**ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021 (Unaudited but reviewed)**

1. **NATURE OF OPERATIONS**

Italian-Thai Development Public Company Limited (“the Company”) registered its incorporated and domiciled in Thailand. The Company and subsidiaries are principally engaged in the construction services and other services relating 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.

1. **BASIS OF INTERIM FINANCIAL STATEMENTS PREPARATION**
	1. Basis for interim financial statements preparation

The interim financial statements for the three-month and nine-month periods ended 30 September 2021 have been prepared in accordance with Thai Accounting Standard No.34 “Interim Financial Reporting” including guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission and are presented in Thai Baht currency which do not include all the information required in annual financial statements in accordance with Thai Financial Reporting Standards. These should therefore be read in conjunction with the full set of financial statements for the year ended 31 December 2020.

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

These interim financial statements were approved by the Company’s directors on 15 November 2021.

* 1. Basis for interim consolidated financial statements preparation

The interim consolidated financial statements included the financial statements of Italian-Thai Development Public Company Limited and its subsidiaries and are prepared on the same basis as applied for the preparation of consolidated financial statements for the year ended 31 December 2020 with significant changes in Group’s structure during the period as follows:

* The Company and China Railway Number 10 (Thailand) Company Limited jointly invested in ITD-CREC Joint Venture which is principally engaged in the construction for New State Audit Office of the Kingdom of Thailand. The Company has investment of 51% of the joint venture.
* The Company and Thai Takenaka International Limited jointly invested in ITALIAN-THAI-TAKENAKA Joint Venture which is principally engaged in the construction of Retail 1 (“R1”) and Office 1B (“O1B”) for One Bangkok Mixed-Use development project. The Company has investment of 70% of the joint venture.
* The Company and Nawarat Patanakarn Public Company Limited jointly invested in ITALIANTHAI-NAWARAT Joint Venture which is principally engaged in the construction of water tunnel by Ratchaphruek Road from Khlong Maha Sawat to Petchkasem Road. The Company has investment of 51% of the joint venture.
* The Company and Nawarat Patanakarn Public Company Limited jointly invested in ITD-NAWARAT Joint venture which is principally engaged in the construction of railway Denchai-Chiang Rai-Chiang Khong Contract 1 from Denchai to Ngaw. The Company has investment of 80% of the joint venture.
* The Company and Nawarat Patanakarn Public Company Limited jointly invested in ITD-NWR Joint venture which is principally engaged in the construction of Khlong Prem Prachakorn drainage tunnel from Khlong Bang Bua to Chao Phraya River. The Company has investment of 70% of the joint venture.
* The Company and Vichitbhan Construction Company Limited jointly invested in ITD-VCB Joint venture which is principally engaged in the construction of Expressway project Rama 3-Dao Khanong-Ropnokkrungthep ring Metropolitan West Side Contract 3 range Dao Khanong-Suk sawat-Ratburana. The Company has investment of 70% of the joint venture.
* The Company’s branch in Cambodia, the Company's branch in Taiwan, ITD-EGC Joint Venture and SQ-ITD Joint Venture were registered for liquidation.
	1. The interim consolidated financial statements as at 30 September 2021 included investments in associated companies accounted for by the equity method of Baht 303.14 million and related share of loss accounted for by the equity method of associated companies for the nine-month period then ended of Baht 0.18 million, respectively for which the figures are based on financial information compiled by the management of such associated companies which had not been reviewed by their auditors because those associated companies are not under the control of the Company’s management. However, the Company’s management believes that there will be no significant variances had the financial statements of those associated companies have been reviewed by their auditors.

In addition, the consolidated statement of financial position as at 30 September 2021 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 at 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 which is under the consideration process of Dispute Adjudication Board (DAB). Therefore, the joint venture’s management is unable to assess the potential impact to the realizable value of assets, the obligation in current liabilities including contingent liabilities from such matter.

* 1. Financial information of joint operations

The interim consolidated and separate financial statements as at 30 September 2021 and
31 December 2020 and for the three-month and nine-month periods ended 30 September 2021 and 2020 included assets, liabilities, revenues and expenses of the joint operations (after eliminate transaction with the Company) proportionately based on the Company’s interest as follows:

|  |  |
| --- | --- |
|   | (Unit : Thousand Baht) |
|  | 30 September 2021 | 31 December 2020 |
|  |  |  |
| Current assets | 2,872,220 | 2,502,524 |
| Non-current assets | 207,344 | 230,377 |
| Current liabilities | 1,583,413 | 1,316,540 |
| Non-current liabilities | 976,124 | 910,331 |
|  |  |  |
|  |  |  | (Unit : Thousand Baht) |
|  | For the three-month period ended 30 September | For the nine-month period ended 30 September |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Revenues | 1,184,003 | 356,176 | 2,972,289 | 1,217,548 |
| Expenses | 746,093 | 223,642 | 1,722,045 | 879,785 |

1. **SIGNIFICANT ACCOUNTING POLICIES**

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Group for the year ended 31 December 2020, including the adoption of the new and revised Thai Financial Reporting Standards, interpretations and guidance that become effective for the preparation financial statements for the period beginning on 1 January 2021 as follows:

* 1. Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No. 8 “Accounting policies, Changes in Accounting Estimates and Errors”

There is an amendment to the definition of the term “Materiality” to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarified the materiality application to Thai Financial Reporting Standard No.1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

* 1. Thai Financial Reporting Standard No.3 “Business combinations”

This standard was amended to provide more consideration as follow:

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of purchase whether it is considered as purchase of assets or business combination.

- Amend the definition of the term “Business” to define the business combination to include, at a minimum, an input and a substantive process that are collectively significant contribution to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

* 1. Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

These standards change specific hedge accounting requirements to relief the uncertainties arising from impact of interest rate benchmark reform such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to disclose all hedging relationships directly affected by such uncertainty.

* 1. Conceptual Framework for Financial Reporting

The conceptual framework definition was amended to define assets and liabilities and criteria for recognizing assets and liabilities in financial statements by adding the conceptual and application consideration as follow:

- Measurement including factors to be considered when selecting a benchmark basis

- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.

- Derecognition assets and liabilities from financial statements.

In addition, this framework describes about responsibilities by function, conservative consideration concept, and uncertainty in the measurement of values in the preparation of financial information. The revision in conceptual framework also affects the revision in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

* 1. Thai Financial Reporting Standard No.16 “Lease”

This standard amends the treatment for the reduction of rent affected by the COVID-19 pandemic by giving option for lessees not to assess the temporary change in rent (as described under the accounting standard) as a lease modification.

However, the Group has initially adopted this amended TFRS that is effective for annual accounting periods beginning on or after 1 January 2021 and has not early adopted this TFRS before the effective date. The application has no material impact on the financial statements.

1. **EFFECT FROM THE PANDEMIC OF CORONAVIRUS DISEASE 2019 (COVID-19)**

The COVID-19 pandemic has caused economic slowdown and adversely impacted most businesses and industries in many countries around the world. This situation has brought about uncertainties and has impacted 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 domestic and overseas construction projects, including the financial impact in respect of the revenues and expenses, valuation of assets, provisions and contingent liabilities. The management has monitored the impact from such matter on the group’s financial statements which using estimate and judgement in respect of various issues as the situation has evolved.

From the uncertainty situation in 2020. The Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 pandemic in preparing the financial statements for the year ended 31 December 2020. However, the accounting guidance already expired on 31 December 2020, therefore the discontinuation of application of the accounting relief relevance to the matter as follows:

* 1. Impairment of assets

The Group uses the forward-looking information into account when determining expected credit losses in cases where the Group uses a simplified approach to determine expected credit losses. There is no material impact on the financial statements.

* 1. Fair value measurement

The Group measures the value of investments in non-marketable equity securities at fair value by considers to measures every year. The impact from the discontinuation of such accounting relief is disclosed in note 13 to the interim financial statements. However, if there are factors which may cause significant changes in the fair value of such investments, the Group will consider to measure the value within such period.

* 1. Deferred tax

The Group considers to use information relating to the COVID-19 pandemic situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilized. There is no material impact on the financial statements.

1. **ESTIMATES**

When preparing the interim financial statements, management undertake judgments, estimates and assumptions for the 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 2020.

