

**ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2018 (Unaudited but reviewed)**

**1. NATURE OF OPERATIONS**

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

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

**2.1 Basis for interim financial statements preparation**

The interim financial statements are for the three-month period ended 31 March 2018 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2017) “Interim Financial Reporting” which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards. These should be read in conjunction with the consolidated financial statements for the year ended 31 December 2017.

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

These interim financial statements have been approved by the Company's director on 15 May 2018.

**2.2 Basis of consolidation**

The interim consolidated financial statements included the financial statements of Italian - Thai Development Public Company Limited and its subsidiaries and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2017 with change in the structure of the group during the period as follows :

- During the period, an overseas subsidiary company increased its share capital which the Company did not participate in additional investment. This diluted the Company proportion of investment from 51.63% to 46.64%. Such overseas subsidiary company has investment in a joint venture of 40.00%. This also cause the dilution of the company equity of such joint venture from 20.70% to 18.66%

- 2.3 The consolidated financial statements as at 31 March 2018 include investments in associated companies under the equity method of Baht 480.14 million (representing 0.53% of the total assets) and related share of loss accounted for under equity method for three-month then ended of Baht 6.74 million (representing 5.05%, of the net profit of the period). Those financial statements are based on financial information compiled by the management of such associated companies which has not been reviewed by their auditor because those associated companies is not under the control of the Company's management. However, the management of the Company believes that there will be no significant variances had the financial statements of those associated companies been reviewed by their auditor.

## 2.4 Information of joint operations

The consolidated and separate financial statements as at 31 March 2018 and 31 December 2017 and for the three-month periods ended 31 March 2018 and 2017 included assets, liabilities, revenues and expenses of the joint operations proportionately based on the Company's interest as follows :

	(Unit : Thousand Baht)	
	31 March 2018	31 December 2017
Current assets	769,614	1,254,449
Non – current assets	1,168,084	1,029,815
Current liabilities	566,423	2,519,428
Non – current liabilities	774,936	277,455

	(Unit : Thousand Baht)	
	For the three-month periods ended	
	31 March	
	2018	2017
Revenues	448,647	246,306
Expenses	430,978	257,754

## 3. SIGNIFICANTS ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Company and its subsidiaries for the year ended 31 December 2017. The Company and its subsidiaries have adopted the revised Thai Financial Reporting Standards, interpretations and guidance effective for annual accounting periods beginning on or after 1 January 2018. The changes were principally to align with the corresponding International Financial Reporting Standards, with most of the changes relating to the revision of wording and terminology, the provision of interpretations and accounting guidance to the users of the standards. The initial application of the revised Thai Financial Reporting Standards has no material effect on these interim financial statements of the Company and subsidiaries.

During the period, the Federation of Accounting Professions issued the Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” which is effective from 1 January 2019. Thai Financial Reporting Standard No. 15 presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard No. 11 “Construction Contracts”, and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which limited in detail under existing Thai Financial Reporting Standards. The Company and its subsidiaries will adopt this new standard when it becomes effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

#### 4. ESTIMATES

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation, are the same as those applied in the annual financial statements for the year ended 31 December 2017.

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

The aging of outstanding trade accounts receivable balances as at 31 March 2018 and 31 December 2017 are as follows :

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Less than 3 months	9,287,570	7,632,380	8,189,391	6,658,682
3 – 6 months	409,905	449,812	113,529	158,943
6 – 12 months	185,970	353,200	15,606	7,635
More than 12 months	1,219,261	1,230,896	399,975	402,137
Total	11,102,706	9,666,288	8,718,501	7,227,397
Less : Allowance for doubtful accounts	(964,770)	(969,052)	(395,508)	(396,706)
Net	10,137,936	8,697,236	8,322,993	6,830,691

The Company has set up a full allowance for doubtful accounts for receivables from private customers that have been overdue for more than 12 months and at 50 percent for those accounts overdue for more than 6 months, except trade accounts receivables of an overseas subsidiary included in the consolidated financial statements of Baht 296.24 million (31 December 2017: Baht 309.98 million) which have been under negotiation with the customer under a debt settlement plan. Management considers that the amount will be received in full amount. Therefore, no allowance was made for non-collection.

