	595,494	30,325,755

(Unit : Thousand Baht)	Consolidated F/S			
	31 December 2019	Reclassification	Remeasurement	1 January 2020
Current portion of finance lease payable	649,150	(649,150)	-	-
Current portion of lease liabilities	-	649,150	188,440	837,590
Finance lease payables	920,808	(920,808)	-	-
Lease liabilities	-	920,808	407,054	1,327,862
Total	1,569,958	-	595,494	2,165,452
Net	28,160,303	-	-	28,160,303

(Unit : Thousand Baht)	Separate F/S			
	31 December 2019	Reclassification	Remeasurement	1 January 2020
Property plant and equipment	19,218,397	(2,045,730)	-	17,172,667
Right-of-use assets	-	2,165,451	160,208	2,325,659
Non-current other assets	542,584	(119,721)	-	422,863
Total	19,760,981	-	160,208	19,921,189
Current portion of finance lease payable	585,403	(585,403)	-	-
Current portion of lease liabilities	-	585,403	57,300	642,703
Finance lease payables	842,879	(842,879)	-	-
Lease liabilities	-	842,879	102,908	945,787
Total	1,428,282	-	160,208	1,588,490
Net	18,332,699	-	-	18,332,699

The measurement of lease liabilities at the 1 January 2020 are as follows:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
Additional lease liabilities from adoption of TFRS 16	629,480	173,531
Less: Deferred interest	(33,986)	(13,323)
Net	595,494	160,208
Finance leases payable as at 31 December 2019	1,569,958	1,428,282
Lease liabilities as at 1 January 2020	2,165,452	1,588,490
<u>Classification of lease liabilities</u>		
Current portion of lease liabilities	837,590	642,703
Lease liabilities – net	1,327,862	945,787
Total	2,165,452	1,588,490

The right-of-use assets relating to types of assets as at 1 January 2020 are as following:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
Land	321,255	216,837
Building and plant	40,670	4,369
Machinery and office equipment	1,734,806	1,557,754
Vehicles	560,323	546,699
Others	151,506	-
Total	2,808,560	2,325,659

3.1.3 Impact on the financial information

The adoption of Thai Financial Reporting Standards No.9 and Thai Financial Reporting Standards No.16 has some impacts to the Group statements of financial position as at 1 January 2020 as follows:

	Consolidated F/S				Separate F/S			
	The previous accounting policies	Adjustments		After adjustments	The previous accounting policies	Adjustments		After adjustments
		Thai Financial Reporting Standards No.9	Thai Financial Reporting Standards No.16			Thai Financial Reporting Standards No.9	Thai Financial Reporting Standards No.16	
(Unit : Thousand Baht)								
Statement of financial position								
<u>Current assets</u>								
Trade accounts receivable – unrelated parties	15,677,668	(12,885)	-	15,664,783	13,804,277	(12,885)	-	13,791,392
Trade and other accounts receivable – related parties	1,246,331	(649)	-	1,245,682	2,720,755	(750)	-	2,720,005
Earned revenues not yet billed	19,690,374	(30,536)	-	19,659,838	15,439,524	(30,536)	-	15,408,988
<u>Non-current assets</u>								
Property, plant and equipment	28,968,713	-	(2,093,345)	26,875,368	19,218,397	-	(2,045,730)	17,172,667
Right-of-use assets	-	-	2,808,560	2,808,560	-	-	2,325,659	2,325,659
Other non-current assets	761,548	-	(119,721)	641,827	542,584	-	(119,721)	442,863
<u>Current liabilities</u>								
Current portion of lease liabilities (2019 : finance lease payables)	649,150	-	188,440	837,590	585,403	-	57,300	642,703
Other current liabilities	50,216	-	-	50,216	50,216	-	-	50,216
<u>Non-current liabilities</u>								
Lease liabilities (2019 : finance lease payables)	920,808	-	407,054	1,327,862	842,879	-	102,908	945,787
Other non-current liabilities	-	155,511	-	155,511	-	-	-	-
<u>Shareholders' equity</u>								
Deficit – unappropriated	(494,028)	(199,581)	-	(693,609)	(17,704)	(44,171)	-	(61,875)

3.1.4 Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus 2019 pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the impact of the Coronavirus 2019 pandemic. Its objectives are to alleviate the impact from applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

The Accounting Guidance was announced in the Royal Gazette on 22 April 2020. This will affect the preparation of the Group's financial statements for reporting period between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the value of investments in non-marketable equity securities at fair value as at 1 January 2020 at cost less allowance for impairment.
- Not to use information relating to the Coronavirus 2019 pandemic situation in determining whether fair value measurement of the asset that's not financial asset.
- Not to use information relating to the Coronavirus 2019 pandemic situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilized.

3.2 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

3.2.1 Thai Accounting Standard No.1 "Presentation of financial statements" and Thai Accounting Standard No.8 "Accounting policies, Changes in Accounting Estimates and Errors"

These accounting standards define new consideration of "Materiality" to comply with the Financial Reporting Standards and frameworks and explain clearer the use of materiality for accounting purpose. The amendment to these accounting standards also affect amendments to other accounting standards including TAS 8, TAS 10, TAS 34 and TAS 37.

3.2.2 Thai Financial Reporting Standard No.3 "Business combinations"

This financial reporting standard defines changes to:

- Provide an option for the entity to use "Concentration Test" that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.

- Amend definition of business combination to include, at a minimum, an input and a substantive process that are collective significantly contribute to the ability to create outputs. In addition, it defines Outputs to focus on goods and services provided to customers and removes the reference to an ability to lower the costs.

3.2.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

These standards define the changes for specific hedge accounting to lessen the effect from uncertainties arising from impact imputed interest rate, such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to provide information of all hedging relationships directly affected by such uncertainty.

3.2.4 Conceptual Framework for Financial Reporting

This conceptual framework defines the assets and liabilities and criteria for recognizing assets and liabilities in financial statements. The principles and practices are as following:

- The measurement of transaction, including factors to be considered for selecting a basis for measurement.
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework also describes about the responsibilities, the use of conservative approach, and measurement uncertainty in preparation of financial reporting. The revised conceptual framework also affect the revision in other standards framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 20, TFRIC 22, and TSIC 32.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expect to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates. Judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time as the nature of revenues as follow:

Revenues from construction work

Revenue from construction work is recognized over time based on stage of completion for the cumulative costs incurred with total costs budget estimation until the completion of the project. The related costs are recognized in profit or loss when they are incurred.

The Group will set the provision for the total anticipated loss on construction projects in the accounts as soon as the possibility of loss is ascertained.

Revenues from other service related to construction work

Revenue from other service related to construction work is recognized overtime when the services are provided to customer and inspected by the project consultant of customer. The related costs are recognized in profit or loss when they incur.

Revenues from excavating service - soil and coal extraction and removal services

Revenues from excavating service - soil and coal extraction and removal services are recognized over time when the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognized in profit or loss when they are incurred.

Revenue from sales of construction materials and products

Revenue from sales of construction materials and products is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods. The Group is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur. Therefore, the Group will adjust recognized revenue for the estimated returns, which are estimated based on the historical data.

Revenue from sales of property development

Revenue from sales of property development is recognized when a customer obtains control of the property development, generally on delivery and transfer of ownership to the customers.

Interest income

Interest income is recognized over time - period on an accrued basis.

Other Revenue

Other revenue is recognized based on an accrual basis.

Dividend income

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

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable and contract assets

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

The Group recognizes contract assets if it had fulfilled their performance obligation before it receive the consideration from customers, by presenting them as “Earned revenues not yet billed” in the statement of financial position, the Group recognize contract liabilities for consideration received in respect of performance obligations that have not been fulfilled, by presenting them as “Receipts in excess of contract work in progress” in the statement of financial position.

Accounting policies applicable from 1 January 2020

Trade accounts receivable and contract assets are presented at the net realizable value. The Group provide allowances for doubtful accounts for the estimated losses that may occur in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging, and the likelihood of settlement of debt at the reporting period.

The contract assets are measured at the consideration value that the Group expects to receive less allowances for doubtful account.

The Group applies simplified approach to measuring expected credit losses, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, receivables have been grouped based on similar types of credit risk. The expected credit loss rates are calculated based on payment profiles of each group, adjusted for factors that are specific to the debtors, and payment ability of the debtors at the end of year. The impairment losses are recognized in profit or loss.

Accounting Policy applicable before 1 January 2020

Trade accounts receivable and contract assets are presented at the net realizable value. The Group provide allowances for doubtful accounts for the estimated losses that may occur in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging, and the likelihood of settlement of debt at the reporting period.

4.4 Inventories and work in process

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

Factory and office supplies are valued at the lower of first-in, first-out cost or net realizable value.

4.5 Financial instrument

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial instrument is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Classification and initial measurement of financial assets

The Group classified financial assets into the categorized (1) amortized cost (2) fair value through other comprehensive income (FVOCI) or (3) fair value through profit or loss (FVTPL) based on 2 criteria as follow:

- a. The entity's business model for managing the financial asset, and
- b. The contractual cash flow characteristics of the financial asset

At initial recognition, the financial assets (in the case of a financial asset not at FVTPL) are initial recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

All revenue and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions:

- a. The Company held such financial assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- b. The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets are subsequently measured at amortized cost using the effective interest method and are subjected to impairment which recognized in the profit or loss as separate item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at FVTPL. These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Financial assets at fair value through other comprehensive income (FVOCI)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- a. They are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- b. The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI (if any). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Classification and initial measurement of financial liabilities

The Group classifies the financial instruments issued by the Company as financial liabilities or equity securities by considering contractual obligations.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

The Group initially recognized the financial liabilities at fair value and adjusted with transaction costs that are directly attributable to the acquisition of the financial liabilities.

Subsequent measurement of financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method and are expensed in the profit or loss except derivative liabilities are measured at fair value through profit or loss.

Derivative financial instruments and hedge accounting

The Group entered the derivative contract that is hedging instruments of a particular risk associated with the cash flows of recognized assets and liabilities (cash flow hedges).

The Group documents the economic relationship between hedging instrument and the hedged items, Nature of risk being hedged, risk management objective, risk management strategy for assessment the hedge effectiveness and measure the hedge ineffectiveness.

The Group initially recognized the derivatives at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group recognized the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges in the cash flow hedge reserve under equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss as other gains or losses.

The full fair value of a hedging derivative and derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets hedge accounting criteria. The Group will classify the cumulative gain or loss, and deferred costs of hedging reported inequity are immediate to profit or loss.

4.6 Contract cost assets

Contract cost assets are the costs to fulfil a contract to satisfy performance obligations in future that relate directly to a contract and the Group expects to recover these costs. However, the fulfilment costs are expended when incurred, if the expected amortization period is one year or less.

Contract cost assets are measured at cost less accumulated amortization and impairment losses. Amortization is charged to profit or loss base on systematic basis over the term of the contract it relates to consistent with the related revenue recognition.

4.7 Costs of property development projects

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

4.8 Borrowing costs

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

4.9 Investments

a) Investments in available for sale securities are presented at fair value. Gains (losses) arising from changes in the value of such investments are separately presented as part of shareholders' equity under the caption "Unrealized gain (loss) on changes in value of investments". When the securities are sold, the change is included in the statement of profit or loss.

b) Investments in non-marketable equity securities, which the Company classifies as other investments, are presented at cost net of allowance for impairment (if any).

c) Investments in subsidiaries, associated and joint control companies, and joint ventures are accounted for by the cost method in the separate financial statements. Investments in associated and joint control companies and joint ventures are accounted for by the equity method in the consolidated financial statements.

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

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

The Group will record impairment losses (if any) for the investments in subsidiaries, associated and joint control companies, joint ventures and other investments in the statement of profit or loss when the carrying amount exceeds the recoverable amount.

4.10 Related party transactions

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

Subsidiaries

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

When the Company ceases to has control, it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint control company, joint venture. In addition, any amounts previously recognized in other comprehensive income in respect of the Company are accounted for as if the Company had directly disposed of the related assets or liabilities.

Associated companies

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

Joint control company

Joint control company is these company in which the Company has contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangement

A joint arrangement is an arrangement of which two or more parties have joint control in an entity. A joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

- Joint ventures

Joint ventures accounted for under the equity method of accounting, interests in joint ventures are initially recorded at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Company will recognize such losses as obligation of the Company's interest in the joint ventures.

- Joint operations

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

4.11 Land awaiting developments

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

4.12 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, The Group state investment properties at fair value which valuate by the independent valuer. Any gains or losses arising from changes in the value of investment properties are recognized in the statement of profit or loss.

On disposal of investment properties, the Group recognized the difference between the net disposal proceeds and the carrying amount of the asset in the statement of profit or loss in the period when the asset is derecognized.

4.13 Property, plant and equipment, and depreciation

Property, plant and equipment are presented at cost less accumulated depreciation and allowance for impairment of assets (if any). Costs are measured by the cash or cash equivalent price including interest expense on incurred from related loan for the acquisition of asset that bring it to the location and condition necessary for its intended use.

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

Buildings and factories	20 – 30	years
Machinery and equipment	3 – 25	years
Furniture, fixtures and office equipment	3 – 7	years
Vehicles	5 – 12	years
Site offices and temporary camps	5 – 12	years

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

4.14 Right-of-use assets and lease liabilities

Policies applicable after 1 January 2020

Leases - where the Group is the lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful lives of the underlying asset. The useful lives of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group's accounting policy under TFRS 16 has not changed from the previous year.

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognized as a lease receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognized over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

Policies applicable before 1 January 2020

Leases - where the Group is the lessee

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

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

Hire-purchase payables

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

Leases - where the Group is the lessee

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

Lease in terms of which the significant benefits and risk of ownership are under the control of the lessee, are classified as finance lease. The Group will recognize lease receivable at a net investment in lease. Revenues from finance lease will be recognized by the effective rate of return over the lease period.

4.15 Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the share of the identifiable net assets which the Company acquired. Goodwill is measured at cost less allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment loss on goodwill is not reversed.

4.16 Costs of property development projects

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

4.17 Potash mining right

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

4.18 Deferred exploration and development expenses

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

4.19 Advances from customers under construction contracts

Advances received from customers is payment for expenses to fulfil the performance obligation which is contract liabilities in respect of performance obligation that have not been fulfilled and presenting as "Advances from customers under construction contracts". Advances from customers under construction contracts will be deducted from the bill of work over the period as indicated in the construction agreement. Advances from customers under construction contracts spanning more than 1 year are classified as non-current liabilities.

4.20 Debentures

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

4.21 Impairment of asset

The Group assesses whether there is an indication that any assets may be impaired. If any such indication exists, the Group makes an estimate of the assets recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less cost to sell and value in use.

4.22 Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is the expected tax payable or income tax benefit on the taxable profit for the period, using income tax rate enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years, which is different from profit or loss in the financial statements. The income tax in the consolidated and separate financial statements includes income tax of overseas entities which are calculated based on the cash collection, the revenues or the net profit based on tax rate, whichever is higher.

Deferred tax

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and if they are intended to be settled on a net basis or when tax assets and liabilities will be realized simultaneously.

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

4.23 Foreign currencies

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

4.24 Employee benefits

Short-term employment benefits

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

Post-employment benefits (Defined contribution plan)

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

Post-employment benefits (Defined benefit plan)

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under the labour law.

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

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

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

The expected rate of return of plan assets is the Group's expectation of the average long-term rate of return expected on investments of the fund during the estimated term of obligations. Plan assets are measured at fair value as at the reporting date.

4.25 Segment reporting

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

4.26 Dividend payment

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

4.27 Basic earnings per share

Basic earnings per share are determined by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

4.28 Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of outstanding ordinary shares is assumed to be converted to common shares that dilute the total number of shares.

A calculation is done to determine the potential number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the year) based on the outstanding warrants to determine the number of potential ordinary shares to be additionally issued.

4.29 Provision for liabilities and expenses, and contingent assets

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

4.30 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into 3 levels of a fair value hierarchy. The 3 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 comparable for the asset or liability, either directly or indirectly
- Level 3 : no observable inputs for the asset or liability.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

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

Critical accounting estimates, assumption and judgments are as follows:

5.1 Construction revenues

The consideration of performance obligation on the contracts with customers required management's judgment to identify the performance obligation on each contract. In addition, the revenues from contract modification which have not yet been determined for the corresponding change in price also requires the management's judgment to estimate the change to transaction prices and amount which the Group will be entitled to receive based on the reasonable consideration of all available information. In addition, the level of progress of performance under the obligation to complete the construction over time for each construction contract requires management assessment based on information available at the reporting date. In this process, management carries out significant judgments about milestones, actual work performed and the estimated costs to complete the work. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. Actual outcomes in terms of actual costs or revenues may be higher or lower than estimates at reporting date, which would affect the revenue and profit recognized in future years as an adjustment to the amounts recorded to date.

5.2 Claims income

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

5.3 Allowance for loss on construction projects

The Group reviews their construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognized immediately in the statement of profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

5.4 Impairment of receivables and contract assets

The Group accounts for allowance for impairment loss equal to the estimated collection losses that may incur in the collection of receivables and contract asset. The estimated losses are based on historical collection experience coupled with a review of outstanding receivables at reporting date.