1. **PROMISSORY NOTES RECEIVABLE**

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated and Separate F/S |
|  | 30 September 2021 | 31 December 2020 |
|  |  |  |
| Promissory notes receivable | 335,939 | 385,939 |
| Less : Current portion | (50,000) | (50,000) |
| Net | 285,939 | 335,939 |

During the year 2018, the Company entered into an agreement with a debtor for the settlement of construction work. Such debtor agreed to settle the debt by issuing promissory notes to the Company with installment payments over 10 years with interest at 4.18% per annum.

As at 30 September 2021, the Company has long-term loan from a local financial institution of Baht 335.94 million (31 December 2020 : Baht 385.94 million). Such loan bears interest at 4% per annum. The principal and interest are repayable when the Company receives debt settlement from the promissory notes receivable from the debtor mentioned above.

1. **TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES**

##

## The aging of outstanding trade accounts receivable balances as at 30 September 2021 and 31 December 2020 are as follows:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
| Receivable Ages | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Less than 3 months | 6,476,993 | 7,860,838 | 4,986,435 | 6,530,450 |
| 3 – 6 months | 324,374 | 376,309 | 124,173 | 276,258 |
| 6 – 12 months | 291,353 | 282,913 | 182,788 | 211,892 |
| More than 12 months | 3,078,830 | 2,899,187 | 2,088,310 | 1,988,089 |
| Total | 10,171,550 | 11,419,247 | 7,381,706 | 9,006,689 |
| Less : Allowance for impairment losses | (1,194,008) | (1,115,566) | (324,872) | (339,360) |
| Net | 8,977,542 | 10,303,681 | 7,056,834 | 8,667,329 |

The Group recognizes the allowance for impairment loss by expected credit loss (ECL) model, except for the following receivables:

* As of 30 September 2021 and 31 December 2020, the consolidated and separate financial statements included trade accounts receivable of the construction project for a state enterprise in total of Baht 1,125.79 million, which 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 employer since the employer had claimed for a penalty charge regarding to the completion of construction work after the key completion dates and also after the final completion date of the contract. The Company opposed to the claims by submitting letters to the employer and received a notification letter from the employer summarizing the consideration of the extension of the completion dates for some cases of the delay causes and reduction the penalty charges for partial amount on 14 September 2020.

However, the Company still opposed to the extended number of days relating to the causes of construction delays as approved by the employer. Consequently, the Company submitted a letter to the employer to reserve the right for abstaining and reducing the remaining penalty charges on 11 November 2020 requesting the employer to review the accommodate all causes of delay to affect the number of delays correctly and fairly along with the clarifying details and submitting the supporting documents in order to request the collection of the outstanding construction work. Currently, this matter has been in consideration of the project consultant to prepare the opinion report propose to the Project Owner’s Management Bureau for the approval from the Work Inspection Committee (WIC) and proposing to the Board of Directors for further approval.

On 24 June 2021, the Company submitted a letter to the employer asking for accelerating the consideration of the extension of time and refund the remaining balance of penalty which has been held by the employer. However, the Company’s management decidedly believes that the extension of times for abstaining and reducing the remaining penalty charges will be approved. The Company will receive the full payment for the remaining construction work from project owner.

* As at 30 September 2021, the Group has outstanding trade receivables from the government sectors totaling Baht 699.32 million and receivables from the private sectors totaling Baht 213.44 million for various construction projects in both of Thailand and overseas which is under the negotiation process for the debt collection for the construction work. Such construction projects have been certified by the project consultant and the employer. Therefore, the Group’s management believes that they are able to collection such construction work in full amount.
* As at 30 September 2021, the consolidated financial statement include trade receivable from private sector of an overseas subsidiary of Baht 69.43 million. The debt collection is depended on the result from the negotiation with the employer as discussed in Note 30.1 to interim financial statements.
1. **TRADE AND OTHER ACCOUNTS RECEIVABLE – RELATED PARTIES**

# The outstanding balances as at 30 September 2021 and 31 December 2020 are as follows:

#

|  |  | (Unit : Thousand Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S |
|  | 30 September2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
| **Trade accounts receivable** |  |  |  |  |
| Subsidiaries | - | - | 2,508,371 | 2,880,925 |
| Associated and joint control companies  and joint ventures | 1,683,676 | 1,969,017 | 1,248,970 | 1,140,922 |
| Related parties | 420,037 | 460,477 | 319,204 | 364,605 |
| Total | 2,103,713 | 2,429,494 | 4,076,545 | 4,386,452 |
|  |  |  |  |  |
| **Other accounts receivable**  |  |  |  |  |
| Joint operation | - | 34,743 | - | 34,743 |
|  |  |  |  |  |
| Total trade and other accounts receivable - related parties  | 2,103,713 | 2,464,237 | 4,076,545 | 4,421,195 |
| Less : Allowance for impairment loss | (578,002) | (580,794) | (583,826) | (620,052) |
| Net | 1,525,711 | 1,883,443 | 3,492,719 | 3,801,143 |

The aging of outstanding balances of trade and other accounts receivable - related parties as at 30 September 2021 and 31 December 2020 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
| Receivable ages | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Less than 3 months | 219,714 | 938,114 | 409,501 | 1,273,651 |
| 3 – 6 months | 95,335 | 14,150 | 887,491 | 128,860 |
| 6 – 12 months | 41,253 | 253,667 | 331,969 | 683,042 |
| 12 – 24 months | 568,176 | 78,050 | 794,075 | 560,358 |
| More than 24 months | 1,179,235 | 1,180,256 | 1,653,509 | 1,775,284 |
| Total | 2,103,713 | 2,464,237 | 4,076,545 | 4,421,195  |
| Less : Allowance for impairment losses | (578,002) |  (580,794) | (583,826) |  (620,052) |
| Net | 1,525,711 | 1,883,443 | 3,492,719 | 3,801,143 |

1. **SHORT – TERM LOANS AND ADVANCES TO RELATED PARTIES**

|  |  | (Unit : Thousand Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 1,499,158 | 1,260,456 |
| Associated companies and joint ventures | 363,711 | 362,499 | 246,551 |  219,165 |
| Related parties | 16,184 | 14,330 | - |  - |
| Joint venture partner | - | 2,237 | - |  2,237 |
| Total | 379,895 | 379,066 | 1,745,709 | 1,481,858 |
| Less : Allowance for impairment losses | (27,859) | (26,495) | (958,391) |  (905,855) |
| Net | 352,036 |  352,571 | 787,318 |  576,003 |

Movements in short-term loans and advances to related parties for the nine-month period ended 30 September 2021 are as follows:

|  |  | (Unit : Thousand Baht)  |
| --- | --- | --- |
|  | Consolidated F/S |
|  | 1 January | During the period | 30 September |
|  | 2021 | Increase | Decrease | 2021 |
|  |  |  |  |  |
| Associated companies and joint ventures | 362,499 | 1,875 | 663 | 363,711 |
| Related parties | 14,330 | 1,854 | - | 16,184 |
| Joint venture partner |  2,237 | - |  2,237 | - |
| Total |  379,066 | 3,729 |  2,900 | 379,895 |

|  |  | (Unit : Thousand Baht)  |
| --- | --- | --- |
|  | Separate F/S |
|  | 1 January | During the period | 30 September |
|  | 2021 | Increase | Decrease | 2021 |
|  |  |  |  |  |
| Subsidiaries | 1,260,456 | 320,050 | 81,348 | 1,499,158 |
| Associated company and joint ventures | 219,165 | 28,049 | 663 | 246,551 |
| Joint venture partner |  2,237 | - |  2,237 | - |
| Total | 1,481,858 | 348,099 |  84,248 | 1,745,709 |