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

The outstanding balances as at 31 March 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Subsidiaries	-	-	1,725,947	1,761,470
Associated companies and joint ventures	1,752,035	1,182,412	1,164,577	1,129,910
Related parties	1,521,539	1,470,758	1,393,922	1,308,318
Joint operations	29,169	25,958	29,169	25,958
<b>Total</b>	<b>3,302,743</b>	<b>2,679,128</b>	<b>4,313,615</b>	<b>4,225,656</b>
Less : Allowance for doubtful accounts	(610,141)	(617,903)	(692,680)	(687,186)
Trade accounts receivable				
– related parties – net	<b>2,692,602</b>	<b>2,061,225</b>	<b>3,620,935</b>	<b>3,538,470</b>

The aging of outstanding trade accounts receivable – related parties balances as at 31 March 2018 and 31 December 2017 are as follows :

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Less than 3 months	1,040,373	447,786	891,249	790,904
3 – 6 months	87,989	108,456	146,675	877,501
6 – 12 months	140,541	116,637	977,121	303,972
More than 12 months	2,033,840	2,006,249	2,298,570	2,253,279
<b>Total</b>	<b>3,302,743</b>	<b>2,679,128</b>	<b>4,313,615</b>	<b>4,225,656</b>
Less : Allowance for doubtful accounts	(610,141)	(617,903)	(692,680)	(687,186)
<b>Net</b>	<b>2,692,602</b>	<b>2,061,225</b>	<b>3,620,935</b>	<b>3,538,470</b>

As at 31 March 2018, the consolidated and separate financial statements include trade accounts receivable and short – term loans to related companies totalling Baht 177.15 million and Baht 103.57 million, respectively (31 December 2017 : Baht 178.96 million and Baht 103.57 million, respectively). Such receivables are under the process of project feasibility study and negotiation with strategic investors to join its operations in the future. Debt repayment from such debtors depends on the materialization of the project feasibility. The management, therefore, believes that full collection from such debtors can be made and has not considered setting up allowance for non – collection in the accounts.

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Subsidiaries	-	-	3,230,628	3,233,016
Associated companies and joint ventures	247,603	255,908	196,921	198,730
Related parties	15,566	16,018	-	-
Joint operations	13	23	13	23
<b>Total</b>	<b>263,182</b>	<b>271,949</b>	<b>3,427,562</b>	<b>3,431,769</b>
Less : Allowance for doubtful accounts	(11,296)	(11,255)	(2,112,745)	(2,059,344)
<b>Short – term loans and advances to subsidiaries and related parties – net</b>	<b>251,886</b>	<b>260,694</b>	<b>1,314,817</b>	<b>1,372,425</b>

Significant movements in short - term loans and advances to subsidiaries and related parties for the three-month period ended 31 March 2018 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S			31 March 2018
	1 January 2018	During the period		
	Increase	Decrease		
Associated companies and joint ventures	255,908	-	8,305	247,603
Related companies	16,018	-	452	15,566
Joint operations	23	-	10	13
<b>Total</b>	<b>271,949</b>	<b>-</b>	<b>8,767</b>	<b>263,182</b>

	(Unit : Thousand Baht)			
	Separate F/S			31 March 2018
	1 January 2018	During the period		
	Increase	Decrease		
Subsidiaries	3,233,016	-	2,388	3,230,628
Associated company and joint ventures	198,730	-	1,809	196,921
Joint operations	23	-	10	13
<b>Total</b>	<b>3,431,769</b>	<b>-</b>	<b>4,207</b>	<b>3,427,562</b>

## 8. INVESTMENTS

### 8.1 Investments in subsidiaries – net

Investments in direct subsidiaries as at 31 March 2018 and 31 December 2017 comprise investments as follows :

Nature of business	Paid-up Capital	Percentage of shareholding		(Unit : Thousand Baht) Separate F/S Cost		
		31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017	
		Percent	Percent			
<b><u>Investments in subsidiaries</u></b>						
Italian-Thai International Co., Ltd.	Holding company	400,000	99.99	99.99	400,000	400,000
Less : Allowance for impairment					(400,000)	(400,000)
Net					-	-
Bhaka Bhumi Development Co., Ltd.	Real estate development	5,075	99.99	99.99	5,075	5,075
Thai Pride Cement Co., Ltd.	Manufacture and distribution of cement	1,300,000	99.99	99.99	1,585,000	1,585,000
Nha Pralan Crushing Plant Co., Ltd.	Rock quarrying, processing and distribution	31,000	99.99	99.99	30,999	30,999
Less : Allowance for impairment					(10,999)	(10,999)
Net					20,000	20,000
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products	126,000	99.80	99.80	124,296	124,296
Italthai Marine Co., Ltd.	Production and sale of vessels and equipment	810,000	92.59	92.59	430,000	430,000
Less : Allowance for impairment					(430,000)	(430,000)
Net					-	-
Italthai Trevi Co., Ltd.	Foundation and piling work services	80,000	90.94	90.94	84,189	84,189
Asian Steel Product Co., Ltd.	Manufacture and distribution of large steel pipes	20,000	69.90	69.90	7,004	7,004
Thai Maruken Co., Ltd.	Lease and sale of sheet piles and beams for foundation construction work	20,000	50.96	50.96	10,196	10,196
Italian-Thai Land Co., Ltd.	Not yet operational	10,000	99.99	99.99	50	50
Less : Allowance for impairment					(50)	(50)
Net					-	-
Palang Thai Kaowna Co., Ltd.	Not yet operational	1,000	99.94	99.94	650	650
Less : Allowance for impairment					(650)	(650)
Net					-	-
Palit Palang Ngan Co., Ltd.	Not yet operational	1,000	74.93	74.93	50	50
Less : Allowance for impairment					(50)	(50)
Net					-	-
Italian Thai Power Co., Ltd.	Production and distribution of electricity	100,000	99.99	99.99	100,000	100,000
Less : Allowance for impairment					(100,000)	(100,000)
Net					-	-
Saraburi Construction Technology Co., Ltd.	Manufacture, distribution and installation of concrete sheet	250	99.93	99.93	250	250
Asia Logistics Development Co., Ltd.	Not yet operational	1,000	99.93	99.93	999	999
Asia Industrial and Port Corporation Co., Ltd.	Not yet operational	1,000	99.93	99.93	999	999
Myanmar Italian-Thai Power 1 Co., Ltd.	Not yet operational	250	99.95	99.95	250	250
Italian - Thai Hongsa Co., Ltd.	Coal mining contractor	250	99.97	99.97	250	250
APPC Holding Co., Ltd.	Holding company	3,795,987	60.00	60.00	2,277,592	2,277,592