5.5 Allowance for obsolete, slow-moving and defective inventories

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

- 5.6 Allowance for diminution in value of cost of property development projects and land held for development
The Group treats cost of property development projects and land held for development, as diminution when the management judges that there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of such cost of property development projects and land held for development based on net realizable value. The determination of what is “significant” or “prolonged” and such devaluation requires management judgment.
- 5.7 Allowance for impairment of investments
The Group treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.
- 5.8 Impairment of goodwill
The Company annually reviews goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of management estimates.
- 5.9 Impairment of project under development
The Group treats cost of projects under development as diminution when the management judges that there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of such cost of projects under development based on net realizable value. The determination of what is “significant” or “prolonged” and such devaluation requires management judgment.
- 5.10 Joint arrangements
Management applied judgment to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement.
- 5.11 Property, plant and equipment and intangible assets
Management determines the estimated useful lives and residual values for plant and equipment and intangible assets and will revise the depreciation and amortization charge where useful lives and residual values previously estimated have changed or subject to be written off for their technical obsolescence or if they are no longer in use.
- 5.12 Investment property
The Group presents investment property at the fair value estimated by an independent appraiser, and recognize changes in the fair value in profit or loss. The fair values of investment properties are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.
- 5.13 Allowances for impairment of assets
The Group regularly considers allowances for impairment of assets when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value below their cost, the Group, make an estimate of the assets recoverable amount. The determination of recoverable amount requires management judgment.
- 5.14 Post-employment benefits under defined benefit plans
Obligation under defined benefit plans is determined based on actuarial techniques. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.
- 5.15 Deferred tax assets
The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group’s future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in tax jurisdictions.
- 5.16 Contingent liabilities from litigation
The Group normally has contingent liabilities as a result of disputes and litigation. Management use judgment to assess the results of the disputes and litigation and recognize reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.
- 5.17 Share-based payment
Share-based payments are recognized based on the underlying fair value of the shares and the consideration payable with discounted cash flow method (DCF) and assumption of discount rate.
- 5.18 Fair valuation of financial assets and derivatives
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 49.
- 5.19 Lease
Determining the lease term
The Group exercises judgement in determining whether it is reasonably certain to exercise option to terminate or extend a lease in determining the lease term which considered all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease or not to exercise the option to terminate the lease.
Determining of discount rate
The discount rate, which was used to calculate the lease liability, is the rate implicit in the leases if it can be readily determined, or the lessee’s incremental borrowing rate if not. The Company used the rate implicit in the lease for hire purchase leases and incremental borrowing rate for other leases. The Company estimated interest rate closely to incremental borrowing rate.

6. CORRECTION OF ERRORS

Share-based payment transaction and gain from loss of control in subsidiary

During the 3rd quarter of the year 2019, First Dhaka Elevated Expressway, an oversea subsidiary, increased its shares capital by issuing new common shares at par value to the Company and to the new investors. As a consequence of the of shares capital increased, the subsidiary restructuring of shareholders and organization during the 4th quarter of the year 2019 through which the new investors have power to jointly control such subsidiary with the Company and participate in the decision making relevant with the financial and operating's policy of the Company. Therefore, the Company losses control in such subsidiary. However, after the payment for share capital increased has been completed as stipulated in shareholders' agreement, the Company's proportion of investment diluted from 99.99% to 51.00%. The management therefore classified the remaining interest in such company as investment in joint control company and derecognizes the assets and liabilities of the former subsidiary which has been control from the consolidated statements of financial position and used the carrying amounts of net asset at the date on which the Company lost control in such subsidiary for calculating the remaining portion of investment as an initial investment equal to Baht 837.21 million. However, the financial reporting standard requires the Company to recognize the remaining portion of the initial investment at fair value and recognize the difference between the fair value and carrying amounts of net asset of the remaining investment as gain or loss from the loss of control in subsidiary in the consolidated financial statements at the date on which the Company losses control. The management therefore hired an independent appraiser to determine the fair value of the subsidiary company for assessment of the potential effect from the loss of control in subsidiary and also determine whether the shares capital increase due to the new investor should be considered as a share-based payment under Thai Financial Reporting Standards No.2 "Share-based payments" or not.

After the fair value appraisal of the subsidiary's net assets completed during the year 2020, it determines that such capital increase to the new investors at par value which is lower than the fair value. This transaction is considered as a share-based payment. The subsidiary therefore measured the fair value of shares at the granted date to recognize the different price of shares as expenses relating to the increase in shareholder's equity of subsidiary company of Baht 1,543.14 million in the consolidated statements of profit and loss for the nine-month period ended 30 September 2019 and adjust the effect from the loss of control to recognizes the investment retained in the former subsidiary (joint control company at present) at the fair value of Baht 1,295.00 million and recognizes the difference between the fair value and the derecognizes of carrying amounts of net asset and capital reserve for share-based payment which has been recognized as at 30 September 2019 as gain from the loss of control in subsidiary of Baht 2,838.14 million in the consolidated financial statements for the year ended 31 December 2019.

The restatement of financial statements has effects as follows:

(Unit : Thousand Baht)	Consolidated F/S		
	As previously reported	Adjustments increase (decrease)	Restated
Statement of financial position as at 31 December 2019			
Investments in subsidiaries, associated and joint control companies and joint ventures	1,676,945	1,295,003	2,971,948
Retained earnings – Unappropriated	(494,028)	1,295,003	800,975
Statement of profit or loss and other comprehensive income for the year ended 31 December 2019			
Gain from loss of control in subsidiary	-	2,838,140	2,838,140
Share-based payment expenses	-	(1,543,137)	(1,543,137)
Profit for the year	86,599	1,295,003	1,381,602

7. FINANCIAL INSTRUMENTS

7.1 Classification of financial instruments

The outstanding of financial assets and financial liabilities as at 31 December 2020 as follows:

Transactions	Consolidated F/S			
	Amortized cost	Fair value through profit or loss	Fair value through comprehensive income	Total
(Unit : Thousand Baht)				
Financial assets				
Cash and cash equivalents	4,055,622	-	-	4,055,622
Fixed deposits less than one year	1,287,381	-	-	1,287,381
Restricted deposits with banks	234,492	-	-	234,492
Current portion of promissory notes receivable	50,000	-	-	50,000
Trade accounts receivable – unrelated parties net	10,303,681	-	-	10,303,681
Trade and other accounts receivable – related parties net	1,883,443	-	-	1,883,443
Short-term loans and advances to related parties	352,571	-	-	352,571
Retentions receivable	3,495,900	-	-	3,495,900
Other current assets (Derivative assets)	-	84,578	-	84,578
Promissory notes receivable	335,939	-	-	335,939
Other long-term investments	-	655,524	369,918	1,025,442
Long-term loans and advances to related parties	1,010,737	-	-	1,010,737
Total	23,009,766	740,102	369,918	24,119,786

Transactions	Consolidated F/S			
	Amortized cost	Fair value through profit or loss	Fair value through comprehensive income	Total
(Unit : Thousand Baht)				
Financial liabilities				
Bank overdrafts and short-term loans from financial institutions	7,118,552	-	-	7,118,552
Liabilities under trust receipts	2,792,671	-	-	2,792,671
Trade and other accounts payable – unrelated parties	19,310,693	-	-	19,310,693
Trade accounts payable – related parties	1,577,322	-	-	1,577,322
Short-term loans and advance from related parties	76,826	-	-	76,826
Current portion of lease liabilities	850,832	-	-	850,832
Current portion of long-term loans	11,943,288	-	-	11,943,288
Current portion of debentures	4,045,690	-	-	4,045,690
Retentions payable	1,004,595	-	-	1,004,595
Current portion of other financial liabilities	367,327	-	-	367,327
Other non-current liabilities (Derivative liabilities)	-	167,703	-	167,703
Lease liabilities	1,379,533	-	-	1,379,533
Long-term loans	9,298,098	-	-	9,298,098
Debentures	10,437,709	-	-	10,437,709
Other financial liabilities	1,099,543	-	-	1,099,543
Total	71,302,679	167,703	-	71,470,382

Transactions	Separate F/S			
	Amortized cost	Fair value through profit or loss	Fair value through comprehensive income	Total
(Unit : Thousand Baht)				
Financial assets				
Cash and cash equivalents	2,981,349	-	-	2,981,349
Restricted deposits with banks	231,263	-	-	231,263
Current portion of promissory notes receivable	50,000	-	-	50,000
Trade accounts receivable – unrelated parties	8,667,329	-	-	8,667,329
Trade and other accounts receivable – related parties	3,801,143	-	-	3,801,143
Current portion of finance lease receivable – subsidiary	6,112	-	-	6,112
Short-term loans and advances to related parties	576,003	-	-	576,003
Retentions receivable	2,448,450	-	-	2,448,450
Other current assets (Derivative assets)	-	84,578	-	84,578
Finance lease receivable - subsidiary	28,961	-	-	28,961
Promissory notes receivable	335,939	-	-	335,939
Other long-term investments	-	520,298	348,394	868,692
Long-term loans and advances to related parties	799,875	-	-	799,875
Total	19,926,424	604,876	348,394	20,879,694
Financial liabilities				
Bank overdrafts and short-term loans from financial institutions	4,701,073	-	-	4,701,073
Liabilities under trust receipts	2,792,671	-	-	2,792,671
Trade and other accounts payable - unrelated parties	15,015,287	-	-	15,015,287
Trade accounts payable - related parties	2,222,956	-	-	2,222,956
Current portion of lease liabilities	658,854	-	-	658,854
Current portion of long-term loans	11,224,108	-	-	11,224,108
Current portion of debentures	4,045,690	-	-	4,045,690
Retentions payable	929,029	-	-	929,029
Current portion of other financial liabilities	346,188	-	-	346,188
Lease liabilities	742,150	-	-	742,150
Long-term loans	5,853,279	-	-	5,853,279
Debentures	10,437,709	-	-	10,437,709
Other financial liabilities	994,118	-	-	994,118
Total	59,963,112	-	-	59,963,112

7.2 Financial assets measured at fair value through profit or loss

Investments in equity instruments measured at fair value through profit or loss. The Group measured equity instruments not held for trading through other comprehensive income as discussed in Notes 17.

7.3 Derivative financial instruments and hedge accounting

As at 31 December 2020, the Group has the financial derivative as following:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Derivative assets				
Derivative assets were not designated as a hedging instrument				
- Forward contract	34,362	-	34,362	-
Derivative liabilities				
Derivative liabilities were not designated as a hedging instrument				
- Forward contract	-	50,216	-	50,216
Derivative liabilities designated as a hedging instrument				
- Interest rate swap	167,703	-	-	-
Total	167,703	50,216	-	50,216

A subsidiary has entered into an interest rate swap agreement with a local financial institution for long-term loan from a financial institution amounting to Baht 2,706.00 million, exchanging interest rate floating rate to fixed rate of 6.95% per annum. The period of such agreement is 11 March 2020 to 30 December 2022.

As at 31 December 2020, the interest rate swap contract, designated as a hedging instrument, has a fair value of Baht 167.70 million, presented under other current liabilities in the statement of financial position and the change in fair value loss which considered as effectiveness cash flow hedge instrument of Baht 19.56 million, presented in other comprehensive income.

7.4 Financial risk management

The Group has main financial instruments for each item of financial assets and liabilities as discussed in note 7.1. Risk management is integral to the business of the Group. The Group has a system of controls in order to create an acceptable balance of risk levels. It is considered between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Group is exposed to various types of risks related to these financial instruments. The major risks include credit risk, liquidity risk and market risk. These consist of foreign exchange risk and interest rate risk. The Group has risk management policies as follow.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The group is exposed to credit risk from financial assets including cash and cash equivalents, trade and other receivables, contractual cash flow of investment in debt instrument which is measured at amortized cost, measured at fair value through other comprehensive income and measured at fair value through profit and loss, derivative including credit risk from account receivables, other receivables, and loans.

Credit risk management

The management manages risk by establishing appropriate credit control policies and procedures. Therefore, the Group does not expect to suffer any significant losses from credit granting. Since the granting of credit is made in advance. The maximum amount that a company may incur on credit is the book value of the receivable shown in the statement of financial position.

Impairment loss of financial assets

Trade and other account receivable

The Group considers the simplified approach in accordance with Thai Financial Reporting Standard No.9 to measure expected credit losses over the life of all trade receivables and contractual assets. As such transactions do not contain any significant financial elements. In determining the expected credit loss. Management has classified customers on a common credit risk profile basis and according to groups of overdue periods.

An estimate of the expected credit loss rate is based on past service and sales history and experience of credit losses incurred from 2014 to the end of the accounting period updated to reflect current information. However, the Group has opted for temporary relief measures for additional accounting options, without bringing information that has been forecast in the future (Forward-looking information) is used to measure the expected credit losses arising from accepting payments from customers.

Loans and advances to related parties

The Group has loans to related parties measured at amortized cost. The Group recognizes expected credit losses over the next 12 months on loans that do not incur a significant credit risk increase. The Company has recognized the expected credit loss over the life of the loans with significant increase in credit risk.

Other debt instrument

The Group has cash and cash equivalents retentions receivables and other receivables which are required to determine the impairment loss according to TFRS9. However, the Group has determined that the impairment amount is insignificant.

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis below:

As at 31 December 2020, the Group's non-derivative financial liabilities maturity (Including contractual interest payments (if any)) as follows:

(Unit : Thousand Baht)	Consolidated F/S				
	Within 1 year	1 – 2 year	2 - 5 year	Over 5 year	Total
Bank overdrafts and short-term loans from financial institutions	7,118,552	-	-	-	7,118,552
Liabilities under trust receipts	2,792,671	-	-	-	2,792,671
Trade and other accounts payable – unrelated parties	17,677,273	1,295,356	338,064	-	19,310,693
Trade accounts payable – related parties	1,577,322	-	-	-	1,577,322
Retentions payable	1,004,595	-	-	-	1,004,595
Lease liability	850,832	284,554	853,659	241,320	2,230,365
Long-term loans	11,943,288	6,235,410	2,972,119	90,569	21,241,386
Debenture	4,045,690	5,995,700	4,442,009	-	14,483,399
Total	47,010,223	13,811,020	8,605,851	331,889	69,758,983

(Unit : Thousand Baht)	Separate F/S				
	Within 1 year	1 – 2 years	2 - 5 years	Over 5 years	Total
Bank overdrafts and short-term loans from financial institutions	4,701,073	-	-	-	4,701,073
Liabilities under trust receipts	2,792,671	-	-	-	2,792,671
Trade and other accounts payable – unrelated parties	13,381,867	1,295,356	338,064	-	15,015,287
Trade accounts payable – related parties	2,222,956	-	-	-	2,222,956
Retentions payable	929,029	-	-	-	929,029
Lease liability	658,854	184,290	552,870	4,990	1,401,004
Long-term loans	11,224,108	4,816,550	946,160	90,569	17,077,387
Debenture	4,045,690	5,995,700	4,442,009	-	14,483,399
Total	39,956,248	12,291,896	6,279,103	95,559	58,622,806

Market risk

The Group exposures to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

The Group exposures to interest rate risk relates primarily to their cash at banks, bank overdrafts, loans, lease liabilities and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, therefore the Group's interest rate is at low risk level.

Sensitivity Analysis

Cash-flow sensitivity analysis of financial instruments with variable interest rate at the end of reporting period may resulted the gain or loss from such analysis. However, the Group has determined that the result from sensitivity analysis is not significant.

Foreign currency risk

Group exposures to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

As at 31 December 2020, the balances of financial assets and liabilities denominated in foreign currencies of the subsidiaries are summarized below:

	Consolidated F/S			
	Million USD	Million EUR	Million LAK	Million JPY
Trade accounts receivable and retention	9	2	-	-
Trade accounts receivable and loans related parties	28	-	-	-
Trade account payable	1	13	410	12

	Separate F/S				
	Million USD	Million EUR	Million INR	Million JPY	Million BDT
Trade accounts receivable and loans related parties	90	-	23	-	6
Trade account payable	1	13	-	12	-

As at 31 December 2020, the Group has forward exchange contracts outstanding as summarized below:

Foreign currency	Balance (million)	Contractual exchange rate
Euro (Bought)	68	34.9777 - 37.2516

In addition, the Group is exposed to foreign exchange fluctuations arising from Investments in subsidiaries, associated and joint control companies, and joint ventures which does not hedge such risk.

7.5 Capital management risk

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support their business and maximize shareholder value to reduce the financial cost of capital and to maintain the debt-to-equity ratio in accordance with the terms of the loan and debenture agreements.

In order to maintain or revise the capital structure, The Group may adjust the dividend payment policy. Issuance of new shares or issuing new debentures to pay off existing debts or selling assets to reduce debt burden.

8. PROMISSORY NOTES

(Unit : Thousand Baht)	Consolidated and Separate F/S	
	31 December 2020	31 December 2019
Promissory Notes	385,939	435,939
Less : Current portion	(50,000)	(50,000)
Net	335,939	385,939

In the year 2018, 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.

The Company has long-term loan from a local financial institution which has balance as at 31 December 2020 of Baht 385.94 million (2019 : Baht 435.94 million). Such loan bears interest at 4 percent per annum. The principal and interest are repayable when the Company received debt settlement for the promissory notes from the debtor mentioned above.

9. TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES

Trade accounts receivable balances as at 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Trade accounts receivables	11,419,247	16,632,033	9,006,689	14,236,547
Less : Loss on impairment accounts receivables	(1,115,566)	(954,365)	(339,360)	(432,270)
Net	10,303,681	15,677,668	8,667,329	13,804,277

A reconciliation of loss on impairment trade accounts receivables – unrelated parties for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
As at 1 January 2020 – Previous accounting policy	954,365	432,270
Adjust through brough forward retained earnings	12,885	12,885
As at 1 January 2020 – After adjusted	967,250	445,155
Recognize increase allowance for impairment losses	302,273	-
Reversal of impairment loss	(116,326)	(105,795)
Translation adjustment for foreign currency financial statement	(37,631)	-
As at 31 December 2020	1,115,566	339,360

Loss on impairment trade accounts receivables – unrelated parties as follows:

Outstanding Ages	Consolidated F/S					
	31 December 2020			1 January 2020		
	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses
(Unit : Thousand Baht)						
Less than 3 months	0.40% - 2.06%	7,860,838	(109,066)	0.08% - 2.06%	11,343,143	(116,082)
3 – 6 months	0.63% - 9.01%	376,309	(14,033)	0.08% - 9.01%	1,859,715	(48,919)
6 – 12 months	0.63% - 20.29%	282,913	(12,699)	0.08% - 20.29%	723,529	(13,232)
More than 12 months	0.63% - 100%	2,899,187	(979,768)	0.08% - 100%	2,705,646	(789,017)
Total		11,419,247	(1,115,566)		16,632,033	(967,250)

Outstanding Ages	Separate F/S					
	31 December 2020			1 January 2020		
	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses	Allowance for impairment losses (%)	Carrying amounts	Allowance for impairment losses
(Unit : Thousand Baht)						
Less than 3 months	0.40% - 2.06%	6,530,450	(14,666)	0.40% - 2.06%	10,176,781	(40,764)
3 – 6 months	4.24% - 9.01%	276,258	(2,728)	4.24% - 9.01%	1,712,817	(33,177)
6 – 12 months	12.87% - 20.29%	211,892	(1,344)	12.87% - 20.29%	619,615	(846)
More than 12 months	20.46% - 100%	1,988,089	(320,622)	20.46% - 100%	1,727,334	(370,368)
Total		9,006,689	(339,360)		14,236,547	(445,155)

The Company recognizes the impairment of receivables by forward-looking “expected credit loss” (ECL) model, except for the following receivables:

- As at 31 December 2020, the consolidated and separate financial statements include trade accounts receivable from a State Enterprise in respect of a construction project totalling Baht 1,125.79 million (31 December 2019: Baht 3,176.81 million) the construction was completed in September 2019. The Company has been negotiating for the collection of this outstanding amount which has been held by the project owner and the project owner claiming for a penalty charges of Baht 4,103.04 million with regard to the completion of construction work after the key completion dates and also after the final completion date of the contract. However, in January 2020, the Company opposed these claims by submitting a letter declaring the causes of the delays from the project plan and also request for the extension of the completion date as initially determined in the construction contract with the project owner. Such declarations are concerned with many cases and events which impacted the delay of construction work.
In September 2020, the Company received a notification from the project owner summarizing the consideration regarding the extension of completion dates because of the delay causes by some cases and reduction in the penalty charges by Baht 2,977.25 million with the remaining penalty charges of Baht 1,125.79 million and made the partial payment for the construction work of Baht 2,051.02 million. However, the Company still opposed the extended number of days relating to the causes of construction delays as approved by the project owner. Consequently, the Company submitted a letter to the project owner to reserve the right for abstaining and reducing the remaining penalty charges and request to release the payment for the construction work which has been held including the request for the extension of completion date on the ground of construction delays caused by other cases. The Company is preparing to submit more explanation with the details along with supporting documents regarding the causes of delay. The request is currently under the consideration of the project owner’s management bureau who submit the result to the Work Inspection Committee (WIC) and the Sub-committee of Procurement screening for the approval and proposing it to the Board of Directors for further approval. The Company’s management believes that the extension of times on the ground of pending cases will be approved and the Company will receive the full payment for the remaining construction work from the project owner.
- As at 31 December 2019, the consolidated financial statements include trade account receivable of an overseas subsidiary of Baht 238.46 million (net of an allowances for impairment amount of Baht 46.04 million) been set up based on discounted cash flows from the debt settlement plan. Currently, such debtor has been facing with the project operating problem which caused by the effect of Coronavirus 2019 pandemic and has been unable to fulfil its payment commitment as planned and has requested to extend the debt settlement plan. The management of subsidiary company has reassessed to have a higher degree of uncertainly for the chance to correct such receivable to be remote, couple with the consideration of the current economic condition that affect to the probability of debt recoverable, therefore considered to recognize the full allowance for impairment loss in the consolidated statement of profit or loss for the year ended 31 December 2020.
- As at 31 December 2019, the consolidated financial statements included trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 121.55 million and Baht 63.48 million, respectively, for service that had been provided to a customer but the work was suspended since the customer had been facing with the liquidity constraints. The subsidiary’s management has been negotiating/discussing with its management of such customer for debt collection and discussing about the financial support from the management of such customer’s group company to finance the completion of the project. The overseas subsidiary’s management formerly believed that such amount can be realized in full amount. However, during the current period, the debt restructuring of the customer’s group company was not approved by the Board of customer’s group management. As a result, the subsidiary’s management recognized full amount for impairment loss in the consolidated statement of profit and loss for the year ended 31 December 2020.
- As at 31 December 2019, the consolidated and separate financial statements include a local trade accounts receivable of Baht 112.09 million (net of an allowance for impairment loss of Baht 112.09 million) which is under negotiation to claim the payment of construction work with the employer which had been under the consideration of an Arbitration Tribunal. During the period, an Arbitration Tribunal issued an order for the debtor to pay for construction work, including interest from the date of Arbitral award to the Company. However, the debtor counter claimed for the Company to pay the payment compensation for dispute based on the Arbitral award. As a result, the Company recognized additional loss from dispute net of the reversal of allowance for impairment loss of Baht 5.24 million in the statement of profit or loss for the year ended 31 December 2020.

10. TRADE AND OTHER ACCOUNTS RECEIVABLE – RELATED PARTIES

The outstanding balances as at 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Accounts receivable				
Subsidiaries	-	-	2,880,925	1,645,576
Associated and joint control companies and joint ventures	1,969,017	1,230,736	1,140,922	1,146,499
Related parties	460,477	436,295	364,605	346,126
Joint operations	-	4,244	-	4,244
Total	2,429,494	1,671,275	4,386,452	3,142,445
Other accounts receivable				
Joint operations	34,743	141,609	34,743	141,609
Trade and other accounts receivable – related parties	2,464,237	1,812,884	4,431,195	3,284,054
Less : Allowance for impairment loss	(580,794)	(566,553)	(620,052)	(563,299)
Net	1,883,443	1,246,331	3,801,143	2,720,755

A reconciliation of loss on impairment for trade and other accounts receivables - related parties for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
As at 1 January 2020 – Previous accounting policy	566,553	563,299
Adjust through brough forward retain earning	649	750
As at 1 January 2020 – After adjusted	567,202	564,049
Recognize increase allowance for impairment losses	13,803	56,003
Translation adjustment for foreign currency financial statement	(211)	-
As at 31 December 2020	580,794	620,052

A reconciliation of loss on impairment for trade and other accounts receivables – related parties as follows:

Outstanding Ages	Consolidated F/S					
	31 December 2020			1 January 2020		
	Allowance for impairment losses rate (%)	Book value	Allowance for impairment losses	Allowance for impairment losses rate (%)	Book value	Allowance for impairment losses
(Unit : Thousand Baht)						
Less than 3 months	0.16% - 100%	938,114	(22)	0.16% - 100%	540,812	(124)
3 – 6 months	0.34% - 100%	14,150	(44)	0.34% - 100%	29,482	(59)
6 – 12 months	0.55% - 100%	253,667	(71)	0.55% - 100%	55,692	(52)
12 – 24 months	0.84% - 100%	78,050	(428)	0.84% - 100%	42,904	(28)
More than 24 months	3.62% - 100%	1,180,256	(580,229)	3.62% - 100%	1,143,994	(566,939)
Total		2,464,237	(580,794)		1,812,884	(567,202)

Outstanding Ages	Separated F/S					
	31 December 2020			1 January 2020		
	Allowance for impairment losses rate (%)	Book value	Allowance for impairment losses	Allowance for impairment losses rate (%)	Book value	Allowance for impairment losses
(Unit : Thousand Baht)						
Less than 3 months	0.16% - 100%	1,273,651	(4,404)	0.16% - 100%	861,102	(5,976)
3 – 6 months	0.34% - 100%	128,860	(3,816)	0.34% - 100%	152,625	(2,348)
6 – 12 months	0.55% - 100%	683,042	(17,995)	0.55% - 100%	426,330	(1,101)
12 – 24 months	0.84% - 100%	560,358	(24,349)	0.84% - 100%	569,181	(2,358)
More than 24 months	3.62% - 100%	1,775,284	(569,488)	3.62% - 100%	1,274,816	(552,266)
Total		4,421,195	(620,052)		3,284,054	(564,049)

11. SHORT-TERM LOANS AND ADVANCES TO RELATED PARTIES

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Subsidiaries	-	-	1,260,456	1,255,472
Associated companies and joint ventures	362,499	429,367	219,165	375,666
Related companies	14,330	14,386	-	-
Other joint venture partner	2,237	2,376	2,237	2,376
Total	379,066	446,129	1,481,858	1,633,514
Less : Allowance for impairment loss	(26,495)	(26,318)	(905,855)	(338,055)
Short-term loans and advances to related parties – net	352,571	419,811	576,003	1,295,459

During the year 2020, The management of the Company recognized allowance for impairment losses for short-term loans and advances to subsidiaries to two overseas subsidiaries totalling Baht 545.29 million due to The Company's management has assessed the likelihood of payments from both subsidiaries as relatively likely due to the financial situation and economic conditions in the subsidiary's current period.

Movements in the short - term loans and advances to subsidiaries and related parties for the year ended 31 December 2020 are as follows:

(Unit: Thousand Baht)	Consolidated F/S			
	1 January 2020	During the year		31 December 2020
		Increase	Decrease	
Associated company and joint venture	429,367	135,297	(202,165)	362,499
Related companies	14,386	-	(56)	14,330
Other joint venture partner	2,376	-	(139)	2,237
Total	446,129	135,297	(202,360)	379,066

(Unit: Thousand Baht)	Separate F/S			
	1 January 2020	During the year		31 December 2020
		Increase	Decrease	
Subsidiaries	1,255,472	50,917	(45,933)	1,260,456
Associated company and joint venture	375,666	45,664	(202,165)	219,165
Other joint venture partner	2,376	-	(139)	2,237
Total	1,633,514	96,581	(248,237)	1,481,858

A reconciliation of loss short-term loans and advances to subsidiaries and related parties for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
As at 1 January 2020	26,318	338,055
Recognize increase allowance for impairment losses	233	567,800
Translation adjustment for foreign currency financial statement	(56)	-
As at 31 December 2020	26,495	905,855

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group has an outstanding balances of contract assets and contract liabilities with customers as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Contract assets				
Earned revenues not yet billed	22,366,105	19,690,374	18,032,163	15,439,524
Retentions receivable	3,495,900	3,900,000	2,448,450	2,825,775
Costs to fulfil a contract asset	76,334	183,997	76,334	183,997
Total of contract assets	25,938,339	23,774,371	20,556,947	18,449,296
Contract liabilities				
Receipts in excess of contracted work in progress	2,799,109	1,942,889	534,207	377,028
Customer advances under construction contracts due for revenue recognition within 1 year	6,964,227	6,410,487	6,677,880	6,053,811
Customer advances under construction contracts – net	5,695,411	4,894,654	3,920,684	3,591,215
Total of contract liabilities	15,458,747	13,428,030	11,132,771	10,022,054

12.1 Earned revenues not yet billed

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Earned revenues not yet billed	22,404,966	19,690,374	18,071,024	15,439,524
Less : Allowance for impairment losses	(38,861)	-	(38,861)	-
Net	22,366,105	19,690,374	18,032,163	15,439,524

A reconciliation of loss on impairment earned revenues not yet billed for year ended 31 December 2020 as follows:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
As at 1 January 2020 – Previous accounting policy	-	-
Adjust through brough forward retained earnings	30,536	30,536
As at 1 January 2020 – After adjusted	30,536	30,536
Recognize increase allowance for impairment losses	8,325	8,325
As at 31 December 2020	38,861	38,861

As at 31 December 2020, the consolidated financial statements included the Company's portion of earned revenues but not yet billed of Baht 276.94 million (Rupees 675.92 million) for a construction project with a State Enterprise of an overseas joint venture between the Company and an overseas subsidiary. The Joint Venture has been completed the construction work in December 2018 and received the Taking Over Certificate from the project owner but was not able to issue billing for the final work done. However, the joint venture has submitted the Statement of Completion to the project owner on 29 March 2019 for issuing the Final Completion Certificate to be able to issue billing for the work done. The project owner has issued the Performance Certificate on 24 December 2020 and the Pre-final bill certificate is still under progress. The recoverability of such earned revenues not yet billed is depended on the outcome from the negotiation with the project owner which cannot presently be concluded since the Coronavirus 2019 pandemic situation. However, the joint venture's management is confident to get the final bill certification and will be able to collect the payment from the project owner subsequently.

12.2 Costs to fulfil contracts

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Costs to fulfil contracts	217,360	340,860	217,360	340,860
Less : Accumulated amortization costs	(141,026)	(156,863)	(141,026)	(156,863)
Net	76,334	183,997	76,334	183,997

12.3 Revenue recognized in relation to contract balances

During the year 2020, the Group recognized revenues which was included in the contract liabilities balance at the being period of Baht 280.29 million (Separate F/S : Baht 260.29 million).

12.4 Revenue to be recognized for the remaining performance obligations

As at 31 December 2020, the Group expects to recognized revenue in the future in respect of performance obligations which are unsatisfied with customers for the significant contract and contract which has duration more than one-year totalling Baht 136,319.11 million (Separate F/S : Baht 79,969.69 million). The Group has entered into the subcontract agreement with subcontractor.

13. INVENTORIES AND WORK IN PROCESS

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Work in process	80,539	163,895	-	-
Materials and inventories	3,972,718	4,849,613	2,132,112	3,130,275
Total	4,053,257	5,013,508	2,132,112	3,130,275
Less : Allowance for obsolete inventories	(130,471)	(73,723)	(114,465)	(62,230)
Net	3,922,786	4,939,785	2,017,647	3,068,045

During the years 2020 and 2019, movements in allowance for obsolete inventories are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	73,723	60,063	62,230	45,687
Add : Additional allowance	57,438	17,283	51,867	16,820
Less : Reversal of allowance	(1,058)	(3,346)	-	-
Add (Less) : Translation adjustment	368	(277)	368	(277)
Balance as at 31 December	130,471	73,723	114,465	62,230

14. COSTS OF PROPERTY DEVELOPMENT PROJECTS

(Unit : Thousand Baht)	Consolidated F/S	
	2020	2019
Land	264,520	244,540
Cost of property development projects	353,443	417,688
Utilities installation	44,869	57,753
Capitalized borrowing costs	8,084	9,862
Total	670,916	729,843
Less : Amounts transferred to cost of sales	(365,287)	(279,132)
Net	305,629	450,711

As at 31 December 2020 and 2019, the above land and constructions have been pledged as collaterals for overdraft, loan and credit facilities with local banks as discussed in Note 27.

During the years 2020 and 2019, the Company capitalized interest amounting to Baht 3.84 million and Baht 10.74 million, respectively, to the cost of property development project. The capitalization rates of interest are based on the borrowing costs as discussed in Note 27.

The changes in cost of property development projects for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S	
	2020	2019
Balance as at 1 January	450,711	419,169
Add : Cost of property development	220,205	310,674
Less : Cost of sales	(365,287)	(279,132)
Balance as at 31 December	305,629	450,711

15. RESTRICTED DEPOSIT WITH BANKS

During the year 2019, a project office in India had deposited cash with bank of Baht 231.20 million as collateral for the issuance of performance bonds to the employer. The period of guarantee will be extended until further orders of the Court with regard to the dispute between the Project Office and the employer. Currently, the outcome of the lawsuit not yet finalize as discussed in Note 33.

16. INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND JOINT CONTROL COMPANIES, AND JOINT VENTURES

16.1 Investment in subsidiaries

(Unit : Thousand Baht)	Separate F/S	
	2020	2019
Investment in subsidiaries	16,086,496	15,971,821
Less : Allowance for impairment	(4,298,207)	(4,076,398)
Investment in subsidiaries – net	11,788,289	11,895,423

Movements in investment in subsidiaries for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Separate F/S	
	2020	2019
Balance as at 1 January	11,895,423	7,226,954
Add : Additional investments during the year	114,675	5,828,658
Add : Swapping debt to equity during the year	-	2,312,742
Less : Decreased from loses control in subsidiary	-	(995,626)
Less : Decreased from liquidate entity	-	(814)
Less : Refunding investment during the year	-	(27,841)
Less : Allowance for impairment	(221,809)	(2,448,650)
Balance as at 31 December	11,788,289	11,895,423

Investment in subsidiaries as at 31 December 2020 and 2019 comprise investments as follows:

(Unit : Thousand Baht)	Nature of business	Paid-up Capital	Percentage of shareholding (%)		Separate F/S	
			2020	2019	Cost	
					2020	2019
Investment in subsidiaries						
Italian-Thai International Co., Ltd.	Holding company	4,580,000	99.99	99.99	4,580,000	4,580,000
Less : Allowance for impairment					(552,584)	(552,584)
Net					4,027,416	4,027,416
Bhaka Bhumi Development Co., Ltd.	Real estate development	20,000	99.99	99.99	20,000	5,075
		(31 Dec 2019 : 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
Italhai Marine Co., Ltd.	Production and sale of vessels and equipment	810,000	92.59	92.59	430,000	430,000
Less : Allowance for impairment					(430,000)	(430,000)
Net					-	-
Italhai Trevi Co., Ltd.	Foundation and piling work services	80,000	90.94	90.94	84,189	84,189
Asian Steel Product Co., Ltd.	Manufacture and distribution of large steel pipes	20,000	69.90	69.90	7,004	7,004
Thai Maruken Co., Ltd.	Lease and sale of sheet piles and beams for foundation construction work	20,000	50.96	50.96	10,196	10,196
Italian-Thai Land Co., Ltd.	Not yet operational	422,000	99.99	99.99	412,050	412,050
Less : Allowance for impairment					-	(35,489)
Net					412,050	376,561
Palang Thai Kaowna Co., Ltd.	Not yet operational	459,000	99.99	99.99	458,650	458,650
Less : Allowance for impairment					(206,146)	(290,498)
Net					252,504	168,152

(Unit : Thousand Baht)	Nature of business	Paid-up Capital	Percentage of shareholding (%)		Separate F/S Cost	
			2020	2019	2020	2019
Palit Palang Ngan Co., Ltd.	Not yet operational	123,000	78.16	78.16	95,440	95,440
Less : Allowance for impairment Net					-	(50)
					95,440	95,390
Italian Thai Power Co., Ltd.	Production and distribution of electricity	650,000	99.99	99.99	650,000	650,000
Less : Allowance for impairment Net					(650,000)	(650,000)
					-	-
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	4,279,987	64.52	64.52	2,761,592	2,761,592
ITD-ETF Joint venture	Construction services	-	-	100.00	-	-
Asian Rail Co., Ltd.	Construction services	100,000	99.99	99.97	100,000	250
		(31 Dec 2019 : 250)				
ITD-ARC Joint Venture	Construction services	-	10.00	10.00	-	-
Overseas subsidiary companies						
PT. Thailindo Bara Pratama	Coal mining contractor	1,038,674 Million IDR	99.99	99.99	2,286,218	2,286,218
Less : Allowance for impairment Net					(2,184,018)	(2,184,018)
					102,200	102,200
ITD Cementation India Limited	Construction services in India	172 Million INR	46.64	46.64	2,143,951	2,143,951
ITD-Madagascar S.A.	Mining business	3,567 Million MGA	99.98	99.98	227,988	227,988
Less : Allowance for impairment Net					(227,988)	(227,988)
					-	-
ITD Construction SDN.BHD.	Construction services in Malaysia	0.75 Million MYR	99.99	99.99	7,312	7,312
Less : Allowance for impairment Net					(7,312)	(7,312)
					-	-
ITD Bangladesh Company Limited	Construction services in Bangladesh	4 Million BDT	99.99	99.99	1,546	1,546
Italian-Thai Development Vietnam Co., Ltd.	Not yet operational	6,000 Million VND	80.00	80.00	9,160	9,160
Less : Allowance for impairment Net					(9,160)	(9,160)
					-	-
ITD Mozambique Limitada	Construction services in the Republic of Mozambique	1,373,615 USD	99.00	99.00	46,121	46,121
Thai Mozambique Logistica SA.	Concession for constructing Port and Railway in the Republic of Mozambique	364,999 USD	60.00	60.00	12,036	12,036
Total investment in subsidiaries – net					11,788,289	11,895,423

During the year 2020, the subsidiary companies hired independent appraisers to re-appraise the value of investment properties under the market approach and found that the fair value of such investment properties has increased. As a result, the realizable value of investment in such subsidiaries has increased. The Company's management therefore reversed the allowance for impairment of investments in such subsidiaries totalling Baht 119.89 million.

