

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2016

1. GENERAL INFORMATION

Italian - Thai Development Public Company Limited (“the Company”) is incorporated and domiciled in Thailand. The Company is principally engaged in the construction business. The Company has four oversea branches and two project offices. Its registered office address is 2034/132-161, New Petchburi Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRINCIPLE OF CONSOLIDATION

2.1 Statement of compliance

The accompanying financial statements have been officially prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to another language must be in compliance with the official report in Thai.

The Federation of Accounting Professions has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. These changes have no material effect on the financial statements.

The Federation of Accounting Professions has issued new and revised TFRS that may be relevant to the Company’s operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Company and subsidiaries do not plan to early adopt these TFRS.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits

TFRS	Topic
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 106 (revised 2016)	Accounting for Investments Companies
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2016)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2016)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TFRS	Topic
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
FAP Announcement (05/2559)	Accounting guidance for derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and do not expects material impact on the financial statements in the period of initial adoption.

2.2 Basis of consolidation

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

Name of Entity	Country of incorporation	Percentage of share held by the Company	
		2016	2015
<u>Overseas subsidiaries</u>			
Myanmar ITD Co., Ltd.	Myanmar	99.99	99.99
PT. Thailindo Bara Pratama	Indonesia	99.99	99.99
ITD Cementation India Limited	India	51.63	51.63
ITD - Madagascar S.A.	Madagascar	99.98	99.98
ITD Construction SDN. BHD	Malaysia	99.99	99.99
First Dhaka Elevated Expressway Co., Ltd.	Bangladesh	99.99	99.99
ITD Bangladesh Company Limited	Bangladesh	99.99	99.99
Italian - Thai Development Vietnam Co., Ltd.	Vietnam	80.00	80.00
ITD Mozambique Limitada	Mozambique	99.00	99.00
Thai Mozambique Logistica SA	Mozambique	60.00	60.00
Momaz Logistics	Republic of Mauritius	100.00	100.00
Italian - Thai Development (Myanmar) Co., Ltd.	Myanmar	99.90	99.90

Name of Entity	Country of incorporation	Percentage of share held by the Company	
		2016	2015
<u>Local subsidiaries</u>			
Italian - Thai International Co., Ltd.	Thailand	99.99	99.99
Bhaka Bhumi Development Co., Ltd.	Thailand	99.99	99.99
Thai Pride Cement Co., Ltd.	Thailand	99.99	99.99
Nha Pralan Crushing Plant Co., Ltd.	Thailand	99.99	99.99
Siam Concrete and Brick Products Co., Ltd.	Thailand	99.80	99.80
Italthai Marine Co., Ltd.	Thailand	92.59	92.59
Italthai Trevi Co., Ltd.	Thailand	90.94	90.94
Asian Steel Product Co., Ltd.	Thailand	69.90	69.90
Thai Maruken Co., Ltd.	Thailand	50.96	50.96
Italian Thai Land Co., Ltd.	Thailand	99.99	99.99
Palit Palangngan Co., Ltd.	Thailand	74.93	74.93
Palang Thai Kaowna Co., Ltd.	Thailand	99.94	99.94
Italian Thai Power Co., Ltd.	Thailand	99.99	99.99
Saraburi Construction Technology Co., Ltd.	Thailand	99.93	99.93
Asia Logistics Development Co., Ltd.	Thailand	99.93	99.93
Asia Industrial and Port Corporation Co., Ltd.	Thailand	99.93	99.93
Myanmar Italian – Thai Power 1 Co., Ltd.	Thailand	99.95	99.95
Italian – Thai Hongsa Co., Ltd.	Thailand	99.97	99.97
APPC Holding Co., Ltd.	Thailand	60.00	60.00
<u>Indirect overseas subsidiaries</u>			
Italian – Thai Development (BVI) Co., Ltd.	British Virgin Islands	99.99	99.99
Ayeyarwady Multitrade Co., Ltd.	Myanmar	99.99	99.99
ITD Cementation Projects India Limited	India	99.99	99.99
Koh Kong Power Light Co., Ltd.	Cambodia	93.00	93.00
ITD Vertex Consortium SDN. BHD	Malaysia	70.00	70.00
Dawei Development Company Limited (BVI)	British Virgin Islands	75.00	75.00
Dawei Development Company Limited (Myanmar)	Myanmar	75.00	75.00
Future Prosperity Investment Company Limited	Republic of Mauritius	99.99	99.99
Thai Port Development Company Limited	Hong Kong	99.99	99.99
Thai Road Link Development Company Limited	Hong Kong	99.99	99.99
Thai Power Development Company Limited	Hong Kong	99.99	99.99
Thai Water Development Company Limited	Hong Kong	99.99	99.99
Thai Telecom Development Company Limited	Hong Kong	99.99	99.99

Name of Entity	Country of incorporation	Percentage of share held by the Company	
		2016	2015
Thai International Industrial Estate Development Company Limited	Hong Kong	99.99	99.99
Dawei Port Holding Company Limited	Hong Kong	99.99	99.99
Dawei Road Link Holding Company Limited	Hong Kong	99.99	99.99
Dawei Power Holding Company Limited	Hong Kong	99.99	99.99
Dawei Green Power Holding Company Limited	Hong Kong	-	99.99
Dawei Electricity Distribution Holding Company Limited	Hong Kong	-	99.99
Dawei LNG Terminal Holding Company Limited	Hong Kong	99.99	99.99
Dawei Water Holding Company Limited	Hong Kong	99.99	99.99
Dawei Telecom Holding Company Limited	Hong Kong	99.99	99.99
Dawei International Industrial Estate Holding Company Limited	Hong Kong	99.99	99.99
APPC Hong Kong Company Limited	Hong Kong	100.00	100.00
THAI INTERNATIONAL INDUSTRIAL ESTATE DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
THAI POWER DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
THAI TELECOM DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
DAWEI TELECOM HOLDING PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
DAWEI RESIDENCE HOLDING PTE LTD.	Singapore	50.00	50.00
DAWEI POWER HOLDING PTE LTD	Singapore	100.00	100.00
DAWEI LNG TERMINAL HOLDING PTE LTD.	Singapore	35.00	50.00
MYANDAWEI INDUSTRIAL ESTATE HOLDING PTE LTD.	Singapore	50.00	50.00
DAWEI TELECOM COMPANY LIMITED	Myanmar	100.00	100.00
DAWEI RESIDENCE COMPANY LIMITED	Myanmar	50.00	50.00
DAWEI POWER COMPANY LIMITED	Myanmar	100.00	100.00
DAWEI LNG TERMINAL COMPANY LIMITED	Myanmar	35.00	50.00
MYANDAWEI INDUSTRIAL ESTATE COMPANY LIMITED	Myanmar	50.00	50.00
<u>Indirect local subsidiaries</u>			
Aquathai Co., Ltd.	Thailand	99.99	99.99
Sarithorn Co., Ltd.	Thailand	99.99	99.99
Southern Industries (1996) Co., Ltd.	Thailand	99.99	99.99
Asia Pacific Potash Corporation Limited	Thailand	90.00	90.00
Lasalle Company Limited	Thailand	99.30	99.30
Tongkrai Company Limited	Thailand	99.40	99.40
Tayakhee Company Limited	Thailand	99.40	99.40

Name of Entity	Country of incorporation	Percentage of share held by the Company	
		2016	2015
Dithee Company Limited	Thailand	99.40	99.40
Panoot Company Limited	Thailand	99.40	99.40
Phannin Company Limited	Thailand	99.40	99.40
Takolkiat Company Limited	Thailand	99.40	99.40
Tridayuk Company Limited	Thailand	99.40	99.40
Bhantuwong Company Limited	Thailand	99.40	99.40
Nahathai Company Limited	Thailand	99.40	99.40
Kanika Company Limited	Thailand	99.40	99.40
Sin Rae Muang Thai Co., Ltd.	Thailand	99.99	99.99
Wildemere Co., Ltd.	Thailand	99.99	99.99
APPC Holding Co., Ltd.	Thailand	40.00	40.00

2.3 Significant changes during the year 2016 are as follows :

- The Company made additional payment of USD 0.36 million for share capital of ITD Mozambique Limitada.
- The Company made additional investment for share capital of ITD - Madagascar S.A. by Debt - Equity Swap of Baht 94.97 million.
- A subsidiary invested in 100% of another company established in Republic of the Union of Myanmar.
- An indirect subsidiary registered the liquidation of 2 group companies in overseas.
- The Company registered the liquidation of a joint venture.
- The Company made investment for share capital increment of Nha Pralan Crushing Plant Co., Ltd. of Baht 20.00 million. Its proportion of investment was remained at 99.99%
- An indirect subsidiary decreased its proportion of investment from 50% to 35% of registered share capital in 2 group companies established in Singapore and Republic of the Union of Myanmar.
- The Company registered to establish a branch in the Kingdom of Cambodia.
- The Company, Cooperativa Muratori & Cementisti and Song Da Corporation invested in CMC/ITD/SONG DA joint venture which was incorporated under the laws of Lao People's Domestic Republic and principally engaged in construction service. The Company proportion is 30%.