		(Unit : Thousand Baht)				
		Paid-up Capital	Percentage of shareholding		Separate F/S Cost	
Nature of business	31 Mar 2018		31 Dec 2017	31 Mar 2018	31 Dec 2017	
	Percent		Percent			
<b><u>Overseas subsidiary companies</u></b>						
Myanmar ITD Co., Ltd.	Service agent for Myanmar companies	1,483	99.99	99.99	1,483	1,483
Less : Allowance for impairment					(1,483)	(1,483)
Net					-	-
PT. Thailindo Bara Pratama	Coal mining contractor	25,250	99.99	99.99	108,071	108,071
		Million IDR				
ITD Cementation India Limited	Construction services in India	172	46.64	51.63	2,143,951	2,143,951
		Million INR				
ITD–Madagascar S.A.	Mining business	20	99.98	99.98	99,527	99,527
		Million MGA				
Less : Allowance for impairment					(99,173)	(99,173)
Net					354	354
ITD Construction SDN. BHD.	Construction services in Malaysia	0.75	99.99	99.99	7,312	7,312
		Million MYR				
Less : Allowance for impairment					(7,312)	(7,312)
Net					-	-
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	1,120	99.99	99.99	463,949	463,949
		Million BDT				
ITD Bangladesh Company Limited	Construction services in Bangladesh	4	99.99	99.99	1,546	1,546
		Million BDT				
Italian–Thai Development Vietnam Co., Ltd.	Not yet operational	6,000	80.00	80.00	9,160	9,160
		Million VND				
Less : Allowance for impairment					(9,160)	(9,160)
Net					-	-
ITD Mozambique Limitada	Construction services in the Republic of Mozambique	1,141,815	99.00	99.00	38,447	38,447
		USD				
Thai Mozambique Logistica SA	Concession for constructing Port and Railway in the Republic of Mozambique	250,000	60.00	60.00	4,955	4,955
		USD				
Momaz Logistics	Not yet operational	-	100.00	100.00	-	-
		USD				
Italian - Thai Development (Myanmar) Co., Ltd.	Construction services in the Republic of the Union of Myanmar	25,000	99.90	99.90	814	814
		USD				
Total Investments in subsidiaries - net					6,878,187	6,878,187

On 2 February 2018, an overseas subsidiary issued 16,629,684 shares at price of 202.55 INR per share (par value at 1 INR per share) to Qualified Institutional Buyers by legal and received paid-up share capital amounting to INR 3,368.34 million (net cash received from share issuance expenses of Baht 1,531.67 million). Such subsidiary increased its registered share capital from 155,157,900 shares to 171,787,584 shares. Consequently, the proportion the Company's investment from 51.63% to 46.64% but the surplus on investment in subsidiary increased of Baht 511.74 million which is recognized in other components of shareholders' equity during the period. However, the Company has continued to the consolidate the financial statements of such subsidiary since the Company has not lost control from the change of shareholding in subsidiary.

## 8.2 Investments in associated companies - net

Movements in investments in associated companies, which are accounted for by the equity method in the consolidated financial statements, for the three-month period ended 31 March 2018 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	633,637	697,963
Less: Share of loss from associated companies	(2,797)	-
Less: Translation adjustment for foreign currency financial statements	(10,258)	-
Balance as at 31 March 2018	620,582	697,963

Investments in associated companies as at 31 March 2018 and 31 December 2017, comprise investments in the following :

Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S		Separate F/S		
		31 Mar	31 Dec	Equity method		Cost		
		2018	2017	31 Mar	31 Dec	31 Mar	31 Dec	
		Percent	Percent	2018	2017	2018	2017	
<b><u>Investments in associated companies</u></b>								
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	36,267	35,199	2,450	2,450
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,615	26,615	27,373	27,373
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	104,170	101,292	71,603	71,603
Oriental Residence Bangkok Co., Ltd.	Real estate development	500,000	15.00	15.00	-	-	75,000	75,000
<b><u>Overseas companies</u></b>								
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25 Million PHP	24.00	24.00	12,000	12,000	12,000	12,000
Less : Allowance for impairment Net					(12,000)	(12,000)	(12,000)	(12,000)
MCRP Holding Corporation, Philippines	Holding company in Philippines	5 Million PHP	24.00	24.00	3,000	3,000	3,000	3,000
Less : Allowance for impairment 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	451,005	468,006	521,537	521,537
Total investments in associated companies – net					618,057	631,112	697,963	697,963
<b><u>Investment in associated company held by subsidiary</u></b>								
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	-	-
Total investment in associated company held by subsidiary					2,525	2,525	-	-
Total investments in associated companies - net					620,582	633,637	697,963	697,963



### 8.3 Investments in joint ventures - net

Movements in investments in joint ventures, which are accounted for by the equity method in the consolidated financial statements, during the three-month period ended 31 March 2018 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	126,524	-
Add : Share of profit from joint ventures	40,641	-
Add : Translation adjustment for foreign currency financial statements	7,005	-
Balance as at 31 March 2018	<u>174,170</u>	<u>-</u>

Investments in joint ventures as at 31 March 2018 and 31 December 2017, comprise investments in the following:

Nature of business	Proportion of investments	(Unit : Thousand Baht)					
				Consolidated F/S		Separate F/S	
				Equity		Cost	
		31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
	Percent	Percent					
<b><u>Investments in joint ventures</u></b>							
ITD-EGC Joint Venture	Construction services in Republic of China	55.00	55.00	304,952	295,766	294,954	295,206
Less : Allowance for impairment Net				(294,954)	(292,896)	(294,954)	(295,206)
				9,998	2,870	-	-
IOT Joint Venture	Construction services	40.00	40.00	-	-	-	-
ITD – ETF Joint Venture	Construction services	65.00	65.00	52,583	52,525	-	-
ITD – ETF – MVM Joint Venture	Construction services	55.25	55.25	19,819	19,831	-	-
CMC/ITD/SONG DA Joint Venture	Construction services	30.00	30.00	48,223	48,223	-	-
ITD SINOHYDRO Joint Venture	Construction services	51.00	51.00	9,677	3,075	-	-
Total investments in joint ventures - net				<u>140,300</u>	<u>126,524</u>	<u>-</u>	<u>-</u>
<b><u>Investments in joint ventures held by subsidiary</u></b>							
CEC-ITD Cem-TPL Joint Venture	Construction services	18.66 *	20.70 *	33,870	-	-	-
Total investments in joint venture held by subsidiary - net				<u>33,870</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments in joint ventures - net				<u>174,170</u>	<u>126,524</u>	<u>-</u>	<u>-</u>
<b>Total investments in subsidiaries, associated companies and joint ventures - net</b>				<u>794,752</u>	<u>760,161</u>	<u>7,576,150</u>	<u>7,576,150</u>

\* The Company has investment in joint ventures held by subsidiary of 40%. During the period, such subsidiary increased its share capital. Consequently, the proportion of investment in subsidiary decreased from 51.63% to 46.64%. Therefore, the proportion of the Company in the joint venture also decreased from 20.70% to 18.66%.

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

## 9. OTHER LONG – TERM INVESTMENTS – NET

Movements in other long - term investments during the three-month period ended 31 March 2018 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	861,138	691,793
Less : Unrealized loss from changes in value of investments	(107,360)	(101,301)
Balance as at 31 March 2018	<u>753,778</u>	<u>590,492</u>

Other long - term investments as at 31 March 2018 and 31 December 2017 comprise investments as follows :