During the year 2019, the Company made additional investment in three subsidiaries by swapping Debt to Equity totalling of Baht 2,312.74 million. The Company recognized allowance for impairment of such investments of Baht 1,970.78 million.

During the year 2019, the Company made additional investment in five subsidiaries totalling amount Baht 5,629.39 million, for repaying debt back to the Company. The Company recognized allowance for impairment of such investments totalling Baht 477.87 million.

NON-CONTROLLING INTERESTS

Subsidiaries with material non-controlling interests are as follows:

Name	Proportion of ownership interests held by the NCI (Percentage)		Comprehensive income (loss) allocated to NCI		Accumulated NCI	
	2020	2019	2020	2019	2020	2019
(Unit : Million Baht)						
Italthai Trevi Co., Ltd.	9.06	9.06	1	6	61	62
Asian Steel Product Co., Ltd.	30.10	30.10	15	11	61	52
Thai Maruken Co., Ltd.	49.04	49.04	50	34	266	236
ITD Cementation India Limited	53.36	53.36	(146)	(163)	2,146	2,302
Italthai Marine Co., Ltd.	7.41	7.41	(5)	(2)	(38)	(33)

During the year 2020, subsidiaries paid dividends to the non-controlling interests of Baht 38.36 million (2019 : Baht 36.13 million).

Significant financial information of the subsidiaries with material non-controlling interest in the aggregate amounts before eliminations are summarized as follows:

	For the years ended 31 December									
	Italthai Trevi Co., Ltd.		Asian Steel Product Co., Ltd.		Thai Maruken Co., Ltd.		ITD Cementation India Limited		Italthai Marine Co., Ltd.	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Unit : Million Baht)										
Current assets	744	813	195	158	297	500	10,896	10,372	48	142
Non-current assets	500	493	53	57	2,022	1,254	2,701	2,515	80	30
Current liabilities	336	402	32	26	910	1,234	7,460	7,124	598	601
Non-current liabilities	235	214	13	16	867	39	2,116	1,449	40	17
Equity attributable to the Company's shareholder	613	627	142	121	277	245	1,875	2,012	(471)	(413)
Non-controlling interests	61	63	61	52	266	236	2,146	2,302	(38)	(33)
Revenue	781	1,334	179	177	1,110	740	10,890	12,301	154	378
Profit (loss) for attributable to the Company's shareholders	4	72	33	27	52	36	(64)	69	(71)	(23)
Profit (loss) for attributable to non-controlling interests	-	7	14	12	50	34	(73)	79	(5)	(2)
Profit (loss) for the year	4	79	47	39	102	70	(137)	148	(76)	(25)
Other comprehensive income (loss)	6	(11)	3	(1)	-	-	(208)	(453)	13	-
Total comprehensive income (loss) attributable to the Company's shareholder	9	62	35	26	52	36	(161)	(142)	(59)	(27)
Total comprehensive income (loss) attributable to non-controlling interests	1	6	15	12	50	34	(184)	(163)	(4)	2
Total comprehensive income (loss) for the year	10	68	50	38	102	70	(345)	(305)	(63)	(25)

	For the year ended 31 December 2020				
	Italthai Trevi Co., Ltd.	Asian Steel Product Co., Ltd.	Thai Maruken Co., Ltd.	ITD Cementation India Limited	Italthai Marine Co., Ltd.
(Unit : Million Baht)					
Net cash from operating activities	294	17	166	9	57
Net cash from (used in) investing activities	(80)	(9)	(5)	(427)	4
Net cash used in financing activities	(48)	(15)	(171)	(309)	(57)
Net cash increase (decrease)	166	(7)	(10)	(727)	4

16.2 Investment in associated and joint control companies

Significant judgment and assumptions

Associate are those companies in which the Company has significant influence, but not control, over the financial and operating policies. The Company normally has share with voting right between 20 - 50 percentage of total voting right, excepted Siam Pacific Holding Co.,Ltd which the company holding 46.69 percentage and a subsidiary holding 4.30 percentage (totalling 50.99 percentage) because the Company has no control such companies and classifies as associated companies.

Investment in associated and joint control companies is initially recorded at cost and adjusted thereafter to recognize profit or loss by the proportion of the Company in the associated companies.

Movements in investment in associated and joint control companies, which are accounted for by the equity method in the consolidated financial statements, for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	2,695,606	602,020	1,702,014	697,963
Less : Share of profit (loss) from associated companies	(138,037)	604	-	-
Less : Dividend from associated companies	(2,502)	(1,877)	-	-
Add : Remaining interest from lost control in subsidiary	-	2,132,211	-	995,626
Add : increasing investment in associate	519,090	8,425	519,090	8,425
Add : Transfer debt to equity	148,876	-	148,876	-
Less : Adjusted related profit transaction from projects under development	(849,515)	-	-	-
Less : Translation adjustment for foreign currency financial statements	(40,443)	(45,777)	-	-
Balance as at 31 December	2,333,075	2,695,606	2,369,980	1,702,014

A reconciliation of the condensed financial information for the carrying amounts of the investment in associated and joint control companies are as follows:

(Unit : Thousand Baht)	31 December 2020								
	ATO-Asia Turnouts Co., Ltd.	Siam Pacific Holding Co., Ltd.	Bangkok Steel Wire Co., Ltd.	Oriental Residence Bangkok Co., Ltd.	MCRP Construction Corporation, Philippines	Sino Lao Aluminum Corporation Limited	MCRP Holding	First Dhaka Elevated Expressway Co., Ltd.	Total
Total net assets of associated companies	72,200	56,582	540,661	63,227	-	310,517	-	3,809,209	4,852,396
Proportion of ownership interests held by the Company (%)	48.99	46.69	19.98	8.52	24.00	50.00*	24.00	51.00	-
Net assets by the Company's proportion	35,371	26,418	108,024	5,387	-	155,259	-	1,942,697	2,273,156
Other adjustment	-	2,525	868	(5,387)	-	116,884	-	(54,971)	59,919
Carrying amount of the investment in associated and joint control companies	35,371	28,943	108,892	-	-	272,143	-	1,887,726	2,333,075
Dividend received from associated company	-	-	2,502	-	-	-	-	-	2,502

(Unit : Thousand Baht)	31 December 2019								
	ATO-Asia Turnouts Co., Ltd.	Siam Pacific Holding Co., Ltd.	Bangkok Steel Wire Co., Ltd.	Oriental Residence Bangkok Co., Ltd.	MCRP Construction Corporation, Philippines	Sino Lao Aluminum Corporation Limited	MCRP Holding	First Dhaka Elevated Expressway Co., Ltd.	Total
Total net assets of associated companies	91,660	56,653	514,948	(233,321)	-	683,469	-	1,839,610	2,953,019
Proportion of ownership interests held by the Company (%)	48.99	46.69	19.98	15.00	24.00	50.00*	24.00	51.00	-
Net assets by the Company's proportion	44,902	26,452	102,887	(34,998)	-	341,735	-	938,201	1,419,179
Other adjustment	-	2,525	868	34,998	-	57,211	-	1,180,825	1,276,427
Carrying amount of the investment in associated and joint control companies	44,902	28,977	103,755	-	-	398,946	-	2,119,026	2,695,606
Dividend received from associated company	-	-	1,877	-	-	-	-	-	1,877

* The Company had paid for share capital for its portion of 34% in accordance with agreement but a shareholder has not paid for its share capital in accordance with shareholder agreement. As a result, the Company's interest become 50% of share capital.

Unrecognized gain (loss) from associated company

(Unit : Thousand Baht)	2020	2019
Unrecognized gain (loss) from associated company	40,385	(3,462)
Cumulative share of gain (loss) of associated company	5,387	(34,998)

Investment in associated and joint control companies as at 31 December 2020 and 2019 comprise investments as follows:

(Unit : Thousand Baht)	Nature of business	Paid-up Capital	Percentage of shareholding (%)		Consolidated F/S Equity		Separate F/S Cost	
			2020	2019	2020	2019	2020	2019
			Investment in associated companies					
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	35,371	44,902	2,450	2,450
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,418	26,452	27,373	27,373
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	108,892	103,755	71,603	71,603
Oriental Residence Bangkok Co., Ltd.	Real estate development	880,620 (31 Dec 2019 : 500,000)	8.52	15.00	-	-	75,000	75,000
Overseas companies								
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25 Million Peso	24.00	24.00	12,000	12,000	12,000	12,000
Less : Allowance for impairment Net					(12,000)	(12,000)	(12,000)	(12,000)
MCRP Holding Corporation, Philippines	Holding company in Philippines	5 Million Peso	24.00	24.00	3,000	3,000	3,000	3,000
Less : Allowance for impairment Net					(3,000)	(3,000)	(3,000)	(3,000)
Sino Lao Aluminum Corporation Limited	Bauxite mine business in Laos	32 Million USD)	34.00	34.00	272,143	398,946	521,537	521,537
Total investment in associated companies – net					442,824	574,055	697,963	697,963
Investment in associated companies held by subsidiaries								
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	-	-
Investment in joint control company								
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	11,095 Million BDT (31 Dec 2019 : 5,472)	51.00	51.00	1,887,726	2,119,026	1,672,017	1,004,051
Total investment in associated joint control companies – net					2,333,075	2,695,606	2,369,980	1,702,014

Significant financial information of the associate and joint control companies in the aggregate amounts are summarized as follows:

(Unit : Million Baht)	For the years ended 31 December							
	Current assets		Non - current assets		Current liabilities		Non - current liabilities	
	2020	2019	2020	2019	2020	2019	2020	2019
ATO-Asia Turnouts Co., Ltd.	65	93	33	42	26	43	-	-
Bangkok Steel Wire Co., Ltd.	712	724	259	271	403	454	28	27
Oriental Residence Bangkok Co., Ltd.	2,173	2,188	1,034	1,137	2,254	2,623	891	935
Sino Lao Aluminum Corporation Limited	1	-	891	1,255	323	324	258	248
Siam Pacific Holding Co., Ltd.	-	-	62	62	-	-	6	6
First Dhaka Elevated Expressway Co., Ltd.	722	340	8,164	3,027	3,401	1,527	1,676	-
Total	3,673	3,345	10,443	5,794	6,407	4,971	2,859	1,216

(Unit : Million Baht)	For the years ended 31 December					
	Revenues		Profit (loss)		Other comprehensive income	
	2020	2019	2020	2019	2020	2019
ATO-Asia Turnouts Co., Ltd.	42	222	(19)	21	-	-
Bangkok Steel Wire Co., Ltd.	1,171	1,284	40	26	-	-
Oriental Residence Bangkok Co., Ltd.	146	336	(94)	330	-	-
Sino Lao Aluminum Corporation Limited	-	-	(364)	(40)	(27)	(22)
First Dhaka Elevated Expressway Co., Ltd.	18	3	(24)	(4)	(101)	(17)
Total	1,377	1,845	(461)	333	(128)	(39)

The significant projects under development which the Company invested through associated and joint control companies are as follows:

Dhaka Elevated Expressway Project

The Company invested through First Dhaka Elevated Expressway Co., Ltd. which has changed from investment in subsidiary to investment in joint control company during the year 2019 as discussed in Note 6. The project information is as follow.

During the year 2011, the joint control 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 of Baht 41,192 million. The joint control company established and registered Project Company as the Concessionaire, to operate the project in according to the legal of the People's Republic of Bangladesh. The joint control company will be appointed 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 joint control company has performed the construction work for the 1st Tranche of construction distance of 7.45 kilometer which work progress of approximately 58.41%. The 2nd and 3rd Tranche of construction distance of 12.28 kilometer which work progress of approximately 6.31%.

During the year 2020, the joint control company made a payment for the capital increase of the joint venture in the amount of BDT 1,395.33 (equivalent to Baht 519.09 million) and by converting debt to equity of BDT 417.50 million (equivalent to Baht 148.88 million).

Bauxite Mining and the construction of Alumina Production Plant Project

The Company had investment through Sino Lao Aluminum Corporation which is located in Lao People's Democratic Republic. In the year 2009, this associated company obtained the concession right from the Government of Lao People's Democratic Republic for bauxite mining and has been in process to obtain approval for the ESIA Certificate of the project. The associated company has already complied with the regulation of Minerals law and submitted documentation to the Office of Natural Resources and Environment Policy and Planning, Ministry of Natural Resources and Environment. In addition, the associated company is in the process of negotiating with strategic partner and engage the consultant to prepare the Upgrading Bankable Feasibility Study to assess the project feasibility in order to support the seeking of project financing fund for future project development.

In January 2021, the associate received a letter from the Office of the Prime Minister of the Lao People's Democratic Republic to support the project and assign the relevant departments to review and negotiate the contracts to comply with the policies and laws.

16.3 Investment in joint ventures – net

Movements in investment in joint ventures, which are accounted for by the equity method in the consolidated financial statements, during the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	276,342	217,475	-	-
Add : Share of profit from joint ventures	155,775	205,494	-	-
Less : Receipts the profit sharing from joint venture	(66,244)	(130,637)	-	-
Less : Translation adjustment on foreign currency financial statements	(23,152)	(15,990)	-	-
Balance as at 31 December	342,721	276,342	-	-

Investments in joint ventures as at 31 December 2020 and 2019, comprise investments in the following entities:

(Unit : Thousand Baht)	Nature of business	Percentage of shareholding (%)		Consolidated F/S Equity		Separate F/S Cost	
		2020	2019	2020	2019	2020	2019
Investments in joint ventures							
ITD-EGC Joint Venture	Construction services in Republic of China	55.00	55.00	279,852	287,606	274,923	278,668
Less : Allowance for impairment				(274,923)	(278,668)	(274,923)	(278,668)
Net				4,929	8,938	-	-
IOT Joint Venture	Construction services	40.00	40.00	-	-	-	-
CMC/ITD/SONG DA Joint Venture	Construction services	30.00	30.00	179,332	179,332	-	-
ITD SINOHYDRO Joint Venture	Construction services	51.00	51.00	77,533	75,000	-	-
Total investments in joint venture – net				261,794	263,270	-	-
Investments in joint ventures held by subsidiaries							
CEC-ITD Cem-TPL Joint Venture	Construction services	18.66	18.66	80,927	13,072	-	-
Total investments in joint venture held by subsidiaries – net				80,927	13,072	-	-
Total investments in joint ventures – net				342,721	276,342	-	-
Total investments in subsidiaries, associated and joint control companies and joint venture – net				2,675,796	2,971,948	14,158,269	13,597,437

As at 31 December 2020, the consolidated statement of financial position included investments in a joint venture accounted for by the equity method of Baht 179.33 million for which the figures are based on financial information of a joint venture as of 30 September 2019 which had been reviewed by the joint venture's auditor. The joint venture's management was unable to prepare the financial information up to date since the joint venture and the project owner have been in dispute regarding the termination of construction contract.

On 20 November 2019, CMC/ITD/SONGDA Joint Venture obtained the notice of termination letter from employer due to the delay in construction project and also employer engaged new contractor to operate the project which is considered as a breach of contract. The Joint Venture therefore sent the termination letter to the employer in this regard.

At present, the Joint Venture and its employer appointed the Dispute Adjudication Board (DAB) to consider the dispute between counter parties. On 22 January 2021, DAB's primary finding is that the Employer's Notice of Termination is invalid and the Employer is obliged to return the Performance Security. The Joint Venture is gathering the information of computed project cost, materials and supplies, and machinery for entering into process of DAB's consideration, which is currently unable to assess the outcome.