2.4 Significant changes during the year 2015 are as follows :

- The Company made additional payment of paid BDT 137.10 million for share capital of First Dhaka Elevated Expressway Co., Ltd.
- An indirect subsidiary invested in DAWEI RESIDENCE HOLDING PTE LTD. decrease in proportion of investment from 100% to 50% of registered shares capital.
- An indirect subsidiary invested in 3 group companies which were established in Singapore for proportion of 50% and 100% of registered share capital. Such group companies have invested in 5 newly established companies in Republic of the Union of Myanmar for proportion at 50% and 100% of their registered share capital.
- An indirect subsidiary registered the liquidation of 7 group companies in overseas.
- The Company registered the liquidation of a subsidiary and two joint ventures in overseas.
- The Company invested in a subsidiary company which was established in Republic of Mauritius for proportion of 100%.

2.5 The financial statements of the overseas project offices, branches and subsidiaries are translated into Thai Baht using exchange rates at the statement of financial position date for assets and liabilities, and using the monthly average exchange rates for revenues and expenses. The resultant differences are presented under the caption "Translation adjustments for foreign currency financial statements" under shareholders' equity.

2.6 Significant transactions and account balances with subsidiaries have been eliminated from the consolidated financial statements, except for intercompany profit in inventories at the end of the year, which has insignificant affect on the consolidated financial statements.

2.7 Non-controlling interests represent the portion of subsidiary companies' profit or loss and net assets that are not held by the Company.

2.8 All subsidiaries have the same reporting date of 31 December and have been prepared with the same accounting policies as the separate financial statements for the same accounting transactions or accounting events.

2.9 Dilution gains (loss) that arise on shares issued by subsidiaries and sold to third parties are recognised as surplus (discount) on dilution of investment in subsidiary companies, which is presented in shareholders' equity in the consolidated financial statements.

2.10 The Company's financial statements for the years ended 31 December 2016 and 2015 include the audited financial statements of two overseas project offices, four overseas branches, ten overseas subsidiaries, and three joint ventures with aggregate assets and revenues in Baht equivalent as follows : -

(Unit : Million Baht)

	2016		2015	
	Total assets	Total Revenues	Total assets	Total revenues
KOLDAM Project Office	1,208	59	1,281	78
West Bengal Project Office	22	10	34	6
Italian – Thai Development Public Co., Ltd. – Philippines Branch	62	1	65	10
Italian – Thai Development Public Co., Ltd. – Taiwan Branch	19	3	32	17
Italian – Thai Development Public Co., Ltd – India Branch	397	79	170	1
Italian – Thai Development Public Co., Ltd – Cambodia Branch	38	70	-	-
ITD Cementation India Limited	10,229	16,263	13,018	16,505
P.T. Thailindo Bara Pratama	523	31	582	1
ITD Madagascar S.A.	121	105	132	10
ITD Construction SDN. BHD	-	-	-	6
First Dhaka Elevated Expressway Co., Ltd.	2,185	1	522	6
ITD Bangladesh Company Limited	2	-	2	-
Italian – Thai Development Vietnam Co., Ltd.	4	-	4	-
Italian – Thai Development (Myanmar) Co., Ltd.	27	1	32	55
ITD Mozambique Limitada	112	-	92	-
Thai Mozambique Logistica SA	226	-	212	-
ITD – Cemindia JV	28	20	28	13
ITD – ITD CEM JV	2,308	800	2,425	1,747
ITD – ITD CEM JV (Consortium)	72	1	91	42
Total	17,583	17,444	18,722	18,497

2.11 The Company's management considered the economic content of the joint venture agreements and concluded that the investments in some arrangements are joint operations. The Company therefore, prepared and presented the financial statements by recognizing assets, liabilities, revenues and expenses of such joint operations proportionately based on the Company's interest.

Joint operations are as follows:

Name of Entity	Interest in joint operations (percent)		Type of businesses
	2016	2015	
ITD – SQ Joint Venture	50.00	50.00	Soil and coal extraction and removal services for the Electricity Generating Authority of Thailand
ITD – Unique Joint Venture	60.00	60.00	Construction harbour at Trad Province for the Marine Department, Ministry of Transport, Thailand
SQ – ITD Joint Venture	50.00	50.00	Soil and coal extraction and removal services for the Electricity Generating Authority of Thailand

Name of Entity	Interest in joint operations (percent)		Type of businesses
	2016	2015	
	ITD – SMCC Joint Venture	40.00	
Samsung – ITD Joint Venture	24.00	24.00	Construction the LPG expansion project at Khao Bo Ya, Chonburi Province with PTT Public Company Limited, Thailand

The consolidated and separate financial statements as at 31 December 2016 and 2015 and for the years then ended included assets, liabilities, revenues and expenses of such joint operations as follows:

(Unit : Million Baht)

	2016				2015			
	Non –		Non –		Non –		Non –	
	Current assets	current assets	Current liabilities	current liabilities	Current assets	current assets	Current liabilities	current liabilities
ITD – SQ Joint Venture	524	1,075	1,786	382	738	1,243	1,699	819
ITD – Unique Joint Venture	30	-	235	-	191	2	263	-
SQ – ITD Joint Venture	264	165	60	-	116	508	99	5
ITD – SMCC Joint Venture	26	-	4	-	143	2	14	-
Samsung – ITD Joint Venture	252	7	450	-	273	14	402	-

(Unit : Million Baht)

	2016		2015	
	Revenues	Expenses	Revenues	Expenses
	ITD – SQ Joint Venture	794	913	896
ITD – Unique Joint Venture	2	136	145	235
SQ – ITD Joint Venture	195	345	643	474
ITD – SMCC Joint Venture	3	33	274	208
Samsung – ITD Joint Venture	11	86	362	594

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Revenues from construction work

Revenues from construction work are recognized when services have been rendered taking into account the stage of completion measured by the proportion of actual construction costs incurred up to the end of the year and the total anticipated costs to complete the construction. Provision for the total anticipated loss on construction projects is made in the accounts as soon as the possibility of loss is ascertained.

Revenue from sales

Revenue from sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyers. Sales are presented at invoiced values, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue from services

Revenue from services are recognized when the services have been rendered.

Interest income

Interest income is recognized over time – period on an accrued basis.

Dividend income

Dividend income is recognized when the right to receive the dividends is established.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. The Company and subsidiaries provide allowance for doubtful accounts for the estimated losses that may occur in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging, and the likelihood of settlement of debt, on a specific account basis.

3.4 Earned revenues not yet billed/receipt in excess of contract work in progress

The recognized revenues which are not yet due as per contracts are presented as “Earned revenues not yet billed” in the statement of financial position. The instalment amounts due and received according to the contracts but not yet recognized as revenue is presented as “Receipt in excess of contract work in progress” in the statement of financial position.

3.5 Inventories and work in process

Inventories and work in process are valued at the lower of weighted average cost and net realizable value and are charged to production costs whenever consumed. Management periodically review and provide allowance for obsolete inventories.

3.6 Costs of property development projects

Costs of property development projects are presented at costs or net realizable value whichever is lower. Project development costs include land cost, construction costs and expenses directly related to the development projects, including interest expense incurred from related loan interest. These will be amortized to cost of sales based on the percentage of sold area of each project.

3.7 Borrowing costs

Interest expenses incurred on loans to finance the acquisition and development of the project is capitalized as a cost of each project. It will cease the capitalization of interest when the project is completed, or if suspended, until development is resumed.

3.8 Non – current assets held – for – sale

Disposed assets or asset groups held-for-sale are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets. Management must commit to the sale of the assets and they must be actively marketed at a price that is reasonable compared to their current fair value, with the expectation that sale should be recorded as completed within one year from the date of classification. These disposed assets or asset groups are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in the statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

The Company ceases to depreciate plant and equipment from the date the assets meet the criteria for classification as assets held – for – sale.

3.9 Investments

- a) Investments in available-for-sale securities are presented at fair value. Gains or losses arising from changes in the value of such investments are separately presented as part of shareholders' equity under the caption "Unrealised gain/loss on changes in value of investments". When the securities are sold, the change is included in the statement of profit or loss.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are presented at cost net of allowance for impairment (if any).

- c) Investments in subsidiaries, associated companies and joint ventures are accounted for by the cost method in the separate financial statements. Investments in associated companies and joint ventures are accounted for by the equity method in the consolidated financial statements.

The fair value of available-for-sale securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

The weighted average method is used for computation of the cost of investments.

The Company and subsidiaries recorded impairment losses (if any) on investments in available-for-sale securities and other investments in the statement of profit or loss when the carrying amount exceeds its recoverable amount.

3.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing of the Company's operations.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associated

Associated companies are those companies in which the Company has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company's share of the total recognized gains or losses of associated companies by the equity accounting method, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the Company will account for the share of losses not exceeding its investments and further losses are no longer accounted for, except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associated company.

Joint arrangement

A joint arrangement is an arrangement of which two or more parties have joint control. A joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Company will recognize such losses as obligation of the Company's interest in the joint ventures.

A joint operation, the Company recognizes the assets, liabilities, revenues and expenses in relation to its interest in the arrangement.

3.11 Land awaiting developments

Land awaiting developments are valued at cost or net realisable value whichever is lower.

3.12 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the Company and subsidiaries are stated investment properties at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in the statement of profit or loss.

On disposal of investment properties, the Company and subsidiaries are recognised the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period when the asset is derecognised.