Nature of business	(Unit : Thousand Baht)						
	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017	
	Percent	Percent					
<b><u>Investments in other companies</u></b>							
<b>a) <u>Non-listed companies</u></b>							
M-Home SPV 3 Co., Ltd.	Real estate development	11.54	11.54	12	12	12	12
Less : Allowance for impairment				(12)	(12)	(12)	(12)
Net				-	-	-	-
Siam Steel Syndicate Plc.	Manufacture and distribution for construction	1.15	1.15	55,885	55,885	55,885	55,885
Siam Fiber Optics Co., Ltd.	Manufacture and distribution of optic fibers	10.00	10.00	24,000	24,000	24,000	24,000
Bell Development Co., Ltd.	Real estate development	2.29	2.29	47,313	47,313	47,313	47,313
The Bangkok Club Co., Ltd.	Entertainment services	0.44	0.44	3,000	3,000	3,000	3,000
Less : Allowance for impairment				(1,985)	(1,985)	(1,985)	(1,985)
Net				1,015	1,015	1,015	1,015
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery rental	15.00	15.00	7,500	7,500	7,500	7,500
Praram 9 Square Co., Ltd.	Shopping center development	6.32	6.32	200,000	200,000	200,000	200,000
Less : Allowance for impairment				(200,000)	(200,000)	(200,000)	(200,000)
Net				-	-	-	-
Total investment in other non-listed companies – net				<u>135,713</u>	<u>135,713</u>	<u>135,713</u>	<u>135,713</u>
<b>b) <u>Listed companies</u></b>							
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				142,964	240,485	142,964	240,485
Net market value				<u>451,679</u>	<u>549,200</u>	<u>451,679</u>	<u>549,200</u>
TTCL Plc.	Construction services	0.07	0.07	400	400	400	400
Add : Unrealized gain from changes in value of investments				2,700	6,480	2,700	6,480
Net market value				<u>3,100</u>	<u>6,880</u>	<u>3,100</u>	<u>6,880</u>
Total investment in other listed companies – net				<u>454,779</u>	<u>556,080</u>	<u>454,779</u>	<u>556,080</u>
Total investments in other companies - net				<u>590,492</u>	<u>691,793</u>	<u>590,492</u>	<u>691,793</u>

		(Unit : Thousand Baht)					
		Percentage of Shareholding		Consolidated F/S		Separate F/S	
Nature of business		31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
		2018	2017	2018	2017	2018	2017
		Percent	Percent				
<b><u>Investments held by subsidiaries</u></b>							
a) <u>Non-listed company</u>							
Bell Development Co., Ltd.	Real estate development	6.55	6.55	135,226	135,226	-	-
b) <u>Listed company</u>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	0.80	0.80	19,178	19,178	-	-
Add : Unrealized gain from changes in value of investments				8,882	14,941	-	-
Net market value				28,060	34,119	-	-
Total investment held by subsidiaries				163,286	169,345	-	-
<b>Total other long-term investments – net</b>				<b>753,778</b>	<b>861,138</b>	<b>590,492</b>	<b>691,793</b>

## 10. LAND LEASE CONCESSION AND PROJECT UNDER DEVELOPMENT

		(Unit : Thousand Baht)			
		Consolidated F/S		Separate F/S	
		31 March	31 December	31 March	31 December
		2018	2017	2018	2017
Land lease concession		30,198	30,198	-	-
Project under development		7,636,986	7,621,557	5,153,660	5,130,170
Total		7,667,184	7,651,755	5,153,660	5,130,170

As at 31 March 2018 and 31 December 2017, the Company has costs for acquisition of land lease concessions and projects under development in the Dawei Special Economic Zone ("DSEZ") amounting to Baht 7,667.18 million and Baht 7,651.76 million, respectively. This project depends on the cooperation of the governments of Thailand and The Republic of the union of Myanmar as the new concessionaires and promoters of the Dawei Project. The Company has the right to reimburse such costs including other expenses during negotiation from Special Purpose Vehicle after the completion of the due diligence work performed by the consultants of the two governments.

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

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

On 21 March 2018, the Government of the Republic of the Union of Myanmar established a DSEZ Legal Advisory Team to arrange the meeting for Land Lease Agreement with the concessionaires. In the meeting, both parties agreed to find out the conclusion for further discussion with the DSEZ MC.

In March 2018, the Government of the Republic of the Union of Myanmar approved the terms and conditions of a loan offer by the Government of Thailand for construction of road link from Dawei to the Thailand border. Currently, it is in process to prepare the loan agreement and the selection of contractor through bidding for construction of road link project.

On 28 – 29 March 2018, DSEZ MC arranged a final Public Consultation Meeting for all concessionaires which was attended by the local people, relevant of the Republic of the Union of Myanmar Authorities, the concessionaires and external agencies. Currently, it is in process to revise the Environmental Impact Assessment Report (EIA Report) by the concessionaires for further submission to the Environmental Conservation Department (ECD) of the Republic of the Union of Myanmar for approval.

## **11. POTASH MINING RIGHT**

The Company holds a 90% investment in a potash mine project through a group of subsidiary companies which has total investment of Baht 2,293.49 million. The Ministry of Finance also holds 10% of the registered share capital. The application for potash mining concessions from the government is under process.

The Department of Primary Industries and Mines (DPIM) is now scrutinizing the documents for the mining license application approval of subsidiary to the Ministry of Industry. The approval of mining licenses may be behind than the Company's expectation since the DPIM is waiting for the approval of the Mineral Master Plan B.E. 2017-2021 from the Ministry in according to the Mineral Act. 2017. The Company's management believes that the approval of the Mineral Master Plan will be approved by the Ministry soon.