A reconciliation of the condense financial information to the carrying amounts of the investment in joint ventures are as follows:

	For the years ended 31 December										
	ITD-EGC Joint Venture		IOT Joint Venture		CMC/ITD/SONGDA Joint Venture		ITD-SINOHYDRO Joint Venture		CEC-ITD CEM-TPL Joint Venture		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
(Unit : Million Baht)											
Total net assets of joint venture	9	16	-	-	598	598	153	147	134	22	
Proportion of ownership Interest (%)	55	55	40	40	30	30	51	51	19	19	
Net assets by proportion	5	9	-	-	179	179	78	75	25	4	
Other adjustment	-	-	-	-	-	-	-	-	56	9	
Carrying amount of the investment (obligation)	5	9	-	-	179	179	78	75	81	13	

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

	For the years ended 31 December											
	ITD-EGC Joint Venture		IOT Joint Venture		ITD-SINOHYDRO Joint Venture		CMC/ITD/SONGDA Joint Venture		CEC-ITD CEM-TPL Joint Venture		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(Unit : Million Baht)												
Cash and cash equivalents	3	11	-	-	70	116	97	97	764	738	934	962
Other current assets	2	5	-	-	826	834	1,634	1,634	695	636	3,157	3,109
Total current assets	5	16	-	-	896	950	1,731	1,731	1,459	1,374	4,091	4,071
Non-current assets	-	-	-	-	56	78	1,107	1,107	277	461	1,440	1,646
Other current liabilities (including trade payables and provision)	-	-	-	-	602	505	2,240	2,240	1,596	1,812	4,438	4,557
Total current liabilities	-	-	-	-	602	505	2,240	2,240	1,596	1,812	4,438	4,557
Non-current liabilities	-	-	-	-	199	376	-	-	6	1	205	377
Net assets	5	16	-	-	151	147	598	598	134	22	888	783

	For the years ended 31 December										
	Revenues		Profit (loss)		Other comprehensive income (loss)		Depreciation and amortization		Tax		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
(Unit : Million Baht)											
ITD-EGC Joint Venture	23	-	18	(3)	-	-	-	-	-	-	-
IOT Joint Venture	-	-	-	-	-	-	-	-	-	-	-
CMC/ITD/SONGDA Joint Venture	-	3,165	-	217	-	-	-	309	-	-	44
ITD-SINOHYDRO Joint Venture	915	1,554	6	123	-	-	23	22	62	109	
CEC-ITD CEM-TPL Joint Venture	1,924	2,121	225	135	-	-	119	222	283	85	
Total	2,862	6,840	249	472	-	-	142	553	345	238	

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

17. OTHER LONG-TERM INVESTMENTS

Financial assets for equity instrument are measured at fair value through profit and loss. The Group chooses to measure the fair value of equity instruments not held for trading by the fair value model through other comprehensive income. However, the Group has elected to apply the temporary relief (Note 3.1.4) by measure the value of investments in non-marketable equity securities at fair value as at 1 January 2020 at cost less allowance for impairment. The details are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Investment at fair value through profit or loss	655,524	655,524	520,298	520,298
Investment at fair value through other comprehensive income	369,918	296,526	348,394	279,307
Other long-term investments	1,025,442	952,050	868,692	799,605

Movements in other long-term investments during the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	952,050	909,765	799,605	749,030
Add : Investment	-	200,000	-	200,000
Add : Unrealized gain (loss) from changes in value of investments	73,392	(142,300)	69,087	(134,010)
Less : Allowance for impairment of investment	-	(15,415)	-	(15,415)
Balance as at 31 December	1,025,442	952,050	868,692	799,605

Other long-term investments as at 31 December 2020 and 2019 comprise investments as follows:

(Unit : Thousand Baht)	Nature of business	Percentage of Shareholding (%)		Consolidated F/S		Separate F/S	
		2020	2019	2020	2019	2020	2019
Investments in other companies							
a) Investment at fair value through profit or loss							
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
Less : Allowance for impairment				(14,900)	(14,900)	(14,900)	(14,900)
Net				9,100	9,100	9,100	9,100
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				(2,500)	(2,500)	(2,500)	(2,500)
Net				500	500	500	500
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery Rental	15.00	15.00	7,500	7,500	7,500	7,500
Eastern High-Speed Rail Linking Three Airports	Joint investment	5.00	5.00	200,000	200,000	200,000	200,000
Param 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				520,298	520,298	520,298	520,298
b) Investment at fair value through other comprehensive income							
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				37,743	(31,548)	37,743	(31,548)
Net market value				346,458	277,167	346,458	277,167
TTCL Plc.	Construction services	0.07	0.07	400	400	400	400
Add : Unrealized gain from changes in value of investments				1,536	1,740	1,536	1,740
Net market value				1,936	2,140	1,936	2,140
Total Investment in other listed companies – net				348,394	279,307	349,394	279,307
Total Investments in other companies – net				868,692	799,605	868,692	799,605

(Unit : Thousand Baht)	Nature of business	Percentage of Shareholding (%)		Consolidated F/S		Separate F/S	
		2020	2019	2020	2019	2020	2019
Investments held by subsidiaries							
a) <u>Investment at fair value through profit or loss</u>							
Bell Development Co., Ltd.	Real estate development	6.55	6.55	135,226	135,226	-	-
b) <u>Investment at fair value through other comprehensive income</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 (loss) from changes in value of investments				2,346	(1,959)	-	-
Net market value				21,524	17,219	-	-
Total investment held by subsidiaries – net				156,750	152,445	-	-
Total other long-term investments – net				1,025,442	952,050	868,692	799,605

18. DEVELOPMENT COSTS FOR CONCESSION RIGHT – DAWEI PROJECT

As at 31 December 2020 and 2019, the Company and its subsidiaries have costs for acquisition of the concession right, development of industrial estate and infrastructure in Dawei Special Economic Zone are as follow:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Concession right	151,328	151,917	-	-
Costs under development	7,674,015	7,652,252	5,205,964	5,205,964
Total	7,825,343	7,804,169	5,205,964	5,205,964

Movements in the development costs for concession right – Dawei project for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020		2020	
Balance as at 1 January 2020	7,804,169		5,205,964	
Add : Adjustment from translation of reporting currency	21,174		-	
Balance as at 31 December 2020	7,825,343		5,205,964	

As at 31 December 2020 and 2019, the Company and its subsidiaries have incurred costs for acquisition of the concession right, development costs of the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone (“DSEZ”) totalling Baht 7,825.34 million and Baht 7,804.17 million, respectively.

Italian-Thai Development Public Company Limited (the “Company”) has obtained the right to develop the project from the Republic of Union of Myanmar’s government entity (which is managed by Dawei Special Economic Zone Management Committee : “DSEZ MC”). Moreover, the Group has begun the development of the area since 2010. In 2013, the project has been sponsored by the governments of Thailand and the Republic of the Union of Myanmar and established a Dawei SEZ Development Company Limited called Special Purpose Vehicles (“SPV”) to support and issuing the new policies on project development. Also, the DSEZ MC and the SPV has determined the right for the Group to reimburse the previous investment for development under the Tripartite Memorandum. The Group will receive the reimbursement from the new investor of each project, moreover, the amount received will be accorded to the Due Diligence of the cost that has been invested by the Group, which is evaluated by the independent party, selected, and authorized by the SPV. The DSEZ MC and SPV has mutually agreed that the Due Diligence evaluated result will be directly sent to SPV to summarize the amount as per Term of Reference (TOR) relating to the investing auction for new investors of each project. The Group currently does not have right to access the details of the Due Diligence to claim the right from the other parties at present.

However, in 2015, the DSEZ MC has considered the development plan of DSEZ project demarcating it as the Dawei Special Economic Zone Initial Phase (“DSEZ Initial Phase”), in order to develop 27 square kilometers of industrial estate land and its related infrastructure and utilities, and the Dawei Special Economic Zone Full Phase (“DSEZ Full Phase”).

A) Dawei Special Economic Zone Initial Phase (DSEZ Initial Phase)

The subsidiaries in oversea and its investors (the “Concessionaires”) has obtained the right and signed 7 concessions out of 8 projects with the DSEZ MC on 5 August 2015 to develop the industrial estate of 27 square kilometers. The Company, the DSEZ MC and SPV has signed the Supplemental Memorandum of Understanding to the Tripartite Memorandum to define the terms and conditions to the Group in order to obtain the Land Right Option for develop and operate the DSEZ Initial Phase and also to compensate the previous investment of the Group. However, the Company shall exercise the Land Right Option when the Concessionaires and the DSEZ MC has fulfilled the Condition Precedent of the DSEZ Initial Phase. The Concessionaires have fulfilled all conditions except the Land Lease Agreement signing and concession fee payment because these are not agreed between the Concessionaires and the DSEZ MC on the details of Land lease agreements. The Concessionaires has report to the DSEZ MC to pay the concession fee of each project along with interest to the DSEZ MC when the land lease agreements of each project has been agreed. The situation of each projects are as follow:

1) Land Lease Agreements from the Government of the Republic of Union of Myanmar and the annual concession fee

The Concessionaires have had discussions with the DSEZ MC to the issue of the Land Lease Agreement which are needed to be mutually agreed between each of the respective Concessionaires and the DSEZ MC prior to further project development. As such, the Concessionaires

were invited in various meetings by both the Thai and Myanmar Governments in order to request the ways to support and drive the DSEZ Initial Phase successfully forward in a practical manner. However, these issues not agreed between the Concessionaires and DSEC MC

On 14 August 2019, the Company received the Notice of Modification from the DSEZ MC which define the amendment of the Initial Industrial Estate and Two-lane Road concession agreement along with the issuance of the draft land lease agreement for the Initial Industrial Estate and draft of the waiving of our Reimbursement Rights under the Tripartite Memorandums. However, these conditions were made by the DSEZ MC in order to modify of the Concession Agreements and define the Concessionaires to enforce upon the Company to sign a document releasing all of the Company's reimbursement rights under such Tripartite Memorandums. It also forces the Concessionaires to comply within the specific period. The Company and the Concessionaires have discussed and issued various letters on multiple occasions to the DSEZ MC in order to reconsider the conditions as agreeable both parties. However, as the Concession Agreement for the Initial Industrial Estate and Two-lane Road has a progress related to the Lad Lease Agreement, the Concessionaires therefore accept to pay the Concession Fee plus interests to the DSEZ MC. In addition, the Company also requested repeatedly for the remaining draft land lease agreements 6 concessions related to the infrastructure and utilities are critical components integral in supporting the overall development success for the DSEZ Initial Phase. And also, informed the DSEZ MC on various occasions that the payment will be made upon receiving and mutually agreeing on each of the respective land lease agreement for each concession and that the Concessionaire merely requested for the deferral of such payment and interests subject to the mutual finalization of each land lease agreement. However, no further draft land lease agreements for the remaining concessions were sent by the DSEZ MC.

On 27 November 2019, the Company received the Notice of the Determination from the DSEZ MC along with its unilateral amendment in the concession agreement as well as issued the final land lease agreement for the Initial Industrial Estate and Two-lane Road. The Notice of Determination, which were once again unilaterally set forth by the DSEZ MC, imposed a certain time period for the Concessionaires to abide and fulfill the new conditions precedent including for the Concessionaires in order to enforce the Company to sign a document regarding the release of the Company's reimbursement rights in the Tripartite Memorandums as previously mentioned. The Company along with its partners issued letters to the DSEZ MC opposing this unilateral amendment to the concession agreement and also elaborated this unfair practice by the DSEZ MC in the official meeting held between the governments of Thailand and the Republic of the Union of Myanmar. These newly imposed conditions are not agreed by the Company and its partners, moreover, the unilateral exercise the right to amend the Concession Agreement cannot be acceptable without agreeable by three parties.

Thereafter, the Company along with its partners repeatedly requested for the outstanding land lease agreements from the DSEZ MC which is needed for the successful development of the DSEZ Initial Phase. On multiple occasions, the Company along with its partners also restated that the outstanding concession fee plus interests for the remaining concessions will be paid once the draft land lease agreement for each of the respective infrastructure and utilities' concession agreements are sent and mutually agreed with the DSEZ MC. Subsequently, on 30 December 2020, the DSEZ issued the Notice of Termination to all concessions of the DSEZ Initial Phase claiming that in the Initial Industrial Estate and Two-lane Road concession, the Concessionaires failed to comply with the newly set conditions precedent, which once again were unilaterally set forth by the DSEZ MC, such as: the Initial Industrial Estate and 2-lane Road Concessionaire failed to enforced the Company to sign the document releasing all of the Company's reimbursement right in the Tripartite Memorandums and the termination of all concessions were made by the DSEZ MC due to the outstanding concession fee payment by the Concessionaires.

2) Government Support for Construction of the 2-lane Road Linking the DSEZ to the Thailand-Myanmar border

In such meetings and ongoing cooperation between the two governments, it is publicly known that the Thai Government has the policy to provide the funds to the Myanmar Government for the construction of the 2-lane Road connecting the DSEZ to the Thailand-Myanmar border. Such detailed discussions are ongoing and the terms and conditions will be finalize by the two governments going forward.

B) Dawei Special Economic Zone Full Phase

The Company will continue to maintain its right for reimbursement of its previous investments in the DSEZ in accordance with the Tripartite Memorandums which were previously agreed and signed amongst the Company, SPV, and DSEZ MC. Furthermore, it has been publicly announced that the authorized agency of the Japanese Government has completed the Full Phase study and has presented to the Myanmar Government for consideration. Official discussions and meetings supporting the future DSEZ Full Phase development in parallel with the DSEZ Initial Phase are in process and ongoing amongst the representatives of the Thai, Myanmar, and Japanese Governments, which once again are the entities in the SPV.

However, on 19 January 2021, the Concessionaires has sent the notice to elucidate the reason for cancellation of agreement to the DSEZ MC due to the additional conditions stated are not from the mutually agreed between the Concessionaires and the DSEZ MC but merely came from the DSEZ MC only. The Concessionaires has proposed a discussion on this matter, which is no finalize as yet.

Despite the right for reimbursement of its previous investments for development in the the DSEZ is still accorded to the Tripartite Memorandum. However, the reimbursement amount is rely on the Due Diligence report prepared by the independent advisor selected and authorized by the SPV which in the present, the Group does not right to access to such Due Diligence report. In addition, it depends on the progress of the development of the DSEZ Full Phase which was supported by the government of Thailand and Myanmar to promote the other concession projects in the future as well as the investment from new investors who are interested in each concession project. The Group's management believe that the right to reimbursement under the Tripartite Memorandum and Supplemental Memorandum of Understanding to the Tripartite Memorandum which jointly signed between the Company, DSEZ MC and SPV is valid. Because of the government agencies of Thailand and Myanmar which included 1) Joint High-Level Committee, 2) Joint Cooperation Committee (JCC) and 3) Joint Task Force (JTF) are existed and appear on the public news channels.

19. POTASH MINING RIGHT AND DEFERRED EXPLORATION AND DEVELOPMENT COSTS

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 subsidiary has incurred exploration and development costs as at 31 December 2020 and 2019 as follows:

(Unit : Thousand Baht)	Consolidated F/S	
	2020	2019
<u>Exploration expense</u>		
Beginning balance	566,570	566,570
Expenditure during the year	-	-
Ending balance	566,570	566,570
<u>Application for potash mining concessions expense</u>		
Beginning balance	384,884	383,406
Expenditure during the year	2,111	1,478
Ending balance	386,995	384,884
Total deferred exploration and development expenses	953,565	951,454

Such project is under process of application for potash mining concessions from the government. The subsidiary company has complied with the requirement as stipulated in the Mining Act. and has submitted the documents for the mining license application to the Department of Primary Industries and Mines (DPIM.).

On 9 January 2020, the Udon Thani Provincial Governor submitted the preliminary stakeholders-consultative committee's minutes of meeting to DPIM Director-General for approval of the prevailing conditions as proposed by the DPIM Director-General.

On 13 April 2020, the DPIM's Director-General submitted the letter to the subsidiary company in subject of clarification requests in a written format, if the subsidiary company has different opinion regarding to the payment of Special Remuneration Benefits, Royalty and Special Subsidy to government as announce by the Ministry of Industry in accordance in order to gathering information for further consideration. Currently, the DPIM is working on the prevailing conditions of the Mining License which will be presented to the said committee for approval.

On 15 February 2021, the DPIM's Director-General submitted the letter to the subsidiary company to invite to clarify questions about the Potash Mining Project in Udon Thani Province on 23 February 2021 in order to collect information and present the request for a license for the subsidiary company to the meeting of the Mineral Committee for further approval. The DPIM's Director-General will sign the concession certificate which is expected to be completed by 2021.

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 the investment.

20. LONG-TERM LOANS AND ADVANCES TO RELATED PARTIES

The outstanding balances as at 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Subsidiaries	-	-	867,254	1,085,474
Associated and joint control companies	1,010,737	935,647	-	-
Total	1,010,737	935,647	867,254	1,085,474
Less : Allowance for impairment loss	-	-	(67,379)	(358,149)
Net	1,010,737	935,647	799,875	727,325

Significant movements in the long - term loans and advances to related parties for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)	Consolidated F/S			
	1 January 2020	During the year		31 December 2020
		Increase	Decrease	
Associate	935,647	75,090	-	1,010,737

(Unit : Thousand Baht)	Separate F/S			
	1 January 2020	During the year		31 December 2020
		Increase	Decrease	
Subsidiaries	1,085,474	107,313	325,533	867,254

A reconciliation of loss on impairment on the long-term loans and advances for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)	Separate F/S
As at 1 January 2020	358,149
Recognized allowance for credit loss	6,884
Reversal of impairment losses	(297,654)
As at 31 December 2020	67,379

During the year 2020, the Company eliminated long-term loans and advances to one subsidiary, the Company recorded allowances for impairment loss for loans and advance totalling Baht 297.65 million. Therefore, the Company reverse impairment loss of loans and advance during the year.

21. LAND AWAITING DEVELOPMENT

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Land awaiting development	296,219	295,769	-	-
Add : Purchase during the year	27,251	450	-	-
Less : Impairment loss	(4,288)	-	-	-
Land awaiting development – net	319,182	296,219	-	-

As at 31 December 2020 and 2019, land awaiting of development of the Group of Baht 319.18 million and Baht 284.49 million, respectively, are the land for using in Potash Mining Project in Udon Thani province.

22. INVESTMENT PROPERTIES

As at 31 December 2020, investment properties presented at fair value consist of:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
Land	2,163,351	835,178
Building	347,115	347,115
Total	2,510,466	1,182,293

Investment properties was subsequent measurement at fair value which assess by independent appraisers under the market approach.