3.13 Property, plant and equipment, and depreciation

Property, plant and equipment are presented at cost less accumulated depreciation and allowance for impairment of assets (if any). Cost is measured by the cash or cash equivalent price including interest expense incurred from related loan interest of obtaining the asset and to bring it to the location and condition necessary for its intended use.

The Company and subsidiaries depreciated its buildings and equipment by the straight – line method over their estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimated useful lives of the assets are as follows :

Buildings	20 years
Machinery and equipment	3 – 25 years
Furniture, fixtures and office equipment	3 – 7 years
Vehicles	5 – 12 years
Site office and temporary camps	5 – 12 years

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

3.14 Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the share of the identifiable net assets which the Company acquired. Goodwill is measured at cost less allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

3.15 Potash mining right

Potash mining right represents the excess of the cost of investment over the fair value of the subsidiary's net assets which, in managements' view, represents future economic benefits attributable to the potash mining rights. Potash mining right will be amortised using the units of potash production over the estimated potash reserve from the start of production.

3.16 Deferred exploration and development costs

All costs incurred in relation to the exploration for mineral reserves and expenses for the application of the mining concession are recorded as deferred exploration and development costs until the commencement of the commercial production or the abandonment of the project. These costs will be amortized based on the proportion of the units of production and the total estimated proven and probable recoverable reserves, from the commencement of the commercial operations. When the project is proven not commercially feasible and the property is abandoned or becomes worthless, these costs will be recorded as expenses.

3.17 Advances from customers under construction contracts

Advances from customers under construction contracts will be deducted from the bill of work over the period as indicated in the construction agreement. Advances from customers under construction contracts spanning more than 1 year are classified as non - current liabilities.

3.18 Debentures

Debentures are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, debentures are presented at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowing on an effective interest basis. Gains or losses on early redemption are recognized in the statement of profit or loss upon redemption.

3.19 Lease – where the Company and subsidiaries are the lessees

Leases of equipment where the Company and subsidiaries assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of the leased assets or estimated present value of the underlying lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Lease payments deducted by financial charges are recognized as liabilities under finance lease agreements. The financial expense is charged to the statement of profit or loss over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets in which the lessor effectively retains all the risks and benefits of ownership, are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss on the straight – line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required by the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

3.20 Leases – where the Company and subsidiaries are the lessors

Assets leased out under operating leases are included in building and equipment in the statement of financial position. Depreciation is calculated over their estimated useful lives on a basis consistent with other similar assets. Rental income is recognized on a straight – line basis over the lease period.

3.21 Hire – purchase payables

These represent hire - purchase payables less deferred interest. The repayment sub-schedules of the hire - purchase contracts are for 24 – 60 months. The fixed assets acquired under hire - purchase agreements are recorded as assets of the Company at their cash prices and will be registered in the name of the Company upon the completion of payments. Interest on hire purchases payable is recognized as an expense in the statement of profit or loss.

3.22 Impairment

The Company and subsidiaries assess whether there is an indication that any assets may be impaired. If any such indication exists, the Company and subsidiaries make an estimate of the assets recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less cost to sell and value in use.

3.23 Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

Deferred tax

Deferred taxes are calculated on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or when tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

3.24 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Financial assets and liabilities, denominated in foreign currencies, which are outstanding at the reporting date, are translated into Baht at the exchange rates ruling on the reporting date. Gains and losses on exchange are included in the statement of profit or loss.

3.25 Employee benefits

Short-term employment benefits

Salaries, wages, bonuses and contribution to the social security are recognised as expenses when incurred on the accrual basis.

Post-employment benefits (Defined contribution plan)

The Company and its subsidiaries, and their employees have jointly established a provident fund plan whereby monthly contributions are made by employees and by the Company and subsidiaries. The fund's assets are held in a separate trust fund from the Company and subsidiaries' assets. The Company's and subsidiaries' contributions to the fund are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plan)

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under the labour law. The Company and subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligations under the defined benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employee benefits are recognised in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation, fair value of plan assets and actuarial gains (losses).

The expected rate of return of plan assets is the Company's expectation of the average long – term rate of return expected on investments of the fund during the estimated term of obligations. Plan assets are measured at fair value as at the reporting date.

3.26 Segment reporting

Segment results that are reported to the Group's executive committee (the chief operating decision makers) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.27 Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

3.28 Basic earnings per share

Basic earnings per share are determined by dividing the profit for the year by the weighted average number of common shares outstanding during the year.

3.29 Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of outstanding common shares is assumed to be converted to common shares that dilute the total number of shares.

A calculation is done to determine the potential number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the year) based on the outstanding warrants to determine the number of potential common shares to be additionally issued.

3.30 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling on the reporting date. Unrealized gains and losses from the translation are included in the statement of profit or loss.

Cross currency and interest rate swap agreements

Receivables and payables arising from the cross currency swap agreements are translated into Baht at the rates of exchange ruling on the reporting date. Unrealized gains and losses from the translation are included in the statement of profit or loss. The differences under interest rate swaps are recorded as adjustments to the interest expense relating to the hedged financial obligations in the statement of profit or loss.

3.31 Provision for liabilities and expenses, and contingent assets

The Company and subsidiaries recognised provision for liabilities and expenses in the financial statements when the Company and subsidiaries have present legal or constructive obligations as a result of past events with probable future outflows of resources to settle the obligation, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually certain.

3.32 Fair value measurement of financial instruments

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.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT

The preparation of the financial statements requires management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Critical accounting estimates, assumption and judgments are as follows:

1. Construction revenues

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date. In this process, management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. Actual outcomes in terms of actual costs or revenues may be higher or lower than estimated at reporting date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

2. Claims income

A claim is an amount that the Company and subsidiaries seek to collect from their customers or another party as reimbursement for costs not included in the contract price. A claim may arise from, for example, customer caused delays, errors in specifications or design, and disputed variations in contract work. The measurement of the amounts of revenue arising from claims is subject to a high level of uncertainty and often depends on the outcome of negotiations.

3. Allowance for loss on construction projects

The Company and subsidiaries review its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the statement of profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

4. Impairment of receivables

The Company and subsidiaries account for allowance for doubtful accounts equal to the estimated collection losses that may incur in the collection of receivables. The estimated losses are based on historical collection experience coupled with a review of outstanding receivables at reporting date.

5. Allowance for obsolete, slow-moving and defective inventories

The Company and subsidiaries provide allowances for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category and such requires management judgment.

6. Allowance for diminution in value of cost of property development projects and land held for development

The Company and subsidiaries treat cost of property development projects and land held for development, as diminution when the management judges that there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of such cost of property development projects and land held for development based on net realisable value. The determination of what is “significant” or “prolonged” and such devaluation requires management judgment.

7. Allowance for impairment of investments

The Company and subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

8. Impairment of goodwill

The Company annually reviews goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of management estimates.

9. Non – current assets classified as held for sale

The Company presented non-current assets held for sale at the fair value and recognize loss on decline in value on initial classification as held for sales and subsequent gains and losses on remeasurement are recognized in the statement of profit or loss. The fair value of non-current assets held for sales is determined by the independent appraiser by using the depreciated replacement cost approach which the valuation involves certain assumptions and estimates.

10. Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for plant and equipment and intangible assets of the Company and subsidiaries. Management will revise the depreciation and amortization charge where useful lives and residual values previously estimated have changed or subject to be written off for their technical obsolescence or if they are no longer in use.

11. Investment property

The Company and subsidiaries presented investment property at the fair value estimated by an independent appraiser, and recognise changes in the fair value in profit or loss. The fair value of investment properties are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

12. Allowance for impairment of assets

The Company and subsidiaries consider an allowance for impairment of assets when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value below their cost, the Company and subsidiaries, make an estimate of the assets recoverable amount. The determination of recoverable amount requires management judgment.

13. Post-employment benefits under defined benefit plans

Obligation under defined benefit plans is determined based on actuarial techniques. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.

14. Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company and subsidiaries future taxable income against which the deductible temporary differences can be utilised. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

15. Litigation

The Company and subsidiaries normally have contingent liabilities as a result of disputes and litigation. Management use judgment to assess the results of the disputes and litigation and recognize reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.

5. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2016, savings and fixed deposits of the Company and subsidiaries totaling approximately Baht 751.96 million (2015 : Baht 79.01 million) have been pledged with banks as the normal course of business and collaterals for loans obtained by the Company and subsidiaries to finance specific projects, and fixed deposits amounting to Baht 0.78 million (2015 : Baht 0.69 million) have been pledged as required in the normal course of businesses of the Company, subsidiaries, and the overseas branches. Most of these restricted deposits with banks are turned over within one year so they are classified as current assets.

6. TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES - NET

The aging of outstanding trade accounts receivable balances as at 31 December 2016 and 2015 are as follows:

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Less than 3 months	5,217,266	6,351,999	4,521,537	5,530,104
3 – 6 months	117,340	302,631	20,697	26,255
6 – 12 months	513,656	357,199	295,639	32,369
More than 12 months	1,720,004	1,446,450	341,256	293,638
Total	7,568,266	8,458,279	5,179,129	5,882,366
Less : Allowance for doubtful accounts	(940,163)	(807,591)	(297,501)	(247,479)
Net	6,628,103	7,650,688	4,881,628	5,634,887

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

The consolidated financial statements as at 31 December 2016 include trade accounts receivable and unbilled work in progress of an overseas subsidiary totaling Baht 606.94 million (2015 : Baht 626.56 million) which represent some variation order claims recognized some years in the past based on the terms and conditions implicit in the agreement. These claims are technical in nature and subject to arbitration tribunal. The subsidiary has assessed the realization of these claims based on information from the dispute resolution board, the arbitration tribunal, High Court orders and the legal opinion from an independent counsel and subsidiary has not provided allowance for doubtful accounts for such receivables and claims matter in the accounts.