1. **CONTRACT ASSETS AND CONTRACT LIABILITIES**

The Group has outstanding balances of contract assets and contract liabilities with customers as follow:

|  |  | (Unit : Thousand Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| **Contract assets** |  |  |  |  |
| Current assets |  |  |  |  |
|  Earned revenues not yet billed - net | 24,577,875 |  22,366,105  | 19,631,240 | 18,032,163 |
|  Retentions receivable | 4,046,438 |  3,495,900  | 2,676,399 | 2,448,450 |
|  Costs to fulfil a contract asset | 32,217 | 61,157 | 32,217 | 61,157 |
| Total current assets | 28,656,530 | 25,923,162 | 22,339,856 | 20,541,770 |
|  |  |  |  |  |
| Non-current assets |  |  |  |  |
|  Costs to fulfil a contract asset | 3,568 | 15,177 | 3,568 | 15,177 |
| Total non-current assets | 3,568 | 15,177 | 3,568 | 15,177 |
|  |  |  |  |  |
| Total contract assets | 28,660,098 | 25,938,339 | 22,343,424 | 20,556,947 |
|  |  |  |  |  |
| **Contract liabilities** |  |  |  |  |
| Current liabilities |  |  |  |  |
| Receipts in excess of contracted work  in progress  | 3,166,050 | 2,799,109 | 42,684 | 534,207 |
| Customer advances under construction  contracts due for revenue recognition  within 1 year | 7,078,623 | 6,964,227 | 6,821,183 | 6,677,880 |
| Total current liabilities | 10,244,673 | 9,763,336 | 6,863,867 | 7,212,087 |
|  |  |  |  |  |
| Non-current liabilities |  |  |  |  |
| Customer advances under construction contracts | 6,880,108 | 5,695,411 | 4,763,280 | 3,920,684 |
| Total non-current liabilities | 6,880,108 | 5,695,411 | 4,763,280 | 3,920,684 |
|  |  |  |  |  |
| Total contract liabilities | 17,124,781 | 15,458,747 | 11,627,147 | 11,132,771 |

As at 30 September 2021, the consolidated financial statements included the Company’s portion of earned revenues but not yet billed of Baht 270.50 million (Rupees 589.57 million) (31 December 2020 : Baht 276.94 million (Rupees 675.92 million)) which present variation orders claims 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 employer in the year 2019 and received the Performance Certificate on 24 December 2020 subsequently.

On 11 June 2021, the employer made the partial payment for the construction work to the joint venture. However, the joint venture is currently under the negotiation with the employer to claim the remaining construction work done. The joint venture’s management has assessed the realization based on information from the legal opinion of an independent counsel and believes that they will get the full payment from the employer. The recoverability of such earned revenues not yet billed is dependent on the outcome from the negotiation with the employer which cannot presently be concluded.

1. **RESTRICTED DEPOSITS WITH BANKS**

During the period, the Company has entered into agreements to pledge the deposits and its interest as collateral with two banks are as follows:

* 1. Deposit with a local bank of Baht 150.05 million as business collateral in order to secure the repayment obligations of the Company and an overseas subsidiary.
	2. Deposit with an overseas bank of USD 5 million (equivalents to Baht 168.77 million) as collateral for an overseas subsidiary for issuing Standby Letter of Credit according to the conditions in the loan agreement for their project under development as discussed in Note 19 to interim financial statements.
1. **INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND JOINT CONTROL COMPANIES AND**

**JOINT VENTURES**

|  |  | (Unit : Thousand Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Investment in subsidiaries | - | - | 11,720,855 | 11,788,289 |
| Investment in associated and joint control companies | 2,776,356 | 2,333,075 | 2,703,251 | 2,369,980 |
| Investment in joint ventures | 424,058 | 342,721 | - | - |
|  Total | 3,200,414 | 2,675,796 | 14,424,106 | 14,158,269 |

* 1. Investment in subsidiaries

Movements in investments in subsidiaries for the nine-month period ended 30 September 2021 are as follows:

|  |
| --- |
| (Unit : Thousand Baht) |
|  | Separate F/S |
|  |  |
| Balance as at 1 January 2021 | 11,788,289 |
| Add : Addition in this period | 130,000 |
| Less : Allowance for impairment loss  | (197,434) |
| Balance as at 30 September 2021 | 11,720,855 |

The Company recognized the allowance for impairment loss of investment in subsidiaries totaling Baht 128.34 million. The Company’s management has considered the recoverable amount of such investments under the current economic situation and circumstances.

During the period, the Company made additional investment in share capital of a local subsidiary of Baht 130 million. Such subsidiary used some cash received for debt settlement to the Company totaling Baht 69.09 million which the Company had previously recognized full allowance for impairment loss for such receivable, short-term loans and advances to such subsidiary. The Company therefore reverses allowance for impairment loss for such transactions and considers to recognize allowance for impairment of investments during the period.

* 1. Investment in associated and joint control 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 nine-month period ended 30 September 2021 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  (Unit : Thousand Baht) |
|  |  |  | Consolidated F/S | Separate F/S |
|  |  |  |  |  |
| Balance as at 1 January 2021 |  | 2,333,075 | 2,369,980 |
| Add : Addition invest during the period | 333,271 | 333,271 |
| Less : Share of loss from associated and  joint control companies | (24,302) | - |
| Less : Dividend income from the associated company |  | (4,379) | - |
| Less : Elimination gain from construction services for project under development of joint control company | (15,597) | - |
| Add : Translation adjustment for foreign currency  financial statements |  | 154,288 | - |
| Balance as at 30 September 2021 |  | 2,776,356 | 2,703,251 |

Significant projects under development which the Company invested through associated and joint control companies are as follows:

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. This associated company obtained the concession right from the Government of Lao People’s Democratic Republic for bauxite mining in the year 2009. The Company has investment in associated, trade accounts receivable, retentions receivable and loans to associated company in order to invest in such project totaling Baht 1,162.90 million. The associated company 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 January 2021, the associated company 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 the condition in the agreement in order to comply with the current applicable policies and laws.

In September 2021, the associated company has signed a memorandum of understanding (MOU) with a strategic partner and engage the project consultant to prepare the Upgrading Bankable Feasibility Study to assess the project feasibility in order to support the seeking of financing for future project development.

First Dhaka Elevated Expressway Project

The Company invested through First Dhaka Elevated Expressway Co., Ltd. which is the joint control company was established in the People's Republic of Bangladesh. Bangladesh Bridge Authority of the Government of the People’s Republic of Bangladesh has issued the concession rights to the joint control company in order to constructs and operates of the Dhaka Elevated Expressway. The concession period is 25 years included 42 months of construction period. The Joint control company has received the construction commencement letter since 1 January 2020.

As of 30 September 2021, the Company has investment in associated and accounts receivable totaling Baht 2,314.13 million. The progress of construction work of 1st Tranche distance of 7.45 kilometers is 67.95%, the 2nd and 3rd Tranche totally distances of 12.28 kilometers is 14.66% and the Central Control Building is 32.50%.

* 1. Investment in joint ventures

Movements in investments in joint ventures, which are accounted for by the equity method in the consolidated financial statements for the nine-month period ended 30 September 2021 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  (Unit : Thousand Baht) |
|  |  |  | Consolidated F/S | Separate F/S |
|  |  |  |  |  |
| Balance as at 1 January 2021 |  | 342,721 | - |
| Add : Share of profit from joint ventures | 150,509 | - |
| Less : Cash receipts for the share of profit from  joint ventures | (114,030) | - |
| Add : Translation adjustment for foreign currency financial statements  | 44,858 | - |
| Balance as at 30 September 2021 |  | 424,058 | - |

In the year 2019, CMC/ITD/SONGDA Joint Venture and the employer have been in dispute regarding the termination of construction contract. Such dispute is under the consideration process of Dispute Adjudication Board (DAB). However, on 15 January 2021, DAB has considered the outcome of the dispute which conclude that the Notice of Termination from the employer is invalid and requiring the employer to release the performance securities to the Joint Venture.

In April 2021, the Joint Venture submitted a letter to the employer for further discussions in order to claim the right to receive the settlement regarding to the value of construction work which has been done by the Joint Venture including the value of materials and supplies, and machinery which belong to the Joint Venture but it has located in the construction project. However, this matter is under the employer’s consideration which cannot presently be concluded. Therefore, the joint venture’s management is unable to assess the potential impact to the realizable value of assets, the obligation in current liabilities including contingent liabilities from such matter.