Movements in investment properties for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Net book value as at 1 January	2,041,160	2,030,872	1,068,821	1,068,821
Less : Disposal during the year	(5,831)	-	(5,831)	-
Add : Gain on revaluation of assets	475,137	10,288	119,303	-
Net book value as at 31 December	2,510,466	2,041,160	1,182,293	1,068,821

23. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)	Consolidated F/S					
	Land	Building and Factories	Machinery, Office Equipment, Furniture and Vehicle	Site office and temporary camps	Machinery and equipment under installation	Total
Cost						
1 January 2019	1,855,224	6,517,478	36,525,603	1,258,392	1,985,263	48,141,960
Acquisitions / Transfer in	16,948	427,858	4,104,784	34,706	6,584,954	11,169,250
Disposals / Transfer out	(550)	-	(1,194,798)	(6,032)	(1,268,937)	(2,470,317)
Decreased from lost control in subsidiary	-	-	(306,832)	(11,723)	-	(318,555)
Translation adjustment	(2,348)	(13,647)	(608,235)	(7)	(10,169)	(634,406)
31 December 2019 and 1 January 2020	1,869,274	6,931,689	38,520,522	1,275,336	7,291,111	55,887,932
Adjustments for Thai Financial Reporting Standards No.16	-	(2,425)	(2,533,172)	-	-	(2,535,597)
1 January 2020 – After adjusted	1,869,274	6,929,264	35,987,350	1,275,336	7,291,111	53,352,335
Acquisitions / Transfer in	685,528	876,228	10,685,185	12,664	3,482,706	15,742,311
Transfer from right-of-use assets	-	-	421,810	-	-	421,810
Disposals / Transfer out	-	(35,928)	(3,406,308)	(140,683)	(9,064,835)	(12,647,754)
Translation adjustment	(709)	(4,464)	(158,069)	(2)	(668)	(163,912)
31 December 2020	2,554,093	7,765,100	43,529,968	1,147,315	1,708,314	56,704,790

	Consolidated F/S					
	Land	Building and Factories	Machinery, Office Equipment, Furniture and Vehicle	Site office and temporary camps	Machinery and equipment under installation	Total
(Unit : Thousand Baht)						
Accumulated depreciation						
1 January 2019	-	4,876,340	18,957,661	898,110	-	24,732,111
Depreciation for the year	-	253,091	2,815,400	119,750	-	3,188,241
Accumulated depreciation for disposals	-	-	(607,341)	(6,032)	-	(613,373)
Decreased from lost control in subsidiary	-	-	(83,799)	(7,782)	-	(91,581)
Translation adjustment	-	(3,196)	(312,815)	(7)	-	(316,018)
31 December 2019 and 1 January 2020	-	5,126,235	20,769,106	1,004,039	-	26,899,380
Adjustments for Thai Financial Reporting Standards No.16	-	(304)	(441,948)	-	-	(442,252)
1 January 2020 – After adjusted	-	5,125,931	20,327,158	1,004,039	-	26,457,128
Depreciation for the year	-	303,937	3,084,534	89,266	-	3,477,737
Transfer from right-of-use assets	-	-	167,945	-	-	167,945
Accumulated depreciation for disposals	-	(30,836)	(2,752,968)	(140,683)	-	(2,924,487)
Translation adjustment	-	(1,343)	(111,760)	(2)	-	(113,105)
31 December 2020	-	5,397,689	20,714,909	952,620	-	27,065,218
Less Allowance for impairment						
31 December 2019	15,219	1,818	2,802	-	-	19,839
31 December 2020	15,219	1,818	8,500	-	-	25,537
Net book value						
31 December 2019	1,854,055	1,803,636	17,748,614	271,297	7,291,111	28,968,713
31 December 2020	2,538,874	2,365,593	22,806,559	194,695	1,708,314	29,614,035
Depreciation for the year 2019						3,188,241
Depreciation for the year 2020						3,477,737

	Separate F/S					
	Land	Building and Factories	Machinery, Office Equipment, Furniture and Vehicle	Site office and Temporary Camps	Machinery and equipment under installation	Total
(Unit : Thousand Baht)						
Cost						
1 January 2019	1,638,504	4,750,335	19,229,484	1,095,313	1,754,103	28,467,739
Acquisitions / Transfer in	16,948	416,776	2,266,902	31,948	6,046,701	8,779,275
Disposals / Transfer out	(550)	-	(699,630)	(6,032)	(715,526)	(1,421,738)
Translation adjustment	-	-	(133,069)	(7)	(2,472)	(135,548)
31 December 2019 and 1 January 2020	1,654,902	5,167,111	20,663,687	1,121,222	7,082,806	35,689,728
Adjustments for Thai Financial Reporting Standards No.16	-	(2,425)	(2,480,337)	-	-	(2,482,762)
1 January 2020 – After adjusted	1,654,902	5,164,686	18,183,350	1,121,222	7,082,806	33,206,966
Acquisitions / Transfer in	672,954	864,726	9,076,441	10,031	3,453,757	14,077,909
Transfer from right-of-use assets	-	-	421,810	-	-	421,810
Disposals / Transfer out	-	-	(2,448,107)	(140,683)	(8,890,216)	(11,479,006)
Translation adjustment	-	(37)	(73)	(2)	-	(112)
31 December 2020	2,327,856	6,029,375	25,233,421	990,568	1,646,347	36,227,567

	Separate F/S					
	Land	Building and Factories	Machinery, Office Equipment, Furniture and Vehicle	Site office and Temporary Camps	Machinery and equipment under installation	Total
(Unit : Thousand Baht)						
Accumulated depreciation						
1 January 2019	-	3,833,543	10,337,182	846,637	-	15,017,362
Depreciation for the year	-	178,576	1,615,198	107,660	-	1,901,434
Accumulated depreciation for disposals	-	-	(401,143)	(6,032)	-	(407,175)
Translation adjustment	-	(117)	(40,166)	(7)	-	(40,290)
31 December 2019 and 1 January 2020	-	4,012,002	11,511,071	948,258	-	16,471,331
Adjustments for Thai Financial Reporting Standards No.16	-	(304)	(436,728)	-	-	(437,032)
1 January 2020 – After adjusted	-	4,011,698	11,074,343	948,258	-	16,034,299
Depreciation for the year	-	226,457	1,841,590	77,342	-	2,145,389
Transfer from right-of-use assets	-	-	167,945	-	-	167,945
Accumulated depreciation for disposals	-	-	(1,900,659)	(140,683)	-	(2,041,342)
Translation adjustment	-	(218)	(13,110)	(2)	-	(13,330)
31 December 2020	-	4,237,937	11,170,109	884,915	-	16,292,961
Net book value						
31 December 2019	1,654,902	1,155,109	9,152,616	172,964	7,082,806	19,218,397
31 December 2020	2,327,856	1,791,438	14,063,312	105,653	1,646,347	19,934,606
Depreciation for the year 2019						1,901,434
Depreciation for the year 2020						2,145,389

As at 31 December 2020 and 2019, certain building, machinery and equipment items of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 14,360.61 million and Baht 13,804.36 million, respectively (Separate F/S : Baht 10,956.50 million and Baht 10,748.97 million, respectively).

As at 31 December 2020 and 2019, the Company has assets under construction for precast and limestone production to support the project under development of Baht 122.44 million. The Company's management believes that these assets are not impaired.

As at 31 December 2020 and 2019, land and construction thereon, machinery and equipment of the subsidiaries company are under the guarantee as collaterals for loans from banks (Notes 27 and 30).

24. LEASE

Leases - where the Group is the lessee

24.1 Right-of-use

	Consolidated F/S					
	Land	Building and Factories Building	Machinery, Office Equipment	Vehicles	Other	Total
(Unit : Thousand Baht)						
Cost						
As at 1 January 2020 – Previous accounting policy	-	-	-	-	-	-
Adjustments for Thai Financial Reporting Standards No.16	354,574	40,974	2,147,863	633,987	165,362	3,342,760
As at 1 January 2020 – After adjusted	354,574	40,974	2,147,863	633,987	165,362	3,342,760
Increase	373,392	2,453	266,189	238,329	979	881,342
Decrease / Disposal	(29,463)	-	(37,500)	(1,771)	-	(68,734)
Transfer to property, plant and equipment	-	-	(352,407)	(69,403)	-	(421,810)
Translation adjustment for foreign currency financial statements	(1,280)	-	(5,341)	-	(5,055)	(11,676)
As at 31 December 2020	697,223	43,427	2,018,804	801,142	161,286	3,721,882

	Consolidated F/S					
	Land	Building and Factories Building	Machinery, Office Equipment	Vehicles	Other	Total
(Unit : Thousand Baht)						
Accumulated depreciation						
As at 1 January 2020 – Previous accounting policy	-	-	-	-	-	-
Adjustments for Thai Financial Reporting Standards No.16	26,493	304	413,947	73,663	19,793	534,200
As at 1 January 2020 – After adjusted	26,493	304	413,947	73,663	19,793	534,200
Depreciation for the period	121,728	8,457	266,284	85,556	25,510	507,535
Decrease / Disposal	-	-	(18,115)	(194)	-	(18,309)
Transfer to property, plant and equipment	-	-	(147,528)	(20,417)	-	(167,945)
Translation adjustment for foreign currency financial statements	27,339	-	(3,486)	-	(1,468)	22,385
As at 31 December 2020	175,560	8,761	511,102	138,608	43,835	877,866
Net Book Value						
As at 31 December 2020	521,663	34,666	1,507,702	662,534	117,451	2,844,016
Depreciation for the year 2020						507,535

	Separate F/S				
	Land	Building and Factories Building	Machinery, Office Equipment	Vehicles	Total
(Unit : Thousand Baht)					
Cost					
As at 1 January 2020 – Previous accounting policy	-	-	-	-	-
Adjustments for Thai Financial Reporting Standards No.16	216,837	4,673	1,921,097	620,084	2,762,691
As at 1 January 2020 – After adjusted	216,837	4,673	1,921,097	620,084	2,762,691
Increase	47,280	2,453	236,193	237,377	523,303
Decrease / Disposal	(29,463)	-	(37,500)	(1,771)	(68,734)
Transfer to property, plant and equipment	-	-	(352,407)	(69,403)	(421,810)
Translation adjustment for foreign currency financial statements	(169)	-	-	-	(169)
As at 31 December 2020	234,485	7,126	1,767,383	786,287	2,795,281
Accumulated depreciation					
As at 1 January 2020 – Previous accounting policy	-	-	-	-	-
Adjustments for Thai Financial Reporting Standards No.16	-	304	363,343	73,385	437,032
As at 1 January 2020 – After adjusted	-	304	363,343	73,385	437,032
Depreciation for the period	82,469	2,797	193,620	81,133	360,019
Decrease / Disposal	-	-	(18,115)	(194)	(18,309)
Transfer to property, plant and equipment	-	-	(147,528)	(20,417)	(167,945)
Translation adjustment for foreign currency financial statements	(1,410)	-	-	-	(1,410)
As at 31 December 2020	81,059	3,101	391,320	133,907	609,387
Net Book Value					
As at 31 December 2020	153,426	4,025	1,376,063	652,380	2,185,894
Depreciation for the year 2020					360,019

24.2 Lease Liabilities

The outstanding of lease liabilities as follows:

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
(Unit : Thousand Baht)				
Lease Liabilities	2,230,365	1,569,958	1,401,004	1,428,282
Less : Current portion	(850,832)	(649,150)	(658,854)	(585,403)
Net	1,379,533	920,808	742,150	842,879

Analysis of maturity of lease liabilities are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Not over one year	930,538	699,137	731,399	627,568
Over one year but not over five years	1,206,130	957,736	802,607	874,091
Over 5 years	255,719	-	5,433	-
Total	2,392,387	1,656,873	1,539,439	1,501,659
Less : Deferred interest	(162,022)	(86,915)	(138,435)	(73,377)
Net	2,230,365	1,569,958	1,401,004	1,428,282

The Group's recognized finance cost relate lease contract totalling Baht 129 million and Baht 59 million (2019 : Baht 103 million and Baht 58 million)

Rental payment not recognized as lease liabilities

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The expense related that contract not recognize for the year ended 31 December 2020 are as follows:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
Short-term lease	238,622	140,100
Leases of low-value assets	303,371	167,317
Total	541,993	307,417

24.3 Other financial liabilities

Other financial liabilities recognizes contract from sale and leaseback transactions is satisfied of asset which is not a sale in accordance with TFRS15 "Revenue from Contracts with Customers". The Company therefore continue recognizes such transfer assets as fixed assets in the financial statement and recognizes liabilities from sale and leaseback as other financial liabilities equal to the transfer proceeds of assets.

Present value of other financial liabilities as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Other financial liabilities	1,466,870	-	1,340,306	-
Less : Current portion	(367,327)	-	(346,188)	-
Net	1,099,543	-	994,118	-

Analysis of maturity of other financial liabilities are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Not over one year	367,327	-	346,188	-
Over one year but not over five years	1,099,543	-	994,118	-
Total	1,466,870	-	1,340,306	-
Less : Deferred interest	-	-	-	-
Net	1,466,870	-	1,340,306	-

The Group and the Company recognized finance cost relate other financial liabilities totalling Baht 16 million and Baht 13 million, respectively.

Leases - where the Group is the lessor

24.4 Finance lease receivable - subsidiary

(Unit : Thousand Baht)	Separate F/S	
	2020	2019
Not over one year	17,600	14,080
Over one year but not over five years	19,200	19,200
Over 5 years	20,160	24,000
Total	56,960	57,280
Less : Unearned finance income	(12,287)	(14,294)
Total	44,673	42,986
Less : Loss on impairment	(9,600)	(6,080)
Total	35,073	36,906
Less : Current portion	(6,112)	(5,993)
Net	28,961	30,913

The above finance leases payable are for machinery and equipment leases with scheduled repayment terms of 15 years.

25. GOODWILL

As at 31 December 2020 and 2019, the outstanding balance of goodwill are as follows:

(Unit : Thousand Baht)	Consolidated F/S	
	2020	2019
Balance as at 1 January	871,742	880,245
Less : Translation adjustment for foreign currency financial statements	(2,569)	(8,503)
Balance as at 31 December	869,173	871,742
Less : Allowance for impairment	(16,673)	(16,673)
Net	852,500	855,069

Key assumptions used in the recoverable amount assessment include:

	Cement business	Construction business in India
Growth rate (%)	1	7
Discount rate (%)	7	19.57

The Group assesses recoverable value from Potash Mining Project by considering project feasibility and internal rate of return (IRR) with the discount rate of 8% which management considered appropriate. Based on this assessment, the recoverable value from the project is higher than the carrying amount of investment.

Growth rate

Weighted average growth rate is based on the industry growth. Weighted average growth rate is used to extrapolate cash flows after cash flow projection of 5 years.

Discount rate

Discount rate reflect the current market assessments of the time value of money and risks specific to assets.

The Company recognizes impairment losses on goodwill in the statement of profit or loss when the recoverable amounts of cash generate unit is lower than book value and cannot reverse in the future.

Based on impairment test for goodwill by increasing discount rate for 0.5%, the Company does not have to recognize an impairment of goodwill in the consolidated financial statements for the year end 31 December 2020.

26. DEFERRED CONCESSION COST AND COSTS OF PROJECT UNDER DEVELOPMENT

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<u>Project under development – Mozambique</u>				
Concession cost	150,186	150,770	-	-
Costs of project under development	2,134,094	2,050,744	1,993,231	1,921,186
Total	2,284,280	2,201,514	1,993,231	1,921,186

Project under development – Mozambique

In 2013, an overseas subsidiary signed two Concession agreements with the Ministry of Transportation and Communications, Government of the Republic of Mozambique for the construction and operation of a Heavy Haul Railway Line and associated Deep-Sea Port in Macuse for the export of coal and other goods. The project investment costs were estimated at USD 3,200 million (equivalents to Baht 96,000 million), allowing for the concession period of 30 years (including construction).

1. Construction of a Heavy Haul Railway Lines from Moatize to Macuse Port, the approximate length of the standard gauge railways is about 613 kilometers.
2. Construction of a Deep-Sea Port at Macuse with the starting port capacity, for exporting coal, of 40 million tons annually to the maximum capacity of 100 million tons annually.
3. Operation of the Heavy Haul Railway Lines and Macuse Deep Sea Port on the Concession Agreement of 30 years (including the Construction) and the Concession period could be extended for another 10 years.

The overseas subsidiary has repayment of USD 5 Million USD within 30 days after concession agreement was signed and amount of USD 5 Million is reserving for People's Development & Empowerment Project stating from beginning of project.

Due to challenges in the coal export business including the decline in the market price of coal along with economic slowdown caused by Corona virus 2019 pandemic, management of the subsidiary decided in 2020 to revise its business plan to develop the project in phases. Phase 1 is the development of a multi-cargo port – the Macuse Port and Phase 2 includes the construction of the Railway from Moatize-Chitima to Macuse. The advantages from starting the development of Phase 1 first include shorter construction period and lower investment costs. Management of subsidiary will start Phase 2 development when the economics of the project can be justified.

During 2020, the subsidiary launched a tender bidding process for the Engineering Procurement and Construction (EPC) work, began the resettlement activities at the port area including construction of houses, and obtained approval for the Environmental License. Additionally, management of subsidiary is under discussion with a fund to provide financing for the Phase 1 development.

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

The outstanding balances of bank overdrafts and short-term loans from financial institutions as at 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Bank overdrafts	1,031,879	1,138,596	286	1,531
Short-term loans from financial institutions	6,086,673	6,197,073	4,700,787	4,125,046
Total	7,118,552	7,335,669	4,701,073	4,126,577

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

(Unit : Million)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
THB	4,894	5,276	4,452	4,125
INR	2,307	2,183	-	-
BDT	701	-	701	-

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

As at 31 December 2020 and 2019, part of loans amounting to Baht 3,232.62 million and Baht 3,465.05 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company's accounts with those banks.

As at 31 December 2020 and 2019, bank overdrafts and short-term credit facilities that have not been drawn down amounted to Baht 12,773.70 million and Baht 12,605.63 million, respectively.