During the year 2015, such overseas subsidiary concluded an agreement with the employer to accept the partial settlement of outstanding trade account receivable and unbilled work in progress. Therefore, the subsidiary has recognized loss on such agreement in it accounts of Baht 663.26 million in the consolidated financial statements for year ended 31 December 2015.

The consolidated financial statements as at 31 December 2015 also include trade receivables and unbilled work in progress of overseas subsidiary of Baht 164.66 million and Baht 26.00 million, respectively. These amounts are presently under negotiation with the customers or subject matter litigation. However, the overseas subsidiary recognized allowance for doubtful accounts in full amounts in the consolidated financial statements for the year ended 31 December 2016.

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

7. TRADE ACCOUNTS RECEIVABLE – RELATED PARTIES - NET

The outstanding balances as at 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Subsidiaries</u>				
(eliminated in consolidated financial statements)				
Asia Industrial and Port Corporation Co., Ltd.	-	-	124,640	123,109
Asian Steel Products Co., Ltd.	-	-	260	260
Thai Pride Cement Co., Ltd.	-	-	22,392	3,288
Italthai Marine Co., Ltd.	-	-	16,649	10,474
Bhaka Bhumi Development Co., Ltd.	-	-	25,942	13,458
Sarithorn Co., Ltd.	-	-	20,730	21,937
Aquathai Co., Ltd.	-	-	28,239	27,353
Nha Pralan Crushing Plant Co., Ltd.	-	-	31,163	35,847
Italthai Trevi Co., Ltd.	-	-	126,872	69,985
Italian – Thai Power Co., Ltd.	-	-	27,498	27,498
Thai Maruken Co., Ltd.	-	-	7,067	9,877
ITD Construction SDN. BHD.	-	-	2,753	2,753
Asia Pacific Potash Corporation Limited	-	-	50,102	43,369
ITD Madagascar S.A.	-	-	25,290	120,954
Italian – Thai Hongsa Co., Ltd.	-	-	388,564	82,026
First Dhaka Elevated Expressway Co., Ltd.	-	-	179,331	159,370
Italian – Thai International Co., Ltd.	-	-	33,781	33,781
Siam Concrete and Brick Products Co., Ltd.	-	-	2,928	14,511
Saraburi Construction Technology Co., Ltd.	-	-	7,044	10,516
Italian – Thai Development (Myanmar) Co., Ltd.	-	-	24,403	24,410
Others	-	-	6,795	-
Total	-	-	1,152,443	834,776
Less : Allowance for doubtful accounts	-	-	(124,805)	(118,778)
Net	-	-	1,027,638	715,998

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Associated companies and joint ventures</u>				
MCRP Construction Corporation, Philippines	540,097	553,705	488,226	501,834
Sino Lao Aluminum Corporation Limited	293,686	196,674	293,686	196,674
Bangkok Steel Wire Co., Ltd.	2,737	8,574	2,737	8,574
ATO – Asia Turnouts Co., Ltd.	14,631	34,857	14,631	34,857
ITO Joint Venture	-	5,816	-	5,816
ITD – ETF – MVM Joint Venture	17,826	17,269	17,826	17,269
ITD – ETF Joint Venture	226,702	170,767	226,702	170,767
CMC/ITD/SONG DA Joint Venture	61,165	-	61,165	-
Total	1,156,844	987,662	1,104,973	935,791
Less : Allowance for doubtful accounts	(540,097)	(553,705)	(488,226)	(501,834)
Net	616,747	433,957	616,747	433,957
<u>Related parties</u>				
NWR – SBCC Joint Venture	883,467	870,462	882,722	869,733
Italthai Engineering Co., Ltd.	136	12,134	100	12,098
Siam Steel Syndicate Plc.	99,373	3,400	99,373	3,400
Italthai Industrial Co., Ltd.	2,328	3,493	2,328	3,493
Ao Po Grand Marina Co., Ltd.	103,092	102,604	103,092	102,604
Ao Po Grand Marina & Residence Co., Ltd.	92,431	312,501	92,431	312,501
Saraburi Coal Co., Ltd.	1,781	1,781	1,781	1,781
PAN AFRICAN MINING CORP.	103,567	99,705	103,567	99,705
Asia Thai Mining Co., Ltd.	17,262	26,341	2,825	3,859
Amari Huahin Co., Ltd.	1,731	1,731	1,731	1,731
PAM SAKOA COAL S.A.	56,931	52,830	-	-
Sahakol Equipment Public Co., Ltd.	12,899	25,735	12,899	25,735
Lao Metal Industrial Co., Ltd.	-	4	-	4
Charoong Thai Wire and Cable Plc.	-	14,573	-	14,573
OHTL Plc.	400	113,912	400	113,912
Praram 9 Square Co., Ltd.	44,510	72,783	44,510	72,783
Siam machinery & equipment Co., Ltd.	2,896	18,212	2,896	18,212
Construction concrete Co., Ltd	53,053	26,489	-	-
Others	1,500	16,668	500	15,939
Total	1,477,357	1,775,358	1,351,155	1,672,063
Less : Allowance for doubtful accounts	(75,530)	(63,079)	(63,560)	(51,109)
Net	1,401,827	1,712,279	1,287,595	1,620,954

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Outstanding balances of joint operations</u>				
ITD – SQ Joint Venture	29,128	59,988	29,128	59,988
SQ – ITD Joint Venture	3,925	3,662	3,925	3,662
Samsung – ITD Joint Venture	-	146	-	146
Total	<u>33,053</u>	<u>63,796</u>	<u>33,053</u>	<u>63,796</u>
Trade accounts receivable – related parties – net	<u>2,051,627</u>	<u>2,210,032</u>	<u>2,965,033</u>	<u>2,834,705</u>

The ages of outstanding balances of accounts receivable – related parties as at 31 December 2016 and 2015 are as follows :

Outstanding Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Less than 3 months	284,214	487,725	636,063	690,894
3 – 6 months	182,580	150,854	306,837	176,371
6 – 12 months	68,305	110,948	179,609	187,614
More than 12 months	2,132,155	2,077,289	2,519,115	2,451,547
Total	<u>2,667,254</u>	<u>2,826,816</u>	<u>3,641,624</u>	<u>3,506,426</u>
Less : Allowance for doubtful accounts	(615,627)	(616,784)	(676,591)	(671,721)
Net	<u>2,051,627</u>	<u>2,210,032</u>	<u>2,965,033</u>	<u>2,834,705</u>

On 8 December 2016, the Board of Directors passed a resolution to approve transferred of condominium from a related company for debt settlement from construction services of Baht 210.98 million.

The consolidated financial statements and separate financial statement include trade accounts receivable and short – term loans to related companies of totaling Baht 176.65 million and Baht 103.57 million, respectively. Such receivables are presently under the process of project feasibility study and negotiation with strategic investors to join its operation in the future. Debt repayment from such debtors based on the project feasibility. The management considers that it would be received in full amount and has not considered setting up allowance for non – collection in the accounts.

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Subsidiaries</u>				
(eliminated in consolidated financial statements)				
PT. Thailindo Bara Pratama	-	-	2,169,880	2,131,632
Italthai Marine Co., Ltd.	-	-	232,685	232,685
Bhaka Bhumi Development Co., Ltd.	-	-	256,780	256,780
First Dhaka Elevated Expressway Co., Ltd.	-	-	34,711	34,667
ITD Cementation India Limited	-	-	12,604	13,011
Aquathai Co., Ltd.	-	-	44,000	71,200
ITD - ITD Cem JV	-	-	46,744	48,104
Total	-	-	2,797,404	2,788,079
Less : Allowance for doubtful accounts	-	-	(1,776,398)	(1,674,800)
Net	-	-	1,021,006	1,113,279
<u>Associated companies and joint ventures</u>				
Sino Lao Aluminum Corporation Limited	189,389	174,669	189,389	174,669
IOT Joint Venture	9,801	9,801	9,801	9,801
DAWEI LNG TERMINAL HOLDING PTE. LTD.	47,100	-	-	-
CEC-ITD CEM -TPL Joint Venture	3,586	-	-	-
Total	249,876	184,470	199,190	184,470
Less : Allowance for doubtful accounts	(10,374)	(9,801)	(9,801)	(9,801)
Net	239,502	174,669	189,389	174,669
<u>Related companies</u>				
PAM SAKOA COAL S.A.	15,550	15,550	-	-
PAM MADAGASCAR S.A.	601	604	-	-
Total	16,151	16,154	-	-
Short – term loans and advances to subsidiaries related parties – net	255,653	190,823	1,210,395	1,287,948

Significant movements in the short - term loans and advances to subsidiaries and related parties for the year ended 31 December 2016 are as follows :