1. **OTHER LONG – TERM INVESTMENTS**

Financial assets for equity instrument which is not held for trading, the Group made an election to present subsequent change in the fair value of equity instruments in non-marketable securities through profit or loss and made an election to present subsequent change in the fair value of equity instruments in marketable securities through other comprehensive income.

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  | 30 September2021 | 31 December2020 | 30 September 2021 | 31 December2020 |
|  |  |  |  |  |
| Investments at fair value through  profit or loss | 799,744 | 655,524 | 595,841 | 520,298 |
| Investments at fair value through  other comprehensive income | 473,417 | 369,918 | 445,835 | 348,394 |
| Other long-term investments | 1,273,161 | 1,025,442 | 1,041,676 | 868,692 |

Movements in other long-term investments for the nine-month period ended 30 September 2021 are as follows:

* 1. Investments at fair value through profit or loss

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Balance as at 1 January 2021 | 655,524 | 520,298 |
| Less : Disposal in this period | (9,100) | (9,100) |
| Add : Gain on fair value measurement of investments  | 153,320 | 84,643 |
| Balance as at 30 September 2021 | 799,744 | 595,841 |

* 1. Investments at fair value through other comprehensive income

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Balance as at 1 January 2021 | 369,918 | 348,394 |
| Add : Gain on fair value measurement of investments | 103,499 | 97,441 |
| Balance as at 30 September 2021 | 473,417 | 445,835 |

1. **DEVELOPMENT COSTS FOR CONCESSION RIGHT – DAWEI PROJECT**

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  | 30 September2021 | 31 December 2020 | 30 September2021 | 31 December 2020 |
|  |  |  |  |  |
| Concession right | 170,902 | 151,328 |  - | - |
| Costs under development | 7,678,251 | 7,674,015 | 5,205,964 | 5,205,964 |
|  Total | 7,849,153 | 7,825,343 | 5,205,964 | 5,205,964 |

Movements in development costs for concession right – Dawei project for the nine-month period ended 30 September 2021 are summarized below:

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S  |
|  |  |  |
| Balance as at 1 January 2021 | 7,825,343 | 5,205,964 |
| Add : Translation adjustment for foreign currency  financial statements | 23,810 | - |
| Balance as at 30 September 2021 | 7,849,153 | 5,205,964 |

As at 30 September 2021, the Company and its subsidiaries have project costs for developing the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone (“DSEZ”) for obtaining concession right of Baht 7,849.15 million and Baht 5,205.96 million, respectively (31 December 2020 : Baht 7,825.34 million and Baht 5,205.96 million, respectively).

The Group had started the development under the project areas since the year 2010. Subsequently in the year 2013, such project 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. It was determined that the Company has the right to reimburse the costs previously incurred from new investors of each project in accordance to the results of Due Diligence assessment under the Tripartite Memorandum as mutually agreed among DSEZ MC, SPV and the Company.

In the year 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”).

The indirect 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 Company 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 progress of the Dawei Special Economic Zone (“DSEZ”) are as follows:

1. Dawei Special Economic Zone Initial Phase (DSEZ Initial Phase)
2. Land Lease Agreements from the Government of the Republic of Union of Myanmar

After obtained the concession right, the Concessionaires have discussions with the DSEZ MC to all Land Lease Agreements have mutually consensus contents prior to further project development. So far only the Land Lease Agreement for the Initial Industrial Estate and 2-lane Road Connects the Dawei Special Economy Zone and the Thai - Myanmar border were sent to the Concessionaire, while the remaining infrastructure and utilities land lease agreements still have yet to be sent by the DSEZ MC.

On 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 Connects the Dawei Special Economy Zone and the Thai - Myanmar border 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 which is a condition set by DSEZ MC unilaterally. However, the Company does not agree with the reason for termination of concession agreements and in order to protect the right to reimburse investment costs mention in the aforementioned memorandum, the Concessionaires along with the consultation from its legal advisor, submitted the rebuttal of the Notice of Termination to elucidate to the DSEZ MC on 19 January 2021 and proposed a discussion on this matter. Thereafter on 4 April 2021, the Concessionaires reiterated and submitted once again the confirmation for the rebuttal of the Notice of Termination to the DSEZ MC.

As the Dawei SEZ is a project of strategic importance to the region and fully supported by both the Thai and Myanmar Governments through the signed memorandums between the two governments as well as official meetings over the years to support and encourage its development along with the fact that Thai investors stay in overseas are protected from its foreign investment (Protection of Investment) under the bilateral and regional treaties. Given these factors, the Company also submitted an official letter to the Thai Government explaining the current situation.

Due to the current political situation and COVID-19 pandemic in Myanmar, this have caused the delay in the negotiation between the Group and the Myanmar Authority in order to find a common ground acceptable to all parties concerned. However, the Company has acknowledged that the Myanmar Authority officially formed new DSEZ MC, effective since 3 May 2021. Subsequently, DSEZ MC held an online meeting on 19 August 2021, in order to introduce its new DSEZ MC’s members and reassured the Concessionaire that further discussions will find an amicable solution to the outstanding issues of the concession agreement. Such meetings will be held to discuss and find the solution for achieving a sustainable long-term development success.

1. Government Support for Construction of the 2-lane Road Linking the DSEZ to the Thailand-Myanmar border

In the meetings and ongoing cooperation between the Thai and Myanmar 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 regarding to the terms and conditions.

1. Dawei Special Economic Zone Full Phase

Even the right for reimbursement of the Group’s previous investments for development of Industrial Estate and related infrastructure and utilities in the DSEZ is still accorded to the Tripartite Memorandums. However, the reimbursement amount relies on the Due Diligence report prepared by the independent advisor selected and authorized by the SPV which at the present, the Company does not have the 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 Memorandums and Supplemental Memorandum of Understanding to the Tripartite Memorandum which were jointly signed between the Company, DSEZ MC and SPV is and remains valid. Because of there are government agencies of Thailand and Myanmar which are included 1) Joint High-Level Committee, 2) Joint Cooperation Committee (JCC) and 3) Joint Task Force (JTF) still exist in order to push such projects in according to the government’s policy.

1. **POTASH MINING RIGHT AND DEFERRED EXPLORATION AND DEVELOPMENT COSTS**

The Company invested in potash mining project through the group of subsidiary companies. The Company holds 90% and the Ministry of Finance holds 10% of the registered share capital. The Company has costs of acquiring right to survey and development the potash mining totaling Baht 2,293.49 million.

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. As at 30 September 2021 and 31 December 2020, such subsidiary has incurred exploration and development costs totaling Baht 954.28 million and Baht 953.57 million, respectively.

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).

In 2020, the DPIM’s Director-General obtained the approval of the prevailing conditions according to the Mineral Act. B.E. 2560 from the statutory stakeholder committee which is appointed by the Udon Thani Provincial Governor. The DPIM’s Director-General have negotiated with the subsidiary company regarding the term of payment of Special Remuneration Benefits, Royalty and Special Subsidy to government as announce by the Ministry of Industry.

On 23 February 2021, the subsidiary company went to clarify questions about the Potash Mining Project in Udon Thani Province in order to provide information and present the request for a license of 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. However, due to the current situation of COVID-19 pandemic the meeting of the mineral committee to consider approving the concession certificate application, has extended as previously expected by the management.

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 Company’s management believes that there will be no impairment in the value of such investment.