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

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

The outstanding balances as at 31 March 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Subsidiaries	-	-	7,080,777	7,026,668
Less : Allowance for doubtful accounts	-	-	(1,357,293)	(1,355,601)
Net	-	-	5,723,484	5,671,067

Significant movements in the long - term loans and advances to subsidiaries for the three-month period ended 31 March 2018 are as follows :

	(Unit : Thousand Baht)			
	1 January 2018	Separate F/S		31 March 2018
		Increase	Decrease	
Subsidiaries	7,026,668	54,109	-	7,080,777

## 13. INVESTMENT PROPERTIES

As at 31 March 2018, investment properties presented at fair value consist of :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Land	1,727,270	765,219
Building	321,000	321,000
Total	2,048,270	1,086,219

Movements in investment properties for the three-month period ended 31 March 2018 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	<u>                    </u>	<u>                    </u>
Net book value as at 1 January 2018	2,113,270	1,151,219
Disposal during the period	(65,000)	(65,000)
Net book value as at 31 March 2018	<u>2,048,270</u>	<u>1,086,219</u>

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

During the three-month period ended 31 March 2018, condensed movements in property, plant and equipment are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
	<u>                    </u>	<u>                    </u>
Net book value as at 1 January 2018	19,646,861	9,488,112
Purchases / transferred in	1,237,247	824,743
Disposal / transferred out	(213,355)	(67,256)
Depreciation for the period	(672,121)	(337,281)
Accumulated depreciation for disposal of fixed assets	161,413	65,619
Translation adjustment for foreign currency financial statements	(205,164)	(35,852)
Net book value as at 31 March 2018	<u>19,954,881</u>	<u>9,938,085</u>

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

The outstanding balances of bank overdrafts and short – term loans from financial institutions as at 31 March 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bank overdrafts	1,232,755	791,468	-	-
Short – term loans from financial institutions	6,610,365	7,700,113	5,220,679	5,348,803
Total	<u>7,843,120</u>	<u>8,491,581</u>	<u>5,220,679</u>	<u>5,348,803</u>

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

	(Unit : Million)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
THB	5,477	5,738	5,221	5,349
INR	2,359	3,845	-	-

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

The subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 103.74 million. These loans bear interest per annum at MLR – 0.75%. Such long-term loans are collateralized by its land and structure including most present and future thereon, and the guarantee of the Company and subsidiary. The subsidiary companies are obliged to reduce credit facilities when upon the redemption of the mortgage at 70% – 80% of selling price of the projects' assets as stipulated in the agreements. The payback period for the principals are within 36 – 42 months from agreements date.

As at 31 March 2018 and 31 December 2017, part of loans amounting to Baht 3,337.47 million and Baht 3,869.50 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company's accounts with those banks.

As at 31 March 2018 and 31 December 2017, bank overdrafts and short - term credit facilities that have not been drawn down amounted to Baht 7,140.61 million and Baht 7,100.72 million, respectively.

## 16. TRADE ACCOUNTS PAYABLE – RELATED PARTIES

The outstanding balances as at 31 March 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Subsidiaries	-	-	495,922	460,569
Associated companies and joint ventures	420,439	389,174	400,165	372,829
Related companies	1,138,743	1,183,482	1,025,643	1,046,130
Total trade accounts payable				
– related parties	1,559,182	1,572,656	1,921,730	1,879,528

## 17. LONG – TERM LOANS – NET

As at 31 March 2018 and 31 December 2017, the outstanding balance of long – term loans are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Outstanding balances	16,741,676	15,236,546	10,995,233	9,209,727
Less : Current portion	(10,117,821)	(8,823,130)	(8,770,477)	(7,398,073)
Net	<u>6,623,855</u>	<u>6,413,416</u>	<u>2,224,756</u>	<u>1,811,654</u>

Movements in the long – term loans for the three-month period ended 31 March 2018 are summarized as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	15,236,546	9,209,727
Add : Additional borrowings	2,494,760	2,494,760
Less : Repayments	(917,962)	(705,056)
Less : Translation adjustment for foreign currency financial statements	(71,668)	(4,198)
Balance as at 31 March 2018	<u>16,741,676</u>	<u>10,995,233</u>



The outstanding balance of long – term loans as at 31 March 2018 and 31 December 2017 are as follows :

Loan	Credit amount (Million Baht)	Interest rate (Percentage)	Condition	Guarantee	Million Baht			
					Consolidated F/S		Separate F/S	
					31 March 2018	31 December 2017	31 March 2018	31 December 2017
<b>Parent Company</b>								
	12,555	MLR - 0.50 per annum	Repayment within 2018 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract	10,995	9,210	10,995	9,210
		MLR - 1 per annum	Repayment within 2018 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract				
		MLR - 1.25 per annum	Repayment within 2018 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract				
		MLR - 1.50 per annum	Repayment within 2019 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract				
		Libor + 4% per annum	Repayment per contract	Machinery				
		Market rate per annum	Repayment within 2020 or upon completion of the project, whichever is earlier	Bank account which open for receive revenue from construction				
<b>Subsidiaries</b>								
1	120	MLR - 1.90 per annum	Repayment within 36 months from initial drawdown	Machinery	64	65	-	-
2	951	MLR per annum	Repayment per agreement	Land and Machinery	321	329	-	-
3	265 Million INR	10.15 per annum	Repayment by quarterly start from November 2017	Construction and Equipment	62	135	-	-
4	10,242	MLR - 1.50 per annum	Repayment within 2018 – 2026	Assignment on revenue from construction contract	4,096	4,235	-	-
5	4,000 Million BDT	Floating rate of Bank of Bangladesh plus 6 percent per annum	Repayment per contract	Guarantee by parent company	1,204	1,263	-	-
				Total	16,742	15,237	10,995	9,210
				Less : Current portion	(10,118)	(8,823)	(8,770)	(7,398)
				Net	6,624	6,414	2,225	1,812