	(Unit : Thousand Baht)			
	1 January	During the year		31 December
	2016	Increase	Decrease	2016
<u>Subsidiaries</u>				
PT. Thailindo Bara Pratama	2,131,632	38,248	-	2,169,880
Italthai Marine Co., Ltd.	232,685	-	-	232,685
Bhaka Bhumi Development Co., Ltd.	256,780	-	-	256,780
First Dhaka Elevated Expressway Co., Ltd.	34,667	44	-	34,711
ITD Cementation India Limited	13,011	-	407	12,604
Aquathai Co., Ltd.	71,200	-	27,200	44,000
ITD - ITD Cem JV	48,104	-	1,360	46,744
Total	2,788,079	38,292	28,967	2,797,404
<u>Associated company and joint venture</u>				
Sino Lao Aluminum Corporation Limited	174,669	14,720	-	189,389
IOT Joint Venture	9,801	-	-	9,801
Total	184,470	14,720	-	199,190
Total	2,972,549	53,012	28,967	2,996,594

9. INVENTORIES AND WORK IN PROCESS - NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Work in process	76,180	51,705	-	-
Materials and inventories	3,318,172	3,248,748	1,740,507	1,395,884
Total	3,394,352	3,300,453	1,740,507	1,395,884
Less : Allowance for obsolete inventories	(54,867)	(27,186)	(34,153)	(9,002)
Net	3,339,485	3,273,267	1,706,354	1,386,882

During the years 2016 and 2015, movements in the allowance for obsolete inventories are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	27,186	21,545	9,002	-
Add : Additional allowance	31,109	10,646	25,669	9,002
Less : Reversal of allowance	(2,910)	(5,005)	-	-
Less : Translation adjustment	(518)	-	(518)	-
Balance as at 31 December	<u>54,867</u>	<u>27,186</u>	<u>34,153</u>	<u>9,002</u>

10. COSTS OF PROPERTY DEVELOPMENT PROJECTS – NET

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2016	2015
Land	964,656	921,266
Cost of property development projects	1,897,331	1,597,758
Utilities installation	74,892	112,428
Capitalized borrowing costs	40,152	39,520
Total	<u>2,977,031</u>	<u>2,670,972</u>
Less : Accumulated amounts transferred to cost of sales	(2,504,894)	(2,105,837)
Net	<u>472,137</u>	<u>565,135</u>

As at 31 December 2016 and 2015, the above land and constructions have been pledged as collaterals for overdraft, loan and credit facilities with local banks as discussed in Note 24.

During the years 2016 and 2015 the Company capitalized interest amounting to Baht 0.63 million and Baht 4.32 million, respectively, to the cost of property development project. The capitalization rates of interest are based on the borrowing costs as discussed in Note 24.

The changes in cost of property development projects for the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2016	2015
Balance as at 1 January	565,135	318,500
Add : Cost of property development	306,059	459,164
Less : Cost of sales	(399,057)	(212,529)
Balance as at 31 December	<u>472,137</u>	<u>565,135</u>

11. NON - CURRENT ASSETS HELD FOR SALE – NET

SQ-ITD Joint venture finished of providing soil and coal extraction and removal service to Electricity Generating Authority of Thailand (EGAT) and ITD-SQ Joint venture during June 2015 and September 2016, respectively. Its operations were confined to the follow-up of collections from customers, payment of liabilities and agreed with Joint venture partner to customary for sales of such assets which the management expected that sale should be completed within one year.

As at 31 December 2016, the non-current assets held-for-sale represented machineries and equipment Baht 194.68 million (net of impairment of assets of Baht 168.68 million).

12. INVESTMENTS

12.1 Investments in subsidiaries – net

Movements in investments in subsidiaries for the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)	
	Separate F/S	
	2016	2015
Balance as at 1 January	6,606,801	6,542,196
Add : Additional investments during the year	127,727	64,605
Less : Disposal	-	(10,169)
Less : Reversal of allowance (allowance) for impairment	(99,173)	10,169
Balance as at 31 December	<u>6,635,355</u>	<u>6,606,801</u>

Investments in subsidiaries as at 31 December 2016 and 2015 comprise investments as follows:-

		(Unit : Thousand Baht)				
		Paid-up Capital	Percentage of shareholding		Separate F/S Cost	
Nature of business			2016	2015	2016	2015
			Percent	Percent		
Investments in subsidiaries						
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	10,999
(2015 : 11,000 Thousand Baht)						
Less : Allowance for impairment					(10,999)	(10,999)
Net					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
Italhai Marine Co., Ltd.	Production and sale of vessels and equipment	810,000	92.59	92.59	430,000	430,000
Less : Allowance for impairment					(430,000)	(430,000)
Net					-	-
Italhai Trevi Co., Ltd.	Foundation and piling work services	80,000	90.94	90.94	84,189	84,189
Asian Steel Product Co., Ltd.	Manufacture and distribution of large steel pipes	20,000	69.90	69.90	7,004	7,004
Thai Maruken Co., Ltd.	Lease and sale of sheet piles and beams for foundation construction work	20,000	50.96	50.96	10,196	10,196
Italian-Thai Land Co., Ltd.	Not yet operational	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
Overseas subsidiary companies						
Myanmar ITD Co., Ltd.	Service agent for Myanmar companies	1,483 Baht	99.99	99.99	1,483	1,483
Less : Allowance for impairment					(1,483)	(1,483)
Net					-	-

		(Unit : Thousand Baht)				
Nature of business	Paid-up Capital	Percentage of shareholding		Separate F/S Cost		
		2016	2015	2016	2015	
		Percent	Percent			
PT. Thailindo Bara Pratama	Coal mining contractor	25,250	99.99	99.99	108,071	108,071
		Million IDR				
ITD Cementation India Limited	Construction services in India	155	51.63	51.63	2,143,951	2,143,951
		Million INR				
ITD–Madagascar S.A.	Mining business	20	99.98	99.98	99,527	4,553
		Million MGA				
Less : Allowance for impairment					(99,173)	-
Net					354	4,553
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	534	99.99	99.99	221,117	221,117
		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	25,694
		USD				
		(2015 : 782,815 USD)				
Thai Mozambique Logistica SA.	Concession for constructing Port and Railway in the Republic of Mozambique	250,000	60.00	60.00	4,955	4,955
		USD				
Italian - Thai Development (Myanmar) Co., Ltd	Construction services in the Republic of the Union of Myanmar	25,000	99.90	99.90	814	814
		USD				
Total Investments in subsidiaries - net					6,635,355	6,606,801

NON – CONTROLLING INTERESTS

Subsidiaries with material non-controlling interests are as follows :

(Unit: Million Baht)						
Name	Proportion of ownership interests held by the NCI (Percentage)		Total comprehensive Income(Loss) allocated to NCI		Accumulated NCI	
	2016	2015	2016	2015	2016	2015
Italthai Trevi Co., Ltd.	9.06	9.06	9	9	45	39
Asian Steel Product Co., Ltd.	30.10	30.10	8	(7)	44	37
Thai Maruken Co., Ltd.	49.04	49.04	22	21	214	212
ITD Cementation India Limited	48.37	48.37	88	(94)	1,172	1,084
Italthai Marine Co., Ltd.	7.41	7.41	(2)	(2)	(25)	(23)
APPC Holding Co.,Ltd.	10.00	10.00	(8)	(7)	(108)	(101)

Subsidiaries was paid dividend to the NCI during the year 2016 of Baht 24.37 million (2015 : Baht 39.07 million)

Significant financial information of the subsidiaries with material non-controlling interest in the aggregate amounts before eliminations are summarized as follows :

(Unit : Million Baht)

	For the years ended 31 December											
	Italthai Trevi		Asian Steel		Thai Maruken		ITD Cementation		Italthai Marine		APPC Holding	
	Co., Ltd.	Product Co., Ltd.	Co., Ltd.	India Limited	Co., Ltd.	Co., Ltd.	2016	2015	2016	2015	2016	2015
Current assets	635	624	117	92	154	203	8,372	11,211	136	140	9	21
Non – current assets	364	223	49	50	531	423	1,857	1,807	44	47	4,006	4,006
Current liabilities	449	354	10	10	213	73	6,784	8,618	509	496	51	45
Non - current liabilities	65	59	10	8	35	120	1,022	2,159	10	6	373	325
Equity attributable to the Company's shareholder	440	395	102	87	223	221	1,251	1,157	(314)	(292)	3,699	3,758
Non – controlling interests	45	39	44	37	214	212	1,172	1,084	(25)	(23)	(108)	(101)
Revenue	1,098	819	199	67	424	412	16,263	16,505	430	277	39	57
Profit (loss) for attributable to the Company's shareholders	93	90	18	(14)	23	23	138	(152)	(20)	(31)	(69)	(61)
Profit (loss) for attributable to non – controlling interests	9	9	8	(6)	22	22	130	(143)	(2)	(2)	(8)	(7)
Profit (loss) for the year	102	99	26	(20)	45	45	268	(295)	(22)	(33)	(77)	(68)
Other comprehensive income (loss)	(1)	-	(1)	(1)	-	(2)	(86)	100	(2)	1	-	-
Total comprehensive income (loss) to the Company's shareholder	(1)	-	(1)	(1)	-	(1)	(44)	51	(2)	1	-	-
Total comprehensive income (loss) attributable to non – controlling interests	-	-	-	-	-	(1)	(42)	49	-	-	-	-
Total comprehensive income (loss) for the year	(1)	-	(1)	(1)	-	(2)	(86)	100	(2)	1	-	-

(Unit : Million Baht)

	For the year ended 31 December 2016						
	Italthai Trevi	Asian Steel	Thai Maruken	ITD Cementation	Italthai Marine	APPC Holding	
	Co., Ltd.	Product Co., Ltd.	Co., Ltd.	India Limited	Co., Ltd.	Co., Ltd.	
Net cash from (used in) operating activities		192	20	2	1,889	19	(60)
Net cash from (used in) investing activities		(206)	(6)	(2)	(34)	-	2
Net cash from (used in) financing activities		(52)	-	-	(1,345)	(27)	57
Net cash inflows (outflows)		(66)	14	-	510	(8)	(1)

12.2 Investments in associated companies - net

Significant judgement and assumptions

Associates are those companies in which the Company has significant influence, but not control, over the financial and operating policies. The Company's share voting right 20 - 50 percentage of voting right, which the investments are stated at cost.