28. TRADE ACCOUNTS PAYABLE – RELATED PARTIES

The outstanding balances as at 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Subsidiaries	-	-	672,300	1,188,594
Associated companies and joint ventures	128,104	185,418	109,997	173,897
Related companies	1,449,218	1,483,356	1,440,659	1,411,801
Total trade accounts payable – related parties	1,577,322	1,668,774	2,222,956	2,774,292

29. SHORT-TERM LOANS AND ADVANCE FROM RELATED PARTIES

The outstanding balances as at 31 December 2020 and 31 December 2019 are as follow:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Subsidiaries	-	-	440,523	-
Associated companies	18,085	-	-	-
Joint ventures	58,741	-	58,741	-
Total	76,826	-	499,264	-

During the year 2020, the Company and an overseas branch borrowed money from one overseas subsidiary and one joint venture of Baht 499.26 million for the working capital in their project

Movements in short-term loans and advance from related parties

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	-	-	-	-
Add : Additional borrowings	76,826	-	605,045	-
Less : Repayments	-	-	(105,781)	-
Balance as at 31 December	76,826	-	499,264	-

30. LONG-TERM LOANS

As at 31 December 2020 and 2019, the outstanding balance of long-term loans are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Outstanding balances	21,241,386	22,131,226	17,077,387	17,513,430
Less : Current portion	(11,943,288)	(10,851,040)	(11,224,108)	(10,219,305)
Net	9,298,098	11,280,186	5,853,279	7,294,125

Movements in the long-term loans for the years ended 31 December 2020 and 2019 are summarized as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	22,131,226	21,084,335	17,513,430	15,068,794
Add : Additional borrowings	7,083,769	7,057,294	6,369,712	6,812,670
Less : Repayments	(7,972,292)	(6,102,524)	(6,805,755)	(4,364,746)
Add (less) : Translation adjustment for foreign currency financial statements	(1,317)	92,121	-	(3,288)
Balance as at 31 December	21,241,386	22,131,226	17,077,387	17,513,430

The outstanding balance of long-term loans as at 31 December 2020 and 2019 are as follows:

Loan	Credit amount (Million Baht)	Interest rate	Condition	Guarantee	Million Baht			
					Consolidated F/S		Separate F/S	
					2020	2019	2020	2019
Portion of the Company								
	17,833	MLR – 1.00% per annum	Repayment within 2020 - 2023 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract	17,077	17,513	17,077	17,513
		MLR – 1.25% per annum	Repayment within 2020 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract				
		MLR – 1.50% per annum	Repayment within 2020 - 2023 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract				
		MLR – 2.00% per annum	Repayment within 2028 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		Market rate per annum	Repayment within 2020 upon completion of the project, whichever is earlier	Bank account opened for receive revenue from construction				
		4.00% per annum	Repayment per contract	-				
		5.25% per annum	Repayment within 2024	Land				
Portion of subsidiaries								
1	349	MLR – 1.00%, MLR - 1.70% and MLR- 3.05% per annum	Repayment within 2022 – 2025	Guarantee by machinery and equipment and by parent company	195	207	-	-
2	631	MLR per annum	Repayment per contract	Land and machinery	92	211	-	-
3	5,745	MLR – 1.50% per annum	Repayment within 2020 – 2026	Assignment on revenue from construction contract	2,718	3,264	-	-
4	5,600 Million BDT	Floating rate of Bank of Bangladesh plus 6.00% per annum	Repayment per contract	Guarantee by parent company	707	936	-	-
5	370	2.80%, 2.84% and 3.25% per annum	Repayment within 2021 – 2025	Guarantee by share holder	370	-	-	-
6	350 Million Rupee	9.55% per annum	Repayment within 2023	Land	82	-	-	-
Total					21,241	22,131	17,077	17,513
Less : Current portion					(11,943)	(10,851)	(11,204)	(10,219)
Net					9,298	11,280	5,853	7,294

31. DEBENTURES

Debtenture (Unit : Thousand Baht)	Duration	Date of issue	Maturity date	Interest rate (% p.a.)	Consolidated and Separate F/S	
					2020	2019
1	5 years 1 day	21 September 2015	22 September 2020	4.95	-	3,498,098
2	5 years	8 June 2016	8 June 2021	4.40	3,499,318	3,497,739
3	5 years 3 days	26 June 2017	29 June 2022	4.70	5,995,700	5,992,815
4	2 years 5 months 27 days	30 November 2017	27 May 2020	4.10	-	299,902
5	5 years	15 February 2019	15 February 2024	5.25	1,995,318	1,993,814
6	1 years 3 months	23 September 2020	23 December 2021	4.50	546,372	-
7	2 years 9 months	23 September 2020	23 June 2023	5.50	2,446,691	-
Total					14,483,399	15,282,368
Less: Current Portion					(4,045,690)	(3,798,000)
Debentures – net					10,437,709	11,484,368

Movements of debentures for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated and Separate F/S	
	2020	2019
Balance as at 1 January	15,282,368	14,781,049
Add : Newly issued debentures	3,015,200	2,000,000
Less : Redemption of former debentures	(3,800,000)	(1,500,000)
Less : Cost of issuing debentures	(25,201)	(7,500)
Add : Amortization of costs of issuing debentures	11,032	8,819
Balance as at 31 December	14,483,399	15,282,368
Less : Current portion	(4,045,690)	(3,798,000)
Net	10,437,709	11,484,368

On 23 September 2020, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 550 million (face value of Baht 1,000) with 1 year 3 months tenure. These bear interest at the of 4.50 percent per annum which is payable quarterly. The debentures will be due for redemption on 23 December 2021. The Company used the proceeds from this issuance to repay its debts.

On 23 September 2020, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 2,465.20 million (face value of Baht 1,000) with 2 years 9 months tenure. These bear interest at the of 5.50 percent per annum which is payable quarterly. The debentures will be due for redemption on 23 June 2023. The Company used the proceeds from this issuance to repay its debts.

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 (face value of Baht 1,000) with 5 years tenure. These bear interest at the 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 its 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.

On 12 November 2019, the Company called for a meeting No.1/2019 of debenture holders to consider the following matters;

- To consider waiving for the maintenance of the Debt to Equity ratio as stipulated in the Terms and Conditions of the debenture issuance to be effective from the fiscal year ended 2019 up to the end of fiscal year 2020. The Company has already received the approval from the five series of debenture holders.
- To consider the amendment of the definition of “Debt” and “Shareholders’ Equity” under the Terms and Conditions used for calculation of Debt to Equity ratio. The Company has already received the approval from one series of debenture holder while the remaining four series of debenture holders did not constitute the quorum. The Company will have to call for another meeting for consideration of this condition again on 25 November 2019. At present, the Company has already received the approval from four series of debenture holder.

32. EMPLOYEE BENEFITS OBLIGATION

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Present value of employee benefits obligation as at 31 December	1,944,518	1,870,676	1,422,732	1,390,917
Fair value of plan assets as at 31 December	(118,488)	(103,455)	-	-
Obligation – net	1,826,030	1,767,221	1,422,732	1,390,917
Less : Current portion of liabilities under employee benefits obligation	(709,897)	(701,276)	(617,120)	(620,633)
Net	1,116,133	1,065,945	805,612	770,284
Employee benefits obligation				
Balance as at 1 January	1,870,676	1,383,694	1,390,917	989,484
Past service costs from the amended severance pay of the Labor Law	-	310,638	-	277,949
Current service costs	121,250	116,278	82,481	80,933
Interest on obligation	40,948	55,825	20,019	33,360
Actuarial loss	98,858	125,418	82,628	81,581

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Benefit paid	(179,225)	(99,430)	(153,313)	(72,331)
Translation adjustments for foreign currency financial statements	(7,989)	(21,747)	-	(59)
Balance as at 31 December	1,944,518	1,870,676	1,422,732	1,390,917
Less : Current Portion	(709,897)	(701,276)	(617,120)	(620,633)
Net	1,234,621	1,169,400	805,612	770,284
Plan assets				
Balance as at 1 January	103,455	99,088	-	-
Expected returns on plan assets	17,332	7,232	-	-
Contribution	55,000	26,496	-	-
Benefit paid	(17,898)	(23,291)	-	-
Actuarial gain (loss)	14,416	3,661	-	-
Translation adjustments for foreign currency financial statements	(53,817)	(9,731)	-	-
Balance as at 31 December	118,488	103,455	-	-

On 5 April 2019, the National Legislative Assembly published Labor Protection Act No.7 B.E. 2562 in the Government Gazette which increases the obligation of the Group to pay compensation to employees for 400 days from previously defined for 300 days based on their salaries at the date of retirement if they have worked for a consecutive period of 20 years or more. The revised legislation became effective on 5 May 2019.

This change is considered an amendment to the post-employment benefits plan that resulted 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. The Group has recorded the effect of the change by recognizing past service costs as expenses immediately in the statement of profit or loss.

Plan assets invested with two insurance companies as at 31 December 2020 and 2019 are Baht 118.49 million and Baht 103.46 million, respectively. The management believes that the assets in these portfolios are well diversified risk and, as such, the long term return thereon is expected to be higher than the rate of return on Government Bonds.

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

The amount of employee benefits obligation, plan assets, the deficit thereof and the experiences of adjustments on plan assets and plan liabilities of overseas entities for the current and previous 3 years are as follows:

(Unit : Thousand Baht)	2020	2019	2018	2017
Employee benefits obligation	244,136	225,866	225,309	195,808
Plan assets	118,488	103,455	99,088	91,125
Deficit	(125,648)	(122,411)	(126,221)	(104,683)
Experience adjustments on plan assets	(14,416)	(3,661)	17,347	(721)
Experience adjustment on plan liabilities	(9,897)	(11,993)	(12,254)	(17,226)

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

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Financial assumptions				
Discount rates	0.62 – 8.20% per annum	1.24 – 8.21% per annum	0.92 – 1.09% per annum	1.35 – 1.41% per annum
Future average salary increment rates	0.00 – 8.00% per annum	0.00 – 8.00% per annum	1.95 – 5.36% per annum	1.00 – 5.50% per annum
Demographic assumptions				
Mortality rate	Mortality Table 2017	Mortality Table 2017	Mortality Table 2017	Mortality Table 2017
Normal retirement ages	50 - 60 years	50 - 60 years	60 years	60 years
Weighted average duration of the defined benefit obligation (years)	5 - 28 years	4 - 28 years	7 - 8 years	7 - 8 years

- Defined benefit plan expenses

Amounts recognized in profit or loss related to employee benefits obligation are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Past service cost	-	310,638	-	277,949
Current service cost	66,250	89,782	82,481	80,933
Net interest expense	23,616	48,593	20,019	33,360
Total expenses recognized in profit or loss	89,866	449,013	102,500	392,242

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

- Amounts recognized in other comprehensive income related to the employee benefits obligation plans are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Actuarial gain (loss) from changes in experience assumptions	(38,694)	(66,195)	(51,431)	(46,578)
Actuarial gain (loss) from changes in demographic assumptions	(10,809)	13,398	(796)	13,144
Actuarial gain (loss) from changes in financial assumptions	(43,252)	(68,959)	(30,401)	(48,147)
Translation adjustments for foreign currency financial statement	(1,258)	4,990	-	-
Total income (loss) recognized in other comprehensive income	(94,013)	(116,766)	(82,628)	(81,581)

All expenses summarised above were included in item that will not be reclassified subsequently to profit or loss.

- Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Unit : Thousand Baht)	Consolidated F/S				Separate F/S			
	2020		2019		2020		2019	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate								
Increment (decrement) of employee benefit obligation	(65,564)	197,620	(47,825)	172,417	(34,382)	36,283	(33,977)	35,090
Future salary growth								
Increment (decrement) of employee benefit obligation	196,875	(66,072)	171,135	(48,334)	35,246	(33,764)	34,077	(33,372)

- As at 31 December 2020 and 2019, expected maturity of employee benefits obligation before discount are as follow:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Within 1 year	708,144	692,012	617,120	620,633
Between 2 – 5 years	541,036	518,070	424,419	405,278
Between 6 – 10 years	664,210	657,844	491,837	478,248
Between 11 – 15 years	470,446	502,362	314,725	343,799

33. OTHER CURRENT LIABILITIES

In the year 2018, a Project Office in India 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 899.90 million. However, the employer has appealed the objection of such decision to the Court and consequently, the Project Office then has not received the agreed compensation.

On 1 February 2019, the Court ordered 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 271.85 million. Since the result of the claims cannot presently be concluded, the project not considered as a settlement for the receivable. The Company therefore has recorded such receipt as liability in the financial statements.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Thousand Baht)	Consolidated F/S					
	Lease liabilities	Other finance liabilities	Short - term loans	Long - term loans	Debentures	Total
1 January 2020	1,569,958	-	6,197,073	22,131,226	15,282,368	45,180,625
Cash-flows:						
- Repayment	(960,425)	(123,320)	(19,354,132)	(7,972,292)	(3,800,000)	(32,210,169)
- Proceeds	-	-	19,243,732	7,083,769	2,989,999	29,317,500
Non-cash:						
- Acquisition	1,630,455	1,590,190	-	-	-	3,220,645
- Amortization cost of issuing debentures	-	-	-	-	11,032	11,032
- Translation adjustments for foreign currency financial statement	(9,623)	-	-	(1,317)	-	(10,940)
31 December 2020	2,230,365	1,466,870	6,086,673	21,241,386	14,483,399	45,508,693

(Unit : Thousand Baht)	Consolidated F/S				
	Lease liabilities	Short-term loans	Long-term loans	Debentures	Total
1 January 2019	1,779,543	6,317,104	21,084,335	14,781,049	43,962,031
Cash-flows:					
- Repayment	(790,838)	(19,916,034)	(6,102,524)	(1,500,000)	(28,309,396)
- Proceeds	-	19,796,003	7,057,294	1,992,500	28,845,797
Non-cash:					
- Acquisition	592,802	-	-	-	592,802
- Amortization cost of issuing debentures	-	-	-	8,819	8,819
- Translation adjustments for foreign currency financial statement	(11,549)	-	92,121	-	80,572
31 December 2019	1,569,958	6,197,073	22,131,226	15,282,368	45,180,625

(Unit : Thousand Baht)	Separate F/S					
	Lease liabilities	Other finance liabilities	Short - term loans	Long - term loans	Debentures	Total
1 January 2020	1,428,282	-	4,125,046	17,513,430	15,282,368	38,349,126
Cash-flows:						
- Repayment	(767,794)	(100,400)	(18,004,743)	(6,805,755)	(3,800,000)	(29,478,692)
- Proceeds	-	-	18,580,484	6,369,712	2,989,999	27,940,195
Non-cash:						
- Acquisition	740,516	1,440,706	-	-	-	2,181,222
- Amortization cost of issuing debentures	-	-	-	-	11,032	11,032
31 December 2020	1,401,004	1,340,306	4,700,787	17,077,387	14,483,399	39,002,883

(Unit : Thousand Baht)	Separate F/S				
	Lease liabilities	Short-term loans	Long-term loans	Debentures	Total
1 January 2019	1,613,274	4,343,835	15,068,794	14,781,049	35,806,952
Cash-flows:					
- Repayment	(706,026)	(14,349,596)	(4,364,746)	(1,500,000)	(20,920,368)
- Proceeds	-	14,130,807	6,812,670	1,992,500	22,935,977
Non-cash:					
- Acquisition	521,034	-	-	-	521,034
- Amortization cost of issuing debentures	-	-	-	8,819	8,819
- Translation adjustments for foreign currency financial statement	-	-	(3,288)	-	(3,288)
31 December 2019	1,428,282	4,125,046	17,513,430	15,282,368	38,349,126

35. INCOME TAX

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

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Deferred tax assets	363,935	298,301	-	-
Deferred tax liabilities	(945,365)	(824,081)	(156,193)	(132,407)
Deferred tax – net	(581,430)	(525,780)	(156,193)	(132,407)

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

(Unit : Thousand Baht)	Consolidated F/S			
	1 January 2020	Recognized as income (expense)		31 December 2020
		Statement of profit and loss	Shareholders' Equity	
Deferred tax assets				
From allowance for impairment loss	38,090	13,033	(1,606)	49,517
From allowance for obsolete inventories	360	303	-	663
From depreciation of assets	155,429	(21,103)	(4,055)	130,271
Carrying Deficit	-	15,270	(515)	14,755
From employee benefits obligations	94,036	16,335	(3,710)	106,661
From finance lease payables	5,711	51,009	-	56,720
From other timing differences	4,675	1,237	(564)	5,348
Total	298,301	76,084	(10,450)	363,935
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	-	-	8,325	8,325
From finance lease payables	85,533	29,435	-	114,968
From depreciation of machinery	158,400	(12,669)	(3,454)	142,277
From debentures	3,526	2,834	-	6,360
From potash mining right	458,699	-	-	458,699
From investment properties	105,232	97,201	-	202,433
From other timing differences	12,691	-	(388)	12,303
Total	824,081	116,801	4,483	945,365

(Unit : Thousand Baht)	Consolidated F/S			
	1 January 2019	Recognized as income (expense)		31 December 2019
		Statement of profit and loss	Shareholders' Equity	
Deferred tax assets				
From allowance for impairment loss	94,000	(49,495)	(6,415)	38,090
From allowance for obsolete inventories	463	(103)	-	360
From depreciation of assets	182,672	(10,965)	(16,278)	155,429
From employee benefits obligations	127,087	(27,604)	(5,447)	94,036
From finance lease payables	5,188	523	-	5,711
From other timing differences	5,518	(761)	(82)	4,675
Total	414,928	(88,405)	(28,222)	298,301
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	22,106	-	(22,106)	-
From finance lease payables	85,607	(74)	-	85,533
From depreciation of machinery	215,500	(43,843)	(13,257)	158,400
From debentures	3,791	(265)	-	3,526
From potash mining right	458,699	-	-	458,699
From investment properties	100,222	5,010	-	105,232
From other timing differences	14,490	(490)	(1,309)	12,691
Total	900,415	(39,662)	(36,672)	824,081

(Unit : Thousand Baht)	Separate F/S			
	1 January 2020	Recognized as income (expense)		31 December 2020
		Statement of profit or loss	Shareholders' Equity	
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	-	-	7,856	7,856
From finance lease payables	71,544	(9,702)	-	61,842
From depreciation of machinery	26,119	(2,924)	-	23,195
From debentures	3,526	2,834	-	6,360
From Investment properties	31,218	25,722	-	56,940
Total	132,407	15,930	7,856	156,193

(Unit : Thousand Baht)	Separate F/S			
	1 January 2019	Recognized as income (expense)		31 December 2019
		Statement of profit or loss	Shareholders' Equity	
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	20,840	-	(20,840)	-
From finance lease payables	76,251	(4,707)	-	71,544
From depreciation of machinery	29,741	(3,508)	(114)	26,119
From debentures	3,791	(265)	-	3,526
From Investment properties	28,266	2,952	-	31,218
Total	158,889	(5,528)	(20,954)	132,407

Income tax consist of

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Domestic income tax				
Current tax	82,039	57,862	17,103	7,917
Overseas income tax				
Current tax	269,228	433,266	163,004	396,679
	351,267	491,128	180,107	404,596
Deferred tax				
Change in temporary differences	40,717	48,743	15,930	(5,528)
Total	391,984	539,871	196,037	399,068
Income tax recognized in other comprehensive income				
Unrealized gain (loss) on changes in value of investments	(8,325)	22,106	(7,856)	20,840
Actuarial loss	(3,710)	(5,447)	-	-
Others	(2,898)	(8,209)	-	114
Total	(14,933)	8,450	(7,856)	20,954

Reconciliation of effective tax rate

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Accounting profit (loss) before income tax	(735,302)	1,921,473	(755,543)	449,811
Tax rate for parent company (%)	20	20	20	20
Tax expense	(147,060)	384,295	(151,109)	89,962
Tax on adjustment for tax – rate difference in foreign jurisdictions	274,818	284,247	148,803	283,415
Tax on adjustment for eliminate transaction	(98,150)	(27,269)	(25,428)	65,000
Tax on deductible for revenue code	(462,524)	(549,310)	(200,215)	(181,881)
Tax on expenses not subject to tax for revenue code	265,748	409,719	48,216	212,401
Tax on recognition of previously unrecognized loss carry forward	(97,406)	(75,738)	(92,879)	(71,634)
Tax on current year losses for which no deferred tax asset was recognized	656,558	113,927	468,649	1,805
Tax expense	391,984	539,871	196,037	399,068

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

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Temporary differences	775,415	850,684	742,051	817,100
Unused loss taxable carried forward	188,819	219,928	92,879	117,077
Total	964,234	1,070,612	834,930	934,177

The tax losses will expire in 2019 to 2023. The deductible temporary differences do not expire under current tax legislation. The Group has not recognized deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits.