## 18. DEBENTURES – NET

Movements of debentures for the three-month period ended 31 March 2018 are as follows :

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<hr/>
Balance as at 1 January 2018	14,553,330
Amortization of debentures issuing costs	1,903
Balance as at 31 March 2018	<hr/> 14,555,233
Less : Current portion within 1 year	(830,000)
Net	<hr/> <hr/> 13,725,233

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

## 19. RELATED PARTY TRANSACTION

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

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

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

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 31 March			
	2018	2017	2018	2017
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	148	136
Purchases of construction materials and services	-	-	76	537
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	45	35	27	30
Purchases of construction materials and services	-	85	-	71
<u>Transactions with related companies</u>				
Construction services, sales and other income	177	82	158	62
Purchases of construction materials and services	231	621	162	579
Purchases of assets and equipment	232	122	192	122
<u>Key management personnel compensation</u>				
Short-term employee benefits	32	31	25	25
Post-employment benefits	3	3	-	-

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

#### Accrued rental expenses

As at 31 March 2018, a subsidiary has accrued rental expenses of Baht 78.36 million (31 December 2017 : Baht 77.38 million).

## **20. GUARANTEES**

As at 31 March 2018, the Company and subsidiaries have outstanding guarantees totaling approximately Baht 56,547.94 million issued by financial institutions on behalf of the Company and subsidiaries in respect of certain performance bonds required in the normal course of business. The Company does not expect to incur losses from these guarantees.

As at 31 March 2018, the Company has outstanding guarantees approximately Baht 7,333.12 million issued to financial institutions to collateralize credit facilities granted by those financial institutions to the subsidiaries and joint venture. The Company issued guarantees in proportion to its shareholding (except for Italthai Trevi Co., Ltd., Italthai Marine Co., Ltd., Aquathai Co., Ltd., Sarithorn Co., Ltd., Asian Steel Product Co., Ltd., First Dhaka Elevated Expressway Co., Ltd., and ITD Cementation India Limited for which the Company issued full guarantees for the credit facilities).

## 21. COMMITMENTS

21.1 As at 31 March 2018, the Company, subsidiaries and joint ventures have outstanding commitments with major subcontractors, classified by currencies as follows :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	4,391.00	4,176.26
INR	2,114.84	67.92
BDT	1,133.38	979.27

21.2 As at 31 March 2018, the Company and subsidiaries have the following outstanding commitments, for purchases of materials, machinery, related services and service contracts classified by currencies as follow :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	1,139.53	1,061.81
USD	1,191.98	820.90
INR	95.38	-
EUR	197.93	166.77
VND	105.56	105.56
CNY	18.89	18.89
JPY	1.77	1.77
BDT	1,367.07	1,367.07

21.3 As at 31 March 2018, the Company has outstanding commitments in respect of the un-call portion of investments in nine subsidiary companies of Baht 2.25 million, USD 1.65 million, BDT 27,400.19 million and MMK 344.17 million.

21.4 As at 31 March 2018, the Company has outstanding commitments of USD 8.35 million for purchase shares transfer agreement of an associated company from existing shareholder.

21.5 A subsidiary company has a commitment to apply for and to obtain a mining concession from the Government of Thailand prior to the commencement of the potash mining operations. A fee of USD 5.00 million is payable to the Ministry of Industry upon receipt of the mining concession and an annual fee subsidizing the Education Fund of USD 0.20 million is payable to the Department of Primary Industries and Mines in accordance with an agreement between the Ministry of Industry and the Department of Primary Industries and Mines and the subsidiary company.

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

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

## **22. CONTINGENT LIABILITIES**

During the prior year, litigation has been brought against the Company. As at 31 March 2018, management has considered such litigation to be unjustifiable. The Company, therefore, has not set any provision in the financial statements. There has been no significant change in litigation from the year ended 31 December 2017.