The consolidated financial statements include the Company's share of the total recognized gains and losses of associates by the equity accounting method, from the date that significant influence commences until the date that significant influence ceases. Except Siam Pacific Holding which the company holding 46.69 percentage and a subsidiary holding 4.30 percentage (totalling 50.99 percentage) because the Company has not control such company and classifies as associated investments.

Movements in investments in associated companies, which are accounted for using the equity method in the consolidated financial statements, for the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	662,140	692,398	697,963	697,963
Less: Share of profit (loss) from associated companies	(1,786)	10,694	-	-
Less: Dividend from associated companies	(1,251)	(65,045)	-	-
Add: Transferred investment from subsidiary company to associated company	11	-	-	-
Add (less): Translation adjustment for foreign currency financial statements	(167)	24,093	-	-
Balance as at 31 December	<u>658,947</u>	<u>662,140</u>	<u>697,963</u>	<u>697,963</u>

A reconciliation of the summarised financial information to the carrying amount of the investment in associated companies are as follow:

	(Unit : Thousand Baht)							
	31 December 2016							
	ATO-Asia Turnouts Co., Ltd.	Siam Pacific Holding Co., Ltd.	Bangkok Steel Wire Co., Ltd.	Oriental Residence Bangkok Co., Ltd.	MCRP Construction Corporation, Philippines	Sino Lao Aluminum Corporation Limited	MCRP Holding	Total
Total net assets of associated companies	48,051	57,188	480,006	(194,308)	-	1,008,353	-	1,399,290
Proportion of ownership interests held by the Company (%)	48.99	46.69	19.98	15	24	50*	24	-
Net assets by the Company's proportion	<u>23,540</u>	<u>26,701</u>	<u>95,905</u>	<u>(29,146)</u>	<u>-</u>	<u>504,177</u>	<u>-</u>	<u>621,177</u>
Other adjustment	-	2,525	869	29,146	-	5,230	-	37,770
Carrying amount of the investment in associated companies	<u>23,540</u>	<u>29,226</u>	<u>96,774</u>	<u>-</u>	<u>-</u>	<u>509,407</u>	<u>-</u>	<u>658,947</u>
Dividend received from associated company	-	-	1,250	-	-	-	-	1,250

(Unit : Thousand Baht)

31 December 2015

	ATO-Asia Turnouts Co., Ltd.	Siam Pacific Holding Co., Ltd.	Bangkok Steel Wire Co., Ltd.	Oriental		MCRP		Sino Lao		Total
				Residence Bangkok Co., Ltd.		Construction Corporation, Philippines		Aluminum Corporation Limited	MCRP Holding	
Total net assets of associated companies	44,566	57,376	467,002	(154,275)	-	-	1,030,154	-	1,444,823	
Proportion of ownership interests held by the Company (%)	48.99	46.69	19.98	15	24	50*	24	-	-	
Net assets by the Company's proportion	21,831	26,789	93,307	(23,141)	-	-	515,077	-	633,863	
Other adjustment	-	2,525	869	23,141	-	-	1,742	-	28,277	
Carrying amount of the investment in associated companies	21,831	29,314	94,176	-	-	-	516,819	-	662,140	
Dividend received from associated company	58,790	-	6,255	-	-	-	-	-	65,045	

* The Company paid-up share capital at the proportion of 34% which have to pay in accordance with agreement but a shareholder has unpaid share capital in accordance with shareholder agreement as result of the Company's interest in accordance with investment amount is 50%.

Unrecognized loss from associated companies

(Unit : Thousand Baht)

	2016	2015
Unrecognized loss from associated companies	6,005	7,644
Cumulative share loss from associated companies	29,146	23,141

Investments in associated companies as at 31 December 2016 and 2015, comprise investments in the following :

Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S Equity		Separate F/S Cost		
		2016	2015	2016	2015	2016	2015	
		Percent	Percent					
Investments in associated companies								
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	23,540	21,831	2,450	2,450
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,701	26,789	27,373	27,373
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	96,774	94,176	71,603	71,603
Oriental Residence Bangkok Co., Ltd.	Real estate development	500,000	15.00	15.00	-	-	75,000	75,000
Overseas companies								
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25 Million Peso	24.00	24.00	12,000	12,000	12,000	12,000
Less : Allowance for impairment	Net				(12,000)	(12,000)	(12,000)	(12,000)
MCRP Holding Corporation, Philippines	Holding company in Philippines	5 Million Peso	24.00	24.00	3,000	3,000	3,000	3,000
Less : Allowance for impairment	Net				(3,000)	(3,000)	(3,000)	(3,000)

(Unit : Thousand Baht)

Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S Equity		Separate F/S Cost		
		2016	2015	2016	2015	2016	2015	
		Percent	Percent					
Sino Lao Aluminum Corporation Limited	Bauxite mine business in Laos	32 Million USD	34.00	34.00	509,407	516,819	521,537	521,537
Total Investments in associated companies – net					656,422	659,615	697,963	697,963
Investments in associated companies held by subsidiaries								
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	-	-
Total investments in associated companies held by subsidiaries					2,525	2,525	-	-
Total Investments in associated companies - net					658,947	662,140	697,963	697,963

Significant financial information of the associates in the aggregate amounts are summarized as follows :

(Unit : Million Baht)

For the years ended 31 December

	Current assets		Non - current assets		Current liabilities		Non - current liabilities	
	2016	2015	2016	2015	2016	2015	2016	2015
ATO-Asia Turnouts Co., Ltd.	144	82	40	43	136	80	-	-
Bangkok Steel Wire Co., Ltd.	518	457	336	350	327	284	47	56
Oriental Residence Bangkok Co., Ltd.	1,941	1,907	1,436	1,530	2,448	2,422	1,123	1,169
Sino Lao Aluminum Corporation Limited	107	5	1,411	1,411	208	203	302	183
Siam Pacific Holding Co., Ltd.	1	-	62	62	-	5	6	-
Total	2,711	2,451	3,285	3,396	3,119	2,994	1,478	1,408

(Unit : Million Baht)

For the years ended 31 December

	Revenues		Profit (loss)		Other comprehensive income	
	2016	2015	2016	2015	2016	2015
ATO-Asia Turnouts Co., Ltd.	96	359	3	37	-	-
Bangkok Steel Wire Co., Ltd.	835	964	19	-	-	-
Oriental Residence Bangkok Co., Ltd.	328	310	(49)	(61)	-	-
Sino Lao Aluminum Corporation Limited	-	2	(21)	(26)	-	-
Total	1,259	1,635	(48)	(50)	-	-

12.3 Investments in joint ventures - net

Movements in investments in joint ventures, which are accounted for by using the equity method in the consolidated financial statements, during the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	148,588	292,256	34,555	74,555
Add : Share of loss from joint ventures	(26,047)	(791)	-	-
Less : Received for the the share of profit from joint ventures	-	(71,825)	-	-
Less : Received of capital from joint ventures	(32,247)	(40,000)	(32,247)	(40,000)
Less : Allowance for impairment of investment	-	-	(2,308)	-
Add (less) : Translation adjustment on financial statements	518	(31,052)	-	-
Balance as at 31 December	90,812	148,588	-	34,555

Investments in joint ventures as at 31 December 2016 and 2015, comprise investments in the following :

Nature of business	(Unit : Thousand Baht)					
	Percentage of shareholding		Consolidated F/S		Separate F/S	
			Equity		Cost	
	2016	2015	2016	2015	2016	2015
	Percent	Percent				
Investments in joint ventures						
Evergreen –Italian Thai – PEWC Joint Venture	25.00	25.00	194	227	-	-
ITD-EGC Joint Venture	55.00	55.00	306,737	315,739	296,569	293,843
Less : Allowance for impairment Net			(296,569)	(293,843)	(296,569)	(293,843)
			10,168	21,896	-	-
ITD – ETF Joint Venture	65.00	65.00	46,723	62,260	-	-
IN Joint Venture	51.00	51.00	108,337	118,277	103,192	119,601
Less : Allowance for impairment Net			(103,192)	(96,726)	(103,192)	(96,726)
			5,145	21,551	-	22,875
ITO Joint Venture	-	40.00	-	70,801	-	65,680
Less : Allowance for impairment Net			-	(54,000)	-	(54,000)
			-	16,801	-	11,680
IOT Joint Venture	40.00	40.00	-	-	-	-
ITD – ETF – MVM Joint Venture	55.25	55.25	23,420	25,853	-	-
CMC/ITD/SONG DA Joint Venture	30.00	-	5,162	-	-	-
Total investments in joint venture - net			90,812	148,588	-	34,555
Total investments in subsidiaries, associated companies and joint venture - net			749,759	810,728	7,333,318	7,339,319