1. **LONG – TERM LOANS AND ADVANCES TO RELATED PARTIES**

The outstanding balances as at 30 September 2021 and 31 December 2020 are as follows:

|  |  | (Unit : Thousand Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S  |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 782,885 | 867,254 |
| Joint control company | 1,130,737 | 1,010,737 | - | - |
| Total | 1,130,737 | 1,010,737 | 782,885 | 867,254 |
| Less : Allowance for impairment losses | - | - | (107,252) | (67,379) |
| Net | 1,130,737 | 1,010,737 | 675,633 | 799,875 |

Movements in the long-term loans and advances to related parties for the nine-month period ended
30 September 2021 are as follows:

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Balance as at 1 January 2021 | 1,010,737 | 867,254 |
| Add : Additional borrowing during the period | - | 147,053 |
| Less : Repayment during the period | - | (27,725) |
| Less : Reclassify current portion to short-term loans | - | (203,697) |
| Add : Translation adjustment for foreign currency  financial statements | 120,000 | - |
| Balance as at 30 September 2021 | 1,130,737 | 782,885 |

1. **PROPERTY, PLANT AND EQUIPMENT**

The condensed movements in property, plant and equipment for the nine-month period ended 30 September 2021 are as follows:

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Net book value as at 1 January 2021 | 29,614,035 | 19,934,606 |
| Add : Purchases | 2,282,814 | 1,328,285 |
| Add : Transfer from right-of-use assets | 217,349 | 217,349 |
| Less : Disposal | (1,005,284) | (474,619) |
| Less : Depreciation for the period | (3,021,580) | (1,995,263) |
| Add : Accumulated depreciation for disposal of fixed assets | 801,045 | 432,580 |
| Less : Allowance for asset impairment | (56,501) | - |
| Add : Translation adjustment for foreign currency  financial statements | 345,475 | 77,959 |
| Net book value as at 30 September 2021 | 29,177,353 | 19,520,897 |

1. **RIGHT-OF-USE ASSETS**

Movements in rights-of-use assets for the nine-month period ended 30 September 2021 are as follows:

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S |  | Separate F/S |
|  |  |  |  |
| Net book value as at 1 January 2021 | 2,844,016 |  | 2,185,894 |
| Add : Increase | 367,685 |  | 269,841 |
| Less : Decrease | (8,306) |  | (6,401) |
| Less : Transfer to property, plant and equipment | (217,349) |  | (217,349) |
| Less : Amortization for the period | (377,284) |  | (266,575) |
| Add : Translation adjustment for foreign currency  financial statements | 22,476 |  | 4,809 |
| Net book value as at 30 September 2021 | 2,631,238 |  | 1,970,219 |

1. **DEFERRED CONCESSION COSTS AND COSTS OF PROJECT UNDER DEVELOPMENT**

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  | 30 September2021 | 31 December 2020 | 30 September2021 | 31 December 2020 |
|  |  |  |  |
| Project under development in |  |  |  |
|  Mozambique | 2,409,255 | 2,284,280 | 2,052,323 | 1,993,231 |

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 period).

 In 2020, the subsidiary’s management has revised its business plan to develop the project by separate into 2 phases, Phase 1 is the development of general cargo seaport at Macuse and Phase 2 is the construction of the Railway and Deep-Sea port.

 **The development of general cargo seaport at Macuse**

 During the period, the subsidiary company obtained for the Environmental and Social Impact Assessment license (ESIA License) for the construction of such seaport and launched a tender bidding process for the Engineering Procurement and Construction Contractor (EPC Contractor). In addition, the subsidiary’s management has signed the initial loan agreement of USD 25 million, funding for phase 1 development. The Company has used a deposit of USD 5 million. (equivalent to Baht 168.77 million) as collateral for the subsidiary company for issuing Standby Letter of Credit according to the conditions in the agreement. Currently, the subsidiary has started the resettlement activities in order to construct in the port area.

1. **BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

The outstanding balances of bank overdrafts and short-term loans from financial institutions as at 30 September 2021 and 31 December 2020 are as follows:

|  |  |  |
| --- | --- | --- |
|   |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S  |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Bank overdrafts | 675,061 | 1,031,879 | 286 | 286 |
| Short-term loans from financial  institutions | 6,878,357 | 6,086,673 | 5,001,181 | 4,700,787 |
| Total | 7,553,418 | 7,118,552 | 5,001,467 | 4,701,073 |

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

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Million) |
|  | Consolidated F/S | Separate F/S  |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| THB | 4,796 | 4,894 | 4,224 | 4,452 |
| INR | 2,844 | 2,307 | - | - |
| BDT | 1,959 | 701 | 1,959 | 701 |

The short-term loans are subject to interest at the market rates of each country.

As at 30 September 2021 and 31 December 2020, part of loans amounting to Baht 2,923.99 million and Baht 3,232.62 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process cash transactions from the projects through the Company’s accounts with those banks.

As at 30 September 2021 and 31 December 2020, the Company has bank overdrafts and short-term loans credit facilities that have not been drawn down totaling Baht 12,063.83 million and Baht 12,773.70 million, respectively.

1. **TRADE ACCOUNTS PAYABLE – RELATED PARTIES**

##### The outstanding balances as at 30 September 2021 and 31 December 2020 are as follows:

|  |  | (Unit : Thousand Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S  |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 709,284 | 672,300 |
| Associated and joint control companies  and joint ventures | 137,607 | 128,104 | 105,246 | 109,997 |
| Related parties | 1,863,187 | 1,449,218 | 1,848,718 | 1,440,659 |
| Total | 2,000,794 | 1,577,322 | 2,663,248 | 2,222,956 |

1. **SHORT–TERM LOANS AND ADVANCES FROM RELATED PARTIES**

The outstanding balances as at 30 September 2021 and 31 December 2020 are as follows:

|  |  | (Unit : Thousand Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S  |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Subsidiaries | - | - | 643,571 | 440,523 |
| Joint control company and joint ventures  | 26,391 | 18,085 | - | - |
| Related party | - | 58,741 | - | 58,741 |
| Total | 26,391 | 76,826 | 643,571 | 499,264 |

1. **LONG–TERM LOANS**

As at 30 September 2021 and 31 December 2020, the outstanding balances of long-term loans are as follows:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S  |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Outstanding balances | 21,170,848 | 21,241,386 | 17,016,516 | 17,077,387 |
| Less :Less : Current portion | (12,468,801) | (11,943,288) | (11,672,208) | (11,224,108) |
| Net  | 8,702,047 | 9,298,098 | 5,344,308 | 5,853,279 |

Movements in the long-term loans for the nine-month period ended 30 September 2021 are summarized below:

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S  |
|  |  |  |
| Balance as at 1 January 2021 | 21,241,386 | 17,077,387 |
| Add : Additional borrowings | 4,381,241 | 3,865,749 |
| Less : Repayments | (4,545,693) | (3,926,620) |
| Add : Translation adjustment for foreign currency  financial statements | 93,914 | - |
| Balance as at 30 September 2021 | 21,170,848 | 17,016,516 |

The long-term loans as at 30 September 2021 and 31 December 2020 are as follows:

|  |  |  |  |  | Million Baht |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | Consolidated F/S | Separate F/S |
| Loan | Credit amount (Million Baht) | Interest rate (Percentage) | Repayment condition | Guarantee | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
| **Parent Company** |  |  |  |  |  |  |  |
|  | 20,012 | MLR – 1 per annum | Repayable within 2021 – 2023 or upon completion of the project, whichever is earlier | Assignment of collection from  construction contract | 17,016 | 17,077 | 17,016 | 17,077 |
|  |  | MLR – 1.25 per annum | Repayable within 2021 – 2023 or upon completion of the project, whichever is earlier | Assignment of collection from  construction contract and land |  |  |  |  |
|  |  | MLR – 1.50 per annum | Repayable within 2021 – 2025 or upon completion of the project, whichever is earlier | Assignment of collection from  construction contract |  |  |  |  |
|  |  | Market rate per annum | Repayable within 2021 upon completion of the project, whichever is earlier | Bank account opened for receive  revenue from construction |  |  |  |  |
|  |  | 2.75 per annum | Repayable within 2022 | - |  |  |  |  |
|  |  | MLR – 0.50 per annum | Repayable within 2022 | Assignment of collection from  construction contract |  |  |  |  |
|  |  | 4 per annum | Repayable per contract | - |  |  |  |  |
|  |  | 5.25 per annum | Repayable within 2024 | Land |  |  |  |  |
|  |  | 4.75 per annum | Repayable within 2027 | - |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| 1 | 399  | MLR – 1 to MLR – 3.15 per annum | Repayable within 2022 – 2025  | Guaranteed by parent company,  machinery and equipment | 168 | 195 | - | - |
| 2 | 631 | MLR per annum | Repayable per contract | Guaranteed by parent company,  land and machinery | - | 92 | - | - |
| 3 | 5,745  | MLR – 1.50 per annum | Repayable within 2021 – 2026 | Guaranteed by parent company,  machinery and Assignment of collection from construction contract | 2,264 | 2,718 | - | - |
| 45 | 5,600 Million BDT470 | Floating rate of Bank of Bangladesh plus 6% per annum2.51% to 3.25% per annum | Repayable per contractRepayable within 2021 – 2025 | Guaranteed by parent companyGuaranteed by shareholders | 871470 | 707370 | -- | -- |
| 6 | 833 Million Rupee | 9.55% per annum | Repayable within 2023 | Land | 382 | 82 | - | - |
|  |  |  |  | Total | 21,171 | 21,241 | 17,016 | 17,077 |
|  |  |  |  | Less : Current portion | (12,469) | (11,943) | (11,672) | (11,224) |
|  |  |  |  |  Net | 8,702 | 9,298 | 5,344 | 5,853 |