## 23. SEGMENT REPORTING

The operations of the Company and subsidiaries for the three-month periods ended 31 March 2018 and 2017 are principally engaged in a single industry segment, construction services and are conducted in the following geographical segments as follows :

(Unit : Million Baht)

	Consolidated F/S											
	For the three-month periods ended 31 March											
	Thailand		India		Other countries		Total		Eliminate		Grand total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<u>Revenue from construction work</u>												
Revenues from external sources	8,685	8,370	3,567	3,129	597	158	12,849	11,657	-	-	12,849	11,657
Inter - segment revenues	171	343	62	13	-	-	233	356	(233)	(356)	-	-
Total segment revenue	8,856	8,713	3,629	3,142	597	158	13,082	12,013	(233)	(356)	12,849	11,657
<u>Revenue from sales and services</u>												
Revenues from external sources	910	770	-	-	634	434	1,544	1,204	-	-	1,544	1,204
Inter - segment revenues	46	309	-	-	-	-	46	309	(46)	(309)	-	-
Total segment revenue	956	1,079	-	-	634	434	1,590	1,513	(46)	(309)	1,544	1,204
Gross profit	776	965	489	480	310	160	1,575	1,605	(13)	7	1,562	1,612
Other income											186	109
Interest income											15	46
Loss on impairment of assets											-	(27)
Interest expense											(558)	(591)
Depreciation and amortization											(685)	(618)
Provision for doubtful accounts											(13)	(15)
Loss on exchange rate											(179)	(111)
Share of profit from investment in associated companies and joint ventures											38	31
Income tax expense											(84)	(115)
Profit for the period											133	98

(Unit : Million Baht)

	Thailand		India		Other countries		Total		Elimination		Grand total	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Property, plant and equipment - net	11,270	11,188	2,589	2,624	6,115	5,857	19,974	19,669	(19)	(22)	19,955	19,647
Other assets	66,060	63,832	13,477	13,418	9,894	9,865	89,431	87,115	(18,736)	(18,933)	70,695	68,182
<b>Total assets</b>	<b>77,330</b>	<b>75,020</b>	<b>16,066</b>	<b>16,042</b>	<b>16,009</b>	<b>15,722</b>	<b>109,405</b>	<b>106,784</b>	<b>(18,755)</b>	<b>(18,955)</b>	<b>90,650</b>	<b>87,829</b>
Total liabilities	55,306	52,836	15,101	16,639	17,957	17,632	88,364	87,107	(14,008)	(14,050)	74,356	73,057

The Company did not disclose the operation segments for the separate financial statements because the major result of operations occurs from the operations in Thailand and the operations from others geographical are not significant.

## 24. FINANCIAL INSTRUMENTS

### *Foreign currency risk*

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2018 are summarized below :

Foreign currency	Consolidated F/S		Separate F/S		Average exchange rate as at 31 March 2018 (Baht per foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
USD	26	7	53	7	31.3569
INR	-	-	24	-	0.4483
LAK	-	519	-	-	0.0038

Forward exchange contracts which remain outstanding as at 31 March 2018 are summarized below :

Currency	Balance (Million)	Forward contract exchange rate
JPY (buy)	435	0.3076
USD (buy)	15	31.2080 – 32.6590
CNY (buy)	1	4.9400

As at 31 March 2018, significant foreign currency denominated assets and liabilities of the Company, subsidiaries and joint venture which are unhedged are as follow :

	Consolidated F/S (Net)		
	USD Million	INR Million	LAK Million
Trade accounts receivable and retention	10	-	-
Trade accounts receivable and loan to related companies	16	-	-
Trade accounts payable	2	-	519
Loans from financial institutions	5	-	-

  

	Separate F/S (Net)	
	USD Million	INR Million
Trade accounts receivable and loan to related companies	53	24
Trade accounts payable	2	-
Loans from financial institutions	5	-

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

## 25. EARNINGS PER SHARE

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

## 26. FAIR VALUE MEASUREMENT

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

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

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



The following table present financial and liabilities assets that are measured at fair value as at 31 March 2018 :

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Forward contract assets	-	18,205	-	18,205
Current investments	-	46	-	46
Other long – term investments	482,839	-	-	482,839
Investment properties	-	2,048,270	-	2,048,270
<b>Total</b>	<b>482,839</b>	<b>2,066,521</b>	<b>-</b>	<b>2,549,360</b>

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Forward contract assets	-	18,205	-	18,205
Other long – term investment	454,779	-	-	454,779
Investment properties	-	1,086,219	-	1,086,219
<b>Total</b>	<b>454,779</b>	<b>1,104,424</b>	<b>-</b>	<b>1,559,203</b>

## 27. EVENT AFTER THE REPORTING PERIOD

On 30 April 2018, the Company and Sumitomo Mitsui Corporation Company Limited jointly invested in SMCC-ITD Joint Venture. The Company has proportion of 49% investment in the Joint Venture. Joint Venture is incorporated under the laws of Bangladesh and is principally engaged in the construction of Dhaka Mass Transit Development project (CP-06) at Dhaka, Bangladesh with Dhaka Mass Transit Company Limited. amounting to BDT 23,320 million.