A reconciliation of the summarised financial information to the carrying amount of the investment in joint ventures are as follow:

(Unit : Million Baht)

For the years ended 31 December

	Evergreen - Italian Thai - PEWC		ITD - Nawarat (L.L.C.)		ITD - EGC Joint Venture		ITD - ETF Joint Venture		IN Joint Venture		ITO Joint Venture		IOT Joint Venture		ITD - ETF - MVM Joint Venture		CMC/ITD/SONGDA	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	1	1	-	-	18	40	72	96	-	41	-	42	3	3	42	47	17	-
Total net assets of joint venture																		
Proportion of ownership																		
Interest (%)	25%	25%	-	-	55%	55%	65%	65%	-	51%	-	40%	40%	40%	55.25%	55.25%	30%	-
Net assets by proportion	-	-	-	-	10	22	47	62	-	21	-	17	1	1	23	26	5	-
Other adjustment	-	-	-	-	-	-	-	-	-	-	-	-	(19)	(19)	-	-	-	-
Carrying amount of the investment (obligation)	-	-	-	-	10	22	47	62	-	21	-	(17)	(18)	(18)	23	26	5	-

Significant financial information of the joint ventures in the aggregate amounts are summarized as follows :

(Unit : Million Baht)

For the years ended 31 December

	Evergreen - Italian Thai - PEWC		ITD - Nawarat (L.L.C.)		ITD - EGC Joint Venture		ITD - ETF Joint Venture		IN Joint Venture		ITO Joint Venture		IOT Joint Venture		ITD - ETF - MVM Joint Venture		CMC/ITD/SONGDA		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	-	-	-	-	21	64	2	5	-	41	-	11	3	3	10	1	579	-	615	125
Cash and cash equivalents	-	-	-	-	21	64	2	5	-	41	-	11	3	3	10	1	579	-	615	125
Other current assets	44	43	-	-	66	52	213	166	-	-	-	37	-	-	49	62	956	-	1,328	360
Total current assets	44	43	-	-	87	116	215	171	-	41	-	48	3	3	59	63	1,535	-	1,943	485
Non-current assets	-	-	-	-	-	-	126	146	-	-	-	-	-	-	1	2	223	-	350	148
Financial liabilities	43	42	-	-	-	65	1	3	-	-	-	-	-	-	1	1,440	-	1,484	111	
Other current liabilities (including trade payables and provision)	-	-	-	-	62	11	268	218	-	-	-	6	-	-	18	17	301	-	649	252
Total current liabilities	43	42	-	-	62	76	269	221	-	-	-	6	-	-	18	18	1,741	-	2,133	363
Non-current liabilities	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-
Net assets	1	1	-	-	18	40	72	96	-	41	-	42	3	3	42	47	17	-	153	270

(Unit : Million Baht)

For the years ended 31 December

	Revenues		Profit (loss)		Other comprehensive income (loss)		Depreciation and amortization		Tax	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Evergreen - Italian Thai - PEWC Joint Venture	-	-	-	-	-	-	-	-	-
ITD - Nawarat (L.L.C.)	-	482	-	473	-	-	-	-	-	-
ITD - EGC Joint Venture	(8)	20	(21)	3	-	-	-	-	-	-
ITD - ETF Joint Venture	105	130	(24)	(6)	-	-	24	20	-	-
IN Joint Venture	-	-	-	(3)	-	-	-	-	-	-
ITO Joint Venture	125	-	122	(20)	-	-	-	-	-	-
IOT Joint Venture	-	-	-	(1)	-	-	-	-	-	-
ITD - ETF - MVM Joint Venture	1	5	(4)	(13)	-	-	1	4	-	-
CMC/ITD/SONG DA Joint Venture	353	-	16	-	-	-	3	-	6	-
Total	576	637	89	433	-	-	28	24	6	-

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

13. OTHER LONG – TERM INVESTMENTS - NET

Movements in other long - term investments during the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	1,038,856	1,315,939	877,004	1,146,275
Less : Disposal of investment during the year	(193,000)	-	(193,000)	-
Less : Reclassified unrealized gain from changes in value of investments to profit or loss	(262,800)	-	(262,800)	-
Add : Reversal of allowance for impairment of investment	149,331	-	149,331	-
Less : Unrealized gain (loss) from changes in value of investments	113,316	(277,083)	106,780	(269,271)
Balance as at 31 December	845,703	1,038,856	677,315	877,004

Other long - term investments as at 31 December 2016 and 2015 comprise investments as follows :

(Unit : Thousand Baht)

Nature of business	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	2016	2015	2016	2015	2016	2015	
	Percent	Percent					
Investments in other companies							
a) <u>Non-listed companies</u>							
M-Home SPV 3 Co., Ltd.	Real estate development	11.54	11.54	12	12	12	12
Less : Allowance for impairment				(12)	(12)	(12)	(12)
Net				-	-	-	-
Siam Steel Syndicate Plc.	Manufacture and distribution for construction	1.15	1.15	55,885	55,885	55,885	55,885
Siam Fiber Optics Co., Ltd.	Manufacture and distribution of optic fibers	10.00	10.00	24,000	24,000	24,000	24,000
Bell Development Co., Ltd.	Real estate development	2.29	2.29	47,313	47,313	47,313	47,313
The Bangkok Club Co., Ltd.	Entertainment services	0.44	0.44	3,000	3,000	3,000	3,000
Less : Allowance for impairment				(1,985)	(1,985)	(1,985)	(1,985)
Net				1,015	1,015	1,015	1,015
Imperial Technology Management Service Plc.	Initiation and establishment of Asian University of Science and Technology	-	4.93	-	175,000	-	175,000
Less : Allowance for impairment				-	(149,331)	-	(149,331)
Net				-	25,669	-	25,669
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	10.91	200,000	200,000	200,000	200,000
Less : Allowance for impairment				(200,000)	(200,000)	(200,000)	(200,000)
Net				-	-	-	-
Lao Metal Industry Co., Ltd.	Manufacture steel wires.	-	10.00	-	10,000	-	10,000
Less : Allowance for impairment				-	(10,000)	-	(10,000)
Net				-	-	-	-
Total Investment in other non – listed companies – net				135,713	161,382	135,713	161,382
b) <u>Listed companies</u>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	12.90	12.90	308,715	308,715	308,715	308,715
Add : Unrealized gain from changes in value of investments				225,087	119,867	225,087	119,867
Net market value				533,802	428,582	533,802	428,582
TTCL Plc.	Construction services	0.07	3.29	400	18,400	400	18,400
Add : Unrealized gain from changes in value of investments				7,400	268,640	7,400	268,640
Net market value				7,800	287,040	7,800	287,040
Total Investment in other listed companies – net				541,602	715,622	541,602	715,622
Total Investments in other companies - net				677,315	877,004	677,315	877,004

(Unit : Thousand Baht)

Nature of business	Percentage of Shareholding		Consolidated F/S		Separate F/S		
	2016	2015	2016	2015	2016	2015	
	Percent	Percent					
Investments held by subsidiaries							
a) <u>Non-listed companies</u>							
Bell Development Co., Ltd.	Real estate development	6.55	6.55	135,226	135,226	-	-
b) <u>Listed company</u>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	0.80	0.80	19,178	19,178	-	-
Add : Unrealized gain from changes in value of investments				13,984	7,448	-	-
Net market value				33,162	26,626	-	-
Total				168,388	161,852	-	-
Total other long-term investments – net				845,703	1,038,856	677,315	877,004

On 15 December 2016, The Company disposed 18.00 million shares of TTCL Public Company Limited and received cash proceed from sales of Baht 332.66 million. The Company recognized gain on disposal of such investments of Baht 315.00 million in the statements of profit or loss for the year ended 31 December 2016

During the year 2016, the Company disposed shares of Imperial Technology Management Service Public Company Limited which has cost of Baht 175 million and allowance for impairment of investment of Baht 149.33 million. The Company received cash proceed from sales of Baht 51.45 million and recognized gain on disposal of such investments of Baht 25.78 million in the statement of profit or loss for the year ended 31 December 2016.

14. LAND LEASE CONCESSION AND PROJECT UNDER DEVELOPMENT

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Land lease concession	30,198	30,198	-	-
Project under development	7,528,794	7,221,249	5,025,204	4,787,637
Total	7,558,992	7,251,447	5,025,204	4,787,637

On 2 November 2010, the Company entered into a Framework Agreement with the Myanmar Port Authority (MPA), Ministry of Transportation of the Republic of the Union of Myanmar to develop the Dawei Deep Sea Port, Industrial Estate and Road and Rail Link to Thailand Project connecting from the Dawei Special Economic Zone (“Dawei SEZ”) to the Myanmar-Thailand border at Ban Pu Nam Ron, Kanchanaburi Province, Thailand.

On 21 November 2013, a Framework Agreement between the Thai and Myanmar Government was signed to develop DSEZ. Consequently, the Myanmar and Thai Governments established the Special Purpose Vehicle (“SPV”) named Dawei SEZ Development Company Limited to be the promoter, facilitator, and advisor to the Dawei Special Economic Zone and its Related Project Area. Moreover, the Myanmar Government also established the Dawei SEZ Management Committee (“DSEZ MC”) to be the responsible integrated Myanmar Authority to grant the concession rights to the developer within the Dawei SEZ.