36. SHARE CAPITAL AND WARRANT

During the year 2020, the warrant holders exercised the right to convert 28,041 warrants to purchase 28,096 common shares at the ratio of 1:1.002 at the exercise price of Baht 13.971 per share. As a result, the Company's issued and fully paid-up share capital as at 31 December 2020 become Baht 5,279,868,944.

37. DIVIDEND PAYMENT

At the Annual General Shareholders Meeting held on 25 April 2019, shareholders passed a resolution to approve the dividend payment from the operations for the year 2018 at Baht 0.0144 per share for 5,279.84 million shares, totalling of Baht 76.02 million. The Company paid the dividend on 24 May 2019. (2020:None)

38. RELATED PARTY TRANSACTIONS

During the year, the Group has 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:

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

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

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2020	2019	2020	2019
(Unit : Million Baht)				
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	2,153	814
Purchases of construction materials and services	-	-	-	1,953
Purchases of equipment	-	-	1,277	120
<u>Transactions with associated and joint control companies and joint ventures</u>				
Construction services, sales and other income	921	207	36	137
Purchases of construction materials and services	157	334	142	295
Purchases of equipment	14	42	-	-
<u>Transactions with related parties</u>				
Construction services, sales and other income	464	526	424	512
Purchases of construction materials and services	2,433	3,156	2,384	2,821
Purchases of equipment	105	306	76	253
<u>Key management personnel compensation</u>				
Short-term employee benefits	179	183	137	135
Post-employment benefits	19	17	3	3

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

Accrued rental expenses

As at 31 December 2020, a subsidiary has accrued rental expenses with related parties of Baht 109.12 million (2019 : Baht 98.86 million).

39. RESERVED FOR PROJECTS EXPENSE – NET

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
(Unit : Thousand Baht)				
Reserved for projects expense	45,012	17,600	40,095	17,600
Less : Classified to current liability	(45,012)	(17,600)	(40,095)	(17,600)
Net	-	-	-	-

Movements of reserved for projects expense for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January	17,600	232,780	17,600	232,780
Less : Actual expenses during the year	(17,600)	(126,199)	(17,600)	(126,199)
Add (less) : Provision (reversal of reserved) for expenses	45,012	(88,981)	40,095	(88,981)
Balance as at 31 December	45,012	17,600	40,095	17,600

During the year 2020, the oversea branch and one oversea subsidiaries record the reserved for projects expense increase totalling Baht 45.01 million. During the year 2019, Joint Venture reversed the provision for expense which is provision for electricity expense that excess of the quota from the employer of Baht 88.98 million since the Joint Venture has improved and increased the efficiency of machinery. In addition, the Joint Venture has completed the providing service to the employer, the Joint Venture therefore revised the estimate in according to the actual amount of excess electricity use which billed from the employer.

40. PROVIDENT FUND

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company, and subsidiaries, contributed to the fund monthly at the rate of 2.00 – 15.00 percent of basic salary. The fund, which is managed by CIMB - Principal Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2020 and 2019, the Company and its subsidiaries contributed Baht 173.93 million and Baht 168.08 million, respectively (Separate F/S : Baht 57.18 million and Baht 55.10 million, respectively).

41. LEGAL RESERVE

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

42. OTHER INCOME

Significant other income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Royalty income	36,997	40,453	36,997	40,453
Rental income	54,581	56,264	50,531	51,707
Insurance claim	5,487	9,613	88	136
Gain on disposal of assets	32,546	40,291	4,872	2,663
Service income	203,674	176,588	35,660	30,621
Consulting income	18,749	40,154	18,162	40,154
Bad debt written back	43,996	22,620	235	-
Income from sale scrap	144,642	64,548	139,227	63,912
Reversal provision project expense	30,109	-	30,109	-
Others	170,177	180,076	144,827	85,064
Total	740,958	630,607	460,708	314,710

43. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2020 and 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Salaries, wages and other employee benefits	11,585,685	12,635,578	8,863,918	9,615,262
Materials and supplies used	16,214,828	20,862,034	11,695,663	14,161,628
Subcontract costs	14,245,731	15,248,729	8,673,785	11,550,708
Depreciation	4,095,209	3,188,241	2,615,634	1,901,434
Rental expenses	1,901,359	2,214,010	1,504,957	1,659,662
Fuel expenses	1,324,752	1,934,913	873,837	1,432,595
Utilities expenses	768,023	867,785	414,094	425,797
Transportation expenses	674,603	898,188	393,056	549,797
Professional fee	577,176	614,696	142,464	109,591
Repair and maintenance expenses	544,052	696,495	183,347	321,106
Prebid expenses	20,892	99,558	19,608	96,767
Amortisation	10,802	165,764	10,112	157,029

44. FINANCE COST

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Loans from bank	1,180,154	1,222,409	856,084	996,294
Debentures	727,705	736,534	727,705	736,534
Finance liabilities	129,483	103,481	72,359	57,906
Other	495,193	625,072	128,925	123,566
Total	2,532,535	2,687,496	1,785,073	1,914,300

45. GUARANTEES

As at 31 December 2020, the Group has letter of guarantees totalling approximately Baht 68,965.98 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 and subsidiaries do not expect to incur losses from these guarantees.

As at 31 December 2020, the Company has outstanding guarantees approximately Baht 4,279.86 million issued to financial institutions to bank overdraft, loan, letter of guarantee, letter of credit, trust receipt and promissory note 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., ITD-ITD Cem Joint venture, ITD-Cemindia Joint venture for which the Company issued full guarantees for the credit facilities).

46. COMMITMENTS

46.1 As at 31 December 2020, the Company, subsidiaries and joint venture have outstanding commitments with major subcontractors, classified by currencies as follows:

(Unit : Million Baht)	Baht Equivalent	
	Consolidated F/S	Separate F/S
<u>Currency</u>		
THB	8,419.22	8,254.12
INR	4,373.52	-
BDT	1,463.80	1,463.80
USD	2.18	2.18

As at 31 December 2020, the Group have the following outstanding commitments, proportionately, for purchases of materials, machinery, related services low value leasing, short term leasing and service contracts with significant amount accorded to business proportion presented by the foreign currency.

(Unit : Million Baht)	Baht Equivalent	
	Consolidated F/S	Separate F/S
<u>Currency</u>		
THB	1,181.00	1,104.87
USD	493.70	82.92
INR	311.38	-
EUR	258.20	177.65
VND	2.28	2.28
BDT	6.02	6.02
SGD	1.38	1.38

46.2 As at 31 December 2020, the Company has outstanding commitments in respect of the un-call portion of investments in six subsidiary companies of Baht 2.25 million, USD 0.31 million, MMK 344.17 million and investment in an joint control company as shareholder agreement of BDT 10,247.76 million.

46.3 As at 31 December 2020, the Company has outstanding commitments of USD 8.35 million for share purchase agreement with a joint shareholder of an associated company.

46.4 A subsidiary company has a commitment to apply for and to obtain a mining concession from the Government of Thailand as follows:

46.4.1 A subsidiary company has to pay bonus to the Ministry of Industry upon receipt of the mining concession of USD 5 million and an annual fee subsidizing the Education Fund to the Department of Primary Industries and Mines of USD 0.20 million in accordance with an agreement between the Ministry of Industry and the Department of Primary Industries and Mines and the subsidiary company.

46.4.2 A subsidiary company agreed to pay the compensation to beneficiaries in the concession areas of the mine in according with the Mineral Act. B.E. 2560. The compensation amount as stipulated in the Environment Impact Assessment report (EIA) in according with the Enhancement and Conservation of National Environmental Quality Act. B.E. 2535 is for a maximum amount of Baht 1,200 million throughout the period of concession of 25 years.

46.5 Several indirect subsidiary companies into entered service agreements for project consultant with commitment to pay fee at the rate as specified in agreements.

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

46.7 Indirect overseas subsidiaries have a commitment to pay Concession Fee for all concession project of the Dawei Special Economic Zone Initial Phase to Dawei SEZ Management Committee totalling USD 12.96 million and shall pay a recurring annual concession fee as stipulated in Concession Agreements.

47. CONTINGENT LIABILITIES

The Group has received notices from various customers claiming for compensation for breaches of contracts totalling Baht 1,296.09 million (the Company of Baht 423.12 million). Currently, these claims are under consideration of Civil Court of Baht 1,035.95 million and Arbitration Tribunal of Baht 260.15 million. The Group is unable to estimate the timings of cash outflows (if any) in respect of such claims since the results of the claims are depending on the decisions of the Court and Arbitration Tribunal which outcome cannot presently be concluded. However, the Group's management believes that such claims will not cause significant damages to the Group because some cases are brought without proper justifiable grounds. Therefore, the Group does not make any provision for liabilities in the accounts.

48. SEGMENT REPORTING

Consolidated financial statements as at 31 December 2020 and 2019 and for the years ended 31 December 2020 and 2019 combined geographic segment reporting as follows:

(Unit : Million Baht)	Consolidated F/S			
	Revenues from construction work		Non-current assets*	
	2020	2019	2020	2019
Geographic information				
Thailand	31,746	36,829	55,741	50,783
India	10,909	12,666	2,965	2,591
Bangladesh	2,647	5,537	1,920	2,157
Others	887	427	7,437	7,668
Total	46,189	55,459	68,063	63,199

* Exclude deferred tax asset and goodwill

External customers of the Group are in Thailand and India which is major markets, revenue have been identified on the basis of the customer's geographical location. Non-current assets are allocated based on their physical location.

Revenues

The Group has core revenues from construction service contracts and other service contracts including, manufacturing and selling of construction materials and products and assesses the performance obligation as a single performance obligation, and therefore recognizes revenues according to their natures as follows:

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

The Group recognizes revenues from sales and services when satisfies a performance obligation and the customer obtains control of the goods or services at an amount that reflects the consideration to which the Group expect to be entitled to received. The Group will not recognize revenue if the Group are still involved with the goods or if there are significant uncertainties regarding recovery of the consideration due.

The Group operations are mainly engaged in a construction services and are conducted geographical segments for the years ended 31 December 2020 and 2019 as follows:

(Unit : Million Baht)	Consolidated F/S													
	For the years ended 31 December													
	Thailand		India		Bangladesh		Other countries		Total		Eliminate		Grand Total	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
Revenue from construction work														
Gross segment revenues	31,746	36,829	10,909	12,666	2,647	5,537	887	427	46,189	55,459	-	-	46,189	55,459
Inter-segment revenues	2,060	1,131	109	134	850	-	-	-	3,019	1,265	(3,019)	(1,265)	-	-
Net revenues from third parties	33,806	37,960	11,018	12,800	3,497	5,537	887	427	49,208	56,724	(3,019)	(1,265)	46,189	55,459
Revenue from sale and service														
Gross segment revenues	5,893	4,315	-	-	-	-	1,886	2,448	7,779	6,763	-	-	7,779	6,763
Inter-segment revenues	1,384	1,592	-	-	-	-	-	-	1,384	1,592	(1,384)	(1,592)	-	-
Net revenues from third parties	7,277	5,907	-	-	-	-	1,886	2,448	9,163	8,355	(1,384)	(1,592)	7,779	6,763
Gross profit (loss)	4,093	3,918	1,176	1,425	(644)	840	653	367	5,278	6,550	(1,134)	(32)	4,144	6,518

	Consolidated F/S													
	For the years ended 31 December													
	Thailand		India		Bangladesh		Other countries		Total		Eliminate		Grand Total	
(Unit : Million Baht)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<u>Revenue disaggregated by pattern of revenue recognition</u>														
At point in time	33,806	37,960	11,018	12,800	3,497	5,537	887	427	49,209	56,724	(3,019)	(1,265)	46,189	55,459
Over time	7,277	5,907	-	-	-	-	1,886	2,448	9,163	8,355	(1,384)	(1,592)	7,779	6,763
Total	41,083	43,867	11,018	12,800	3,497	5,537	2,773	2,875	58,372	65,079	(4,403)	(2,857)	53,968	62,222
Interest income	92	85	89	88	-	-	2	1	183	174	(45)	(55)	138	119
Gain on revaluation of investment properties	475	10	-	-	-	-	-	-	475	10	-	-	475	10
Financial costs	(1,907)	(2,036)	(408)	(504)	(102)	(33)	(196)	(173)	(2,613)	(2,746)	80	59	(2,533)	(2,687)
Depreciation and amortization	3,374	(2,241)	(284)	(352)	(60)	(329)	(390)	(439)	(4,108)	(3,361)	2	7	(4,106)	(3,354)
Reversal of allowance (provision) for impairment loss	(541)	(38)	(237)	(42)	-	-	(253)	(11)	(1,031)	(91)	619	(3)	(412)	(94)
Reversal (provision) for impairment of investment	(199)	(2,465)	-	-	-	-	-	99	(199)	(2,366)	199	2,350	-	(16)
Share of profit from investment in associated and joint control companies and joint ventures													18	206
Income tax expense													(392)	(540)
Profit (loss) for the year													(1,127)	1,382

	Consolidate F/S													
	For the years ended 31 December													
	Thailand		India		Bangladesh		Other countries		Total		Elimination		Grand total	
(Unit : Million Baht)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Property, plant and equipment – net	22,238	20,883	2,190	2,301	805	1,070	4,386	4,720	29,619	28,974	(5)	(5)	29,614	28,969
Other assets	66,778	67,116	14,873	14,305	9,266	9,078	6,286	4,510	97,203	95,009	(18,944)	(18,893)	78,259	76,116
Total assets	89,016	87,999	17,063	16,606	10,071	10,148	10,672	9,230	126,822	123,983	(18,949)	(18,898)	107,873	105,085
Total liabilities	60,838	60,330	16,455	15,714	11,200	8,850	10,655	9,364	99,148	94,258	(6,719)	(6,150)	92,429	88,108

Major Customer

For the year ended 31 December 2020, the Group revenues derived from Government agencies amounting of Baht 35,404.58 million (2019 : Baht 44,506.52 million).

49. FAIR VALUE MEASUREMENT

The following table present financial and liabilities assets that are measured at fair value as at 31 December 2020:

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Financial assets</u>				
Temporary investments	-	47	-	47
Other long-term investments	369,918	-	-	369,918
Derivatives assets	-	34,362	-	34,362
<u>Non-financial assets</u>				
Investment properties	-	2,510,466	-	2,510,466
Total	369,918	2,544,875	-	2,914,793
Liability				
<u>Financial liability</u>				
Derivatives liability	-	167,703	-	167,703
Total	-	167,703	-	167,703

(Unit : Thousand Baht)	Separate F/S			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Financial assets</u>				
Other long-term investments	279,306	-	-	279,306
Derivatives assets	-	34,362	-	34,362
<u>Non-financial assets</u>				
Investment properties	-	1,068,821	-	1,068,821
Total	279,306	1,103,183	-	1,382,489

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

(Unit : Thousand Baht)	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Financial assets</u>				
Current investments	-	47	-	47
Other long-term investments	302,903	-	-	302,903
<u>Non-financial assets</u>				
Investment properties	-	2,041,160	-	2,041,160
Total	302,903	2,041,207	-	2,344,110
Liabilities				
<u>Financial liability</u>				
Derivative liabilities	-	205,727	-	205,727
Total	-	205,727	-	205,727

(Unit : Thousand Baht)	Separate F/S			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Financial asset</u>				
Other long-term investment	279,306	-	-	279,306
<u>Non-financial asset</u>				
Investment properties	-	1,068,821	-	1,068,821
Total	279,306	1,068,821	-	1,348,127
Liabilities				
<u>Financial liability</u>				
Derivative liabilities	-	50,216	-	50,216
Total	-	50,216	-	50,216

Investment properties are carried out using a market approach comparable with market price of the same assets reflects were observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the investment properties in question, including plot size, location, encumbrances and current use.

50. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 1 March 2021.

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