1. **DEBENTURES**

Movements in debentures for the nine-month period ended 30 September 2021 are as follows:

|  |
| --- |
|  (Unit : Thousand Baht) |
|   | Consolidated and Separate F/S |
|  |  |
| Balance as at 1 January 2021 | 14,483,399 |
| Add : Newly issued debentures | 4,000,000 |
| Less : Redemption of former debentures | (3,500,000) |
| Less : Cost of issuing debentures | (43,194) |
| Add : Amortization of debentures issuing costs | 17,495 |
| Balance as at 30 September 2021 | 14,957,700 |
| Less : Current portion | (6,547,004) |
| Net | 8,410,696 |

On 4 June 2021, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 1,545 million (face value of Baht 1,000 per unit) with 2 years 3 days tenure. These bear interest at the of 5.10% per annum which is payable quarterly. The debentures will be due for redemption on 7 June 2023. The Company used the proceeds from this issuance to repay its debts.

On 4 June 2021, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 2,455 million (face value of Baht 1,000 per unit) with 3 years 6 months tenure. These bear interest at the of 5.80% per annum which is payable quarterly. The debentures will be due for redemption on 4 December 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 maintain financial ratio, restriction of the decrease in share capital, merger, the payment of dividend and limitations on the execution of new loan obligation.

1. **OTHER FINANCIAL LIABILITIES**

As at 30 September 2021 and 31 December 2020, the outstanding balances of other financial liabilities are as follows:

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S  |
|  | 30 September 2021 | 31 December 2020 | 30 September 2021 | 31 December 2020 |
|  |  |  |  |  |
| Other financial liabilities  | 1,944,897 | 1,466,870 | 1,689,422 | 1,340,306 |
| Less :Less : Current portion | (565,197) | (367,327) | (515,017) | (346,188) |
| Net  | 1,379,700 | 1,099,543 | 1,174,405 | 994,118 |

As at 30 September 2021, the Company and subsidiaries have liabilities from sale and leaseback agreements totaling Baht 1,944.90 million (Separate F/S of Baht 1,689.42 million). Such sale and leaseback transactions is transferred 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 recognize liabilities from sale and leaseback as other financial liabilities equal to the transfer proceeds of assets.

1. **RELATED PARTY TRANSACTIONS**

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

| Types of 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 price |
| Interest on loans with related parties | Mutually agreed rate |
| Rental expenses | Mutually agreed rate |

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

|  |  | (Unit : Million Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S  |
|  | For the three-month periods ended 30 September |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Transactions with subsidiaries |  |  |  |  |
| Construction services, sales and other income | - | - | 183 | 715 |
| Purchases of construction materials and services | - | - | 277 | 303 |
|  |  |  |  |  |
| Transactions with associated and joint control  companies, and joint ventures |  |  |  |  |
| Construction services, sales and other income | 284 | 364 | 11 | 9 |
| Purchases of construction materials and services | 199 | 44 | 13 | 43 |
| Purchases of equipment | 1 | - | - | - |
|  |  |  |  |  |
| Transactions with related companies |  |  |  |  |
|  Construction services, sales and other income | 36 | 112 | 29 | 98 |
|  Purchases of construction materials and services | 648 | 596 | 633 | 596 |
|  Purchases of assets and equipment | 21 | - | 19 | 5 |
|  |  |  |  |  |
| Key management personnel compensation  |  |  |  |  |
|  Short-term employee benefits | 46 | 42 | 32 | 31 |
|  Post-employment benefits | 5 | 5 | 1 | 1 |

|  |  | (Unit : Million Baht) |
| --- | --- | --- |
|  | Consolidated F/S | Separate F/S  |
|  | For the nine-month periods ended 30 September |
|  | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |
| Transactions with subsidiaries |  |  |  |  |
| Construction services, sales and other income | - | - | 433 | 1,770 |
| Purchases of construction materials and services | - | - | 791 | 1,014 |
|  |  |  |  |  |
| Transactions with associated and joint control  companies, and joint ventures |  |  |  |  |
| Construction services, sales and other income | 456 | 762 | 26 | 21 |
| Purchases of construction materials and services | 246 | 130 | 38 | 119 |
| Purchases of equipment | 49 | - | - | - |
|  |  |  |  |  |
| Transactions with related companies |  |  |  |  |
|  Construction services, sales and other income | 159 | 368 | 136 | 343 |
|  Purchases of construction materials and services | 2,072 | 1,817 | 1,978 | 1,787 |
|  Purchases of assets and equipment | 23 | 76 | 21 | 76 |
|  |  |  |  |  |
| Key management personnel compensation  |  |  |  |  |
|  Short-term employee benefits | 137 | 124 | 103 | 96 |
|  Post-employment benefits | 15 | 15 | 3 | 3 |

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

Accrued rental expenses

 As at 30 September 2021, a subsidiary has accrued rental expense payable to related person of Baht 116.81 million (31 December 2020 : Baht 109.12 million).

1. **INCOME TAX**

Current income tax is the expected tax payable or claimable 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 consolidated and separate financial statements. In addition, The income tax of an overseas entity which is calculated based on local tax regulation that calculate from the cash collection, the revenues or the net profit based on tax rate, whichever is higher.

1. **GUARANTEES**

As at 30 September 2021, the Group has letter of guarantees totaling approximately Baht 79,250.31 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 30 September 2021, the Company has outstanding guarantees approximately Baht 5,573.69 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).

1. **COMMITMENTS**
	1. As at 30 September 2021, the Company, subsidiaries and joint ventures have outstanding commitments with major subcontractors classified by currencies as follows:

|  |  |
| --- | --- |
|  | (Unit : Million Baht) |
|  | Equivalent to Baht  |
|  | Consolidated F/S | Separate F/S  |
| Currency |  |  |
| THB | 8,299.63 | 8,024.49 |
| INR | 4,400.88 | - |
| BDT | 2,829.86 | 2,829.86 |

* 1. As at 30 September 2021, the Company and subsidiaries have the following outstanding commitments for purchases of lands, materials, machinery and related services, and service contracts classified by currencies as follows:

|  |  |
| --- | --- |
|  | (Unit : Million Baht) |
|  | Equivalent to Baht |
|  | Consolidated F/S | Separate F/S  |
| Currency |  |  |
| THB | 412.66 | 377.40 |
| USD | 1,327.67 | 884.55 |
| INR | 241.02 | - |
| BDT | 360.32 | 360.32 |
| EUR | 23.33 | 19.48 |
| VND | 4.09 | 4.09 |

* 1. As at 30 September 2021, the Company has outstanding commitments in respect of the un-call portion of investments in 6 subsidiary companies of Baht 2.25 million, USD 0.31 million, MMK 344.17 million and investment in a joint control company as shareholder agreement of BDT 9,369.65 million.
	2. As at 30 September 2021, the Company has outstanding commitments of USD 8.35 million for share purchase agreement with a joint shareholder of an associated company.
	3. A subsidiary company has a commitment to apply for and to obtain a mining concession from the Government of Thailand as follow;
		1. A subsidiary company has to pay compensation 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.
		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.
	4. Several indirect subsidiary companies entered into service agreements with project consultant with committed consulting fees at rates specified in agreements.
	5. 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 0.81 million and USD 3.90 million, respectively.
	6. 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 totaling USD 12.96 million and shall pay a recurring annual concession fee as stipulated in Concession Agreements.
1. **CONTINGENT LIABILITIES**
	1. During the period, an overseas subsidiary received a notice from the employer claiming for penalty charges from the production shortfalls which does not meet criteria according to the services agreement by claiming to the subsidiary totaling of USD 7.57 million (equivalent to Baht 256.89 million). The employer deducted and held the payment of the work done which billed by the subsidiary totaling USD 1.97 million (equivalent to Baht 69.43 million). However, the subsidiary opposed to the claims and submitting the notice to the employer by declaration the caused that the subsidiary can not deliver the production in according to the service agreement which caused by the employer cannot handover some area according to the timeline and plan as agreed. The subsidiary also clamming to the employer totaling of USD 6.76 million and IDR 2,115 million (equivalent to Baht 234.17 million) for the damage costs which caused from the unable to access project area to complete the work in according to the condition and timeline. Currently, such matter is under the negotiation process between the subsidiary and the employer for dispute settlement claims which cannot presently conclude. The subsidiary does not set up provision for liabilities in the financial statement for the current period since the management consider that the possible obligation, timing and payment amount depending on the result from the negotiation.
	2. The Group has received notices from various customers claiming for compensation for breaches of contracts totaling Baht 2,820.16 million (the Company of Baht 1,955.29 million). Currently, these claims are under consideration of Civil Court of Baht 2,732.66 million and Arbitration Tribunal of Baht 87.49 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.
2. **SEGMENT REPORTING**

The operations of the Company and subsidiaries for the three-month and nine-month periods ended 30 September 2021 and 2020 are principally engaged in a single industry segment, construction services and the most of selling and service are conducted in the following geographical segments as follows:

|  |  (Unit : Million Baht) |
| --- | --- |
|  | Consolidated F/S |
|  | For the three-month periods ended 30 September |
|  | Thailand | India | Bangladesh | Other countries | Total | Eliminate | Grand Total |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from construction work |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from external sources |  6,799  |  8,278  |  3,765  |  2,499  |  102 |  (26) |  84  |  150  |  10,750  |  10,901  |  -  |  -  |  10,750  | 10,901 |
| Inter-segment revenues |  203  |  767  |  11  |  64  |  55  |  366  |  -  |  -  |  269  |  1,197  |  (269) |  (1,197) |  -  | - |
| Total segment revenues |  7,002  |  9,045  |  3,776  |  2,563  |  157 |  340  |  84  |  150  |  11,019  |  12,098  |  (269) |  (1,197) |  10,750  | 10,901 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from sales and services |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from external sources |  1,188  |  1,555  |  -  |  -  |  -  |  -  |  630  |  455  |  1,818  |  2,010  |  -  |  -  |  1,818  | 2,010 |
| Inter-segment revenues |  259  |  255  |  -  |  -  |  -  |  -  |  -  |  -  |  259  |  255  |  (259) |  (255) |  -  | - |
| Total segment revenues |  1,447  |  1,810  |  -  |  -  |  -  |  -  |  630  |  455  |  2,077  |  2,265  |  (259) |  (255) |  1,818  | 2,010 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross profit (loss) |  76  |  1,633  |  271  |  153  |  (675) |  (651) |  251  |  80  |  (77) |  1,215  |  (134) |  (434) |  (211) | 781 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues disaggregated by pattern  of revenue recognition |
| Over time |  7,002  |  9,045  |  3,776  |  2,563  |  157 |  340  |  84  |  150  |  11,019  |  12,098  |  (269) |  (1,197) |  10,750  | 10,901 |
| At point in time |  1,447  |  1,810  |  -  |  -  |  -  |  -  |  630  |  455  |  2,077  |  2,265  |  (259) |  (255) |  1,818  | 2,010 |
| Total |  8,449  |  10,855  |  3,776  |  2,563  |  157 |  340  |  714  |  605  |  13,096  |  14,363  |  (528) |  (1,452) |  12,568  | 12,911 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest income |  |  |  |  |  |  |  |  |  |  |  |  | 25 | 26 |
| Gain on hedging instruments |  |  |  |  |  |  |  |  |  |  |  |  | 68 | 169 |
| Depreciation and amortization |  |  |  |  |  |  |  |  |  |  |  |  | (1,134) | (1,076) |
| Allowance for impairment losses  |  |  |  |  |  |  |  |  | (10) | (68) |
| Impairment loss on assets  |  |  |  |  |  |  |  |  | (15) | - |
| Share of profit (loss) from investment in  associated and joint control companies, and joint ventures |  |  |  |  |  |  |  |  |  |  |  | 104 | (23) |
| Financial costs |  |  |  |  |  |  |  |  |  |  |  |  | (636) | (655) |
| Income tax expense |  |  |  |  |  |  |  |  |  |  |  |  | (120) | (36) |
| Loss for the period |  |  |  |  |  |  |  |  |  |  |  |  | (1,254) | (584) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  (Unit : Million Baht) |
| --- | --- |
|  | Consolidated F/S |
|  | For the nine-month periods ended 30 September |
|  | Thailand | India | Bangladesh | Other countries | Total | Eliminate | Grand Total |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from construction work |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from external sources |  22,238  |  24,339  |  11,673  |  7,511  |  1,614  |  1,673  |  422  |  450  |  35,946  |  33,973  |  -  |  -  |  35,946  | 33,973 |
| Inter-segment revenues |  475  |  1,781  |  43  |  95  |  181  |  756  |  -  |  -  |  699  |  2,632  |  (699) |  (2,632) |  -  | - |
| Total segment revenues |  22,713  |  26,120  |  11,716  |  7,606  |  1,795  |  2,429  |  422  |  450  |  36,645  |  36,605  |  (699) |  (2,632) |  35,946  | 33,973 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from sales and services |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from external sources |  4,492  |  3,840  |  -  |  -  |  -  |  -  |  1,607  |  1,588  |  6,099  |  5,428  |  -  |  -  |  6,099  | 5,428 |
| Inter-segment revenues |  753  |  1,017  |  -  |  -  |  -  |  -  |  -  |  -  |  753  |  1,017  |  (753) |  (1,017) |  -  | - |
| Total segment revenues |  5,245  |  4,857  |  -  |  -  |  -  |  -  |  1,607  |  1,588  |  6,852  |  6,445  |  (753) |  (1,017) |  6,099  | 5,428 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross profit (loss) |  1,631  |  3,462  |  1,301  |  773  |  (562) |  (747) |  603  |  390  |  2,973  |  3,878  |  (260) |  (955) |  2,713  | 2,923 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues disaggregated by pattern |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  of revenue recognition |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Over time |  22,713  |  26,120  |  11,716  |  7,606  |  1,795  |  2,429  |  422  |  450  |  36,645  |  36,605  |  (699) |  (2,632) |  35,946  | 33,973 |
| At point in time |  5,245  |  4,857  |  -  |  -  |  -  |  -  |  1,607  |  1,588  |  6,852  |  6,445  |  (753) |  (1,017) |  6,099  | 5,428 |
| Total |  27,958  |  30,977  |  11,716  |  7,606  |  1,795  |  2,429  |  2,029  |  2,038  |  43,497  |  43,050  |  (1,452) |  (3,649) |  42,045  | 39,401 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest income |  |  |  |  |  |  |  |  |  |  |  |  |  99  | 97 |
| Gain on revaluation of investment properties |  |  |  |  |  |  |  |  |  |  |  |  | - | 475 |
| Gain on fair value measurement of investments |  |  |  |  |  |  |  |  |  |  |  | 153 | - |
| Gain on hedging instruments |  |  |  |  |  |  |  |  |  |  |  |  |  154  | 128 |
| Depreciation and amortization |  |  |  |  |  |  |  |  |  |  |  |  |  (3,499) | (2,974) |
| Allowance for impairment losses  |  |  |  |  |  |  |  |  |  |  |  | (26)  | (395) |
| Allowance for impairment of investments |  |  |  |  |  |  |  |  |  |  |  |  |  -  | (2) |
| Impairment loss on assets |  |  |  |  |  |  |  |  |  |  |  |  |  (57)  | - |
| Loss from disposal of investment |  |  |  |  |  |  |  |  |  |  |  |  |  (2)  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Share of profit (loss) from investment in  associated and joint control companies, and joint ventures |  |  |  |  |  |  |  |  |  |  |  |  | 126 | (79) |
| Financial costs |  |  |  |  |  |  |  |  |  |  |  | (1,901) | (1,932) |
| Income tax expense |  |  |  |  |  |  |  |  |  |  |  |  | (506) | (305) |
| Loss for the period |  |  |  |  |  |  |  |  |  |  |  |  | (693) | (1,075) |

|  |  |
| --- | --- |
|  | (Unit : Million Baht) |
|  | Consolidated F/S |
|  | As at 30 September 2021 and 31 December 2020 |
|  | Thailand | India | Bangladesh | Other countries | Total | Eliminate | Grand Total |
|  | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Property, plant and equipment – net | 22,547 | 22,238 | 2,718 | 2,190 | 79 | 805 | 3,838 | 4,386 | 29,182 | 29,619 | (5) | (5) | 29,177 | 29,614 |
| Other assets | 79,726 | 66,778 | 15,673 | 14,873 | 2,774 | 9,266 | 3,750 | 6,286 | 101,925 | 97,203 | (18,861) | (18,944) | 83,062 | 78,259 |
| Total assets | 102,273 | 89,016 | 18,391 | 17,063 | 2,853 | 10,071 | 7,588 | 10,672 | 131,105 | 126,822 | (18,866) | (18,949) | 112,239 | 107,873 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total liabilities | 79,380 | 60,838 | 13,513 | 16,455 | 3,156 | 11,200 | 7,656 | 10,655 | 103,705 | 99,148 | (7,031) | (6,719) | 96,674 | 92,429 |

1. **FINANCIAL INSTRUMENTS**

***Foreign currency risk***

The significant balances of financial assets and liabilities denominated in foreign currencies as at 30 September 2021 are summarized below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated F/S | Separate F/S |  |
|  | Financial | Financial | Financial  | Financial | Averaged exchange rate |
| Currency | assets | liabilities | assets | liabilities | as at 30 September 2021 |
|  | (Million) | (Million) | (Million) | (Million) | (Baht per foreign currency unit) |
|  |  |  |  |  |  |
| USD | 38 | 3 | 90 | 2 | 31.6774 |
| EUR | 1 | 51 | - | 51 | 39.7517 |
| LAK | - | 494 | - | - | 0.0034 |
| SGD | 1 | - | - | - | 25.2231 |
| BDT | - | - | 42 | - | 0.3986 |

Forward exchange contracts which remain outstanding as at 30 September 2021 are summarized below:

|  |  |  |
| --- | --- | --- |
| Currency | Balance (Million) | Forward contract exchange rate |
|  |  |  |
| EUR (buy) | 50 | 35.6000 – 37.2516 |
| USD (buy) | 7 | 32.5850 – 33.5550 |

As at 30 September 2021, significant financial assets and liabilities in denominated assets and liabilities of the Company and its subsidiaries, associated and joint control companies and joint ventures which are unhedged are as follows:

|  |  |
| --- | --- |
|  | Consolidated F/S (Net) |
|  | USD | EUR | LAK | SGD |
|  | Million | Million | Million | Million |
|  |  |  |  |  |
| Trade accounts receivable, retention receivables  and loans to related companies | 38 | 1 | - | 1 |
| Trade accounts payable  | 3 | 1 | 494 | - |

|  |  |
| --- | --- |
|  |  Separate F/S (Net) |
|  | USD | EUR | BDT |
|  | Million | Million | Million |
|  |  |  |  |
| Trade accounts receivable, retention receivables  and loans to related companies | 90 | - | 42 |
| Trade accounts payable | 2 | 1 | - |

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

1. **FAIR VALUE MEASUREMENT**

The financial assets and liabilities that are measured at fair value as at 30 September 2021 are as follow:

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht)Consolidated F/S  |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |
| Temporary investments | - |  | 47 |  | - |  | 47 |
| Other long-term investments | 473,417 |  | - |  | 799,744 |  | 1,273,161 |
| Derivatives assets | - |  | 164,776 |  | - |  | 164,776 |
|  |  |  |  |  |  |  |  |
| Non-financial assets |  |  |  |  |  |  |  |
| Investment properties | - |  | 2,504,636 |  | - |  | 2,504,636 |
| Total | 473,417 |  | 2,669,459 |  | 799,744 |  | 3,942,620 |
|  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |
| Financial liabilities |  |  |  |  |  |  |  |
|  Derivatives liabilities | - |  | 102,230 |  | - |  | 102,230 |
| Total | - |  | 102,230 |  | - |  | 102,230 |
|  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Unit : Thousand Baht) |
|  | Separate F/S |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |
| Other long-term investments | 445,835 |  | - |  | 595,841 |  | 1,041,676 |
| Derivatives assets | - |  | 164,776 |  | - |  | 164,776 |
|  |  |  |  |  |  |  |  |
| Non-financial assets |  |  |  |  |  |  |  |
| Investment properties | - |  | 1,176,463 |  | - |  | 1,176,463 |
| Total | 445,835 |  | 1,341,239 |  | 595,841 |  | 2,382,915 |

1. **RECLASSIFICATION**

The Group reclassified certain accounts in the consolidated and separate statement of financial position as at 31 December 2020 to be comparable with the current period financial statements. There is no effect on previously reported profit or loss and shareholders' equity. The details of reclassification are as follow:

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S |
|  | Before reclassification | Reclassification | After reclassification |
|  |  |  |  |
| **Statement of financial position** |  |  |  |
| **Assets** |  |  |  |
| Current assets |  |  |  |
|  Earned revenues not yet billed | 22,366,105 | (22,366,105) | - |
|  Retentions receivable | 3,495,900 | (3,495,900) | - |
|  Contract assets | - | 25,923,162 | 25,923,162 |
|  Other current assets | 574,926 | (61,157) | 513,769 |
|  |  |  |  |
| Non-current assets |  |  |  |
|  Contract assets | - | 15,177 | 15,177 |
|  Other non-current assets | 559,897 | (15,177) | 544,720 |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
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|  | (Unit : Thousand Baht) |
|  | Consolidated F/S |
|  | Before reclassification | Reclassification | After reclassification |
|  |  |  |  |
| **Liabilities** |  |  |  |
| Current liabilities |  |  |  |
|  Receipts in excess of contracted  work in progress | 2,799,109 | (2,799,109) | - |
|  Customer advances under construction  contracts due for revenue recognition  within 1 year | 6,964,227 | (6,964,227) | - |
|  Contract liabilities | - | 9,763,336 | 9,763,336 |
|  |  |  |  |
| Non-current liabilities |  |  |  |
|  Customer advance under  construction contracts | 5,695,411 | (5,695,411) | - |
|  Contract liabilities | - | 5,695,411 | 5,695,411 |

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| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Separate F/S |
|  | Before reclassification | Reclassification | After reclassification |
|  |  |  |  |
| **Statement of financial position** |  |  |  |
| **Assets** |  |  |  |
| Current assets |  |  |  |
|  Earned revenues not yet billed | 18,032,163 | (18,032,163) | - |
|  Retentions receivable | 2,448,450 | (2,448,450) | - |
|  Contract assets | - | 20,541,770 | 20,541,770 |
|  Other current assets | 287,008 | (61,157) | 225,851 |
|  |  |  |  |
| Non-current assets |  |  |  |
|  Contract assets | - | 15,177 | 15,177 |
|  Other non-current assets | 313,551 | (15,177) | 298,374 |
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|  | (Unit : Thousand Baht) |
|  | Separate F/S |
|  | Before reclassification | Reclassification | After reclassification |
|  |  |  |  |
| **Liabilities** |  |  |  |
| Current liabilities |  |  |  |
|  Receipts in excess of contracted  work in progress | 534,207 | (534,207) | - |
|  Customer advances under construction  contracts due for revenue recognition  within 1 year | 6,677,880 | (6,677,880) | - |
|  Contract liabilities | - | 7,212,087 | 7,212,087 |
|  |  |  |  |
| Non-current liabilities |  |  |  |
|  Customer advance under  construction contracts | 3,920,684 | (3,920,684) | - |
|  Contract liabilities | - | 3,920,684 | 3,920,684 |
|  |  |  |  |
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