On the same date, the agreement of Termination between the Company and MPA was signed. The Tripartite Memorandum between the Company, DSEZ MC and Dawei SEZ Development Co., Ltd (“SPV”) was signed which defined the scope for the SPV to be the designated party to coordinate for the reimbursement of the Company’s previous investments from the future developer of the Dawei SEZ. Furthermore, on 27 March 2014, a newer Tripartite Memorandum was again signed between the Company, DSEZ MC, and the SPV in which it was agreed that a due diligence process will be conducted by a hired consultant to determine the Company’s total previous investment amount.

On 5 August 2015, the Company, DSEZ MC, and the SPV signed the Supplementary Memorandum of Understanding wherein the agreement defined the DSEZ MC and the SPV as the responsible entities to coordinate for the reimbursement of the Company’s previous investments from the future developer of the 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.

On the same date, the Company along with its consortium partners signed separate concession agreements with the DSEZ MC to develop the Initial Phase of the Dawei SEZ 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.

As at 31 December 2016 and 2015, the Company has land lease concessions and projects under development in the Dawei Special Economic amounting to Baht 7,558.99 million and Baht 7,251.45 million, respectively. This project depends on the cooperation of the governments of Thailand and Myanmar as the new concessionaires and promoter of the Dawei Project. The Company has the right to reimburse such amount 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.

On 29 March 2016, the Company along with its consortium partners signed the LNG Terminal Concession Agreement, which is part of the Initial Phase Development of the Dawei Special Economic Zone. Currently, the Company along with consortium partners and the DSEZ MC are undertaking each of the respective responsibilities fulfilling the process of document preparation and management of the project’s development plan as indicated in the signed concession agreements.

On 12 October 2016, the Myanmar Government appointed the new DSEZ MC, with the Myanmar’s Deputy Minister of Electricity and Energy as the Chairman, to supervise and manage all matters related to the DSEZ.

Currently, both the Company along with consortium partners and the new DSEZ MC are undertaking each of the respective responsibilities fulfilling the process of document preparation and management of the project’s development plan as indicated in the signed concession agreements. Continuing discussion amongst parties are ongoing.

15. POTASH MINING RIGHT

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

During the year 2015, the Company and related government authorities have provided project information to more people living in the mining area. The related government authorities have gathered information to prepare for public hearing meeting of the stakeholders in compliance with relevant laws.

During the year 2016, the Ministry of Industry had instructed the provincial governor to organize a public hearing meeting of the stakeholders as stipulated in the Mining Act. The Minister of Industry will use this public hearing report as a supporting document in consideration for mining license approval. Udonthani Governor had organized public hearing and submitted report to the Department of Primary Industries and Mines at present which is in process to consider the documents accompanying the application to the Ministry of Industry for mining license approval.

On 9 February 2017, Office of the Attorney General corresponded a letter to clarify legal issued associate with right to explored Potash to the Department of Primary Industries and Mines confirm that government authorities operated in accordance with concession contract. In compensation to the state made since 1984. As a result, the Company met requirement and take to proceed to a step for obtaining a mining license.

The Company's management believes that this project will generate benefits both for neighboring area and for the country. The project will be approved by the government within the year 2017 and operational as planned. The management of the Company believes that there will be no impairment in the value of investment.

16. DEFERRED EXPLORATION AND DEVELOPMENT COSTS

All costs incurred in relation to the exploration for mineral reserves and expenses for the application of mining concession are recorded as deferred exploration and development costs until the commencement of the commercial production or abandonment of the project. These costs will be amortized based on the proportion of the units of production and the total estimated proven and probable reserves, from the commencement of the commercial operations. When the project is proven not commercially feasible and the property is abandoned or becomes worthless, these costs will be written off as expenses.

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2016	2015
<u>Exploration expenditures cost</u>		
Beginning balance	566,570	566,570
Increase during the year	-	-
Ending balance	566,570	566,570

	(Unit : Thousand Baht)	
	Consolidated F/S	
	2016	2015
<u>Mining license expenditures cost</u>		
Beginning balance	382,305	381,108
Increase during the year	1,813	1,197
Ending balance	384,118	382,305
Total deferred exploration and development costs	950,688	948,875

17. LONG - TERM LOANS AND ADVANCES TO SUBSIDIARIES AND RELATED PARTIES - NET

The outstanding balances as at 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Subsidiaries</u>				
(eliminated in consolidated financial statements)				
Italian – Thai International Co., Ltd.	-	-	4,030,802	3,904,096
Italian – Thai Land Co., Ltd.	-	-	411,426	480,778
Palang Thai Kaowna Co., Ltd.	-	-	457,371	457,171
Italian – Thai Power Co., Ltd.	-	-	513,176	500,517
Thai Pride Cement Co., Ltd.	-	-	300,303	300,303
ITD Construction SDN. BHD.	-	-	296,738	296,475
Palit Palang Ngan Co., Ltd.	-	-	95,090	94,966
ITD Mozambique Limitada	-	-	70,726	62,797
Thai Mozambique Logistica SA	-	-	217,909	202,317
ITD – Madagascar S.A.	-	-	106,582	102,685
Italian – Thai Development Vietnam Co., Ltd.	-	-	47,425	42,972
Italian – Thai Development (Myanmar) Co., Ltd.	-	-	8,585	6,738
Myanmar ITD Co., Ltd.	-	-	13,413	12,736
Momaz Logistics	-	-	961	878
APPC Holding Co., Ltd.	-	-	369,363	311,974
Total	-	-	6,939,870	6,777,403
Less : Allowance for doubtful accounts	-	-	(1,327,992)	(1,391,333)
Net	-	-	5,611,878	5,386,070

Significant movements in the long - term loans and advances to subsidiaries and related parties for the year ended 31 December 2016 are as follows :

(Unit : Thousand Baht)

	Separate F/S			31 December 2016
	1 January 2016	During the year		
		Increase	Decrease	
<u>Subsidiaries</u>				
Italian – Thai International Co., Ltd.	3,904,096	126,706	-	4,030,802
Italian – Thai Land Co., Ltd.	480,778	-	69,352	411,426
Palang Thai Kaowna Co., Ltd.	457,171	200	-	457,371
Italian – Thai Power Co., Ltd.	500,517	12,659	-	513,176
Thai Pride Cement Co., Ltd.	300,303	-	-	300,303
ITD Construction SDN. BHD.	296,475	263	-	296,738
Palit Palang Ngan Co., Ltd.	94,966	124	-	95,090
ITD Mozambique Limitada	62,797	7,929	-	70,726
Thai Mozambique Logistica SA	202,317	15,592	-	217,909
ITD – Madagascar S.A.	102,685	3,897	-	106,582
Italian – Thai Development Vietnam Co., Ltd.	42,972	4,453	-	47,425
Italian – Thai Development (Myanmar) Co., Ltd.	6,738	1,847	-	8,585
Myanmar ITD Co., Ltd.	12,736	677	-	13,413
Momaz Logistics	878	83	-	961
APPC Holding Co., Ltd.	311,974	57,389	-	369,363
Total	<u>6,777,403</u>	<u>231,819</u>	<u>69,352</u>	<u>6,939,870</u>

18. LOAN AND ADVANCES TO UNRELATED PARTY

As at 31 December 2016 and 2015, the Company also has made loans to an unrelated party of Baht 88.61 million for the investment in a foreign company which is under the negotiation process. Currently, there has been no further development in the project because the Electricity Generating Authority of Thailand is in the process of concluding the development plan for the capacity of Power plant. Such loan to unrelated party is to support the acquisition of the concession license from the Government of Cambodia to develop a 3,600 megawatt Coal-Fired Power Plant at Koh Kong. Such loan and advances are refundable should the Power Plant project not materialize. The Company has filed claims for refund of such loan and in the process of consideration by Court. In year 2015, the Civil court has judged the Company recovered and seized property. At present, lawsuit is in process of auction sale by Legal Execution Department. However, the Company recognised full allowance for non – refund of such amount.

19. LAND AWAITING DEVELOPMENT - NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Land awaiting development	771,705	769,843	474,846	474,846
Add : Purchase during the year	1,244	1,862	-	-
Less : Disposal during the year	(7,977)	-	-	-
Add : Reversal of allowance for impairment	152	-	-	-
Land awaiting development – net	765,124	771,705	474,846	474,846

As at 31 December 2016 and 2015, land awaiting for development of Baht 283.57 million and Baht 282.34 million, respectively, is the land located in Udonthani province for use in the potash mining project.

20. INVESTMENT PROPERTIES

As at 31 December 2016, investment properties presented at fair value consist of :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Land	1,602,420	717,100
Building	322,943	322,943
Total	1,925,363	1,040,043

During the year 2016, the Company hired independent appraisers to re-appraise the value of land and building under the market approach.

Movements in investment properties for the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Net book value as at 1 January	1,591,469	1,436,849	743,000	743,000
Increased during the year	303,073	-	303,073	-
Disposal during the year	(6,030)	-	(6,030)	-
Gain on revaluation of assets	36,851	154,620	-	-
Net book value as at 31 December	1,925,363	1,591,469	1,040,043	743,000

At the Board of Director Meeting held on 22 September 2016, the director passed a resolution to approve the purchase of condominium rooms from a related company for Baht 92.09 million. The Company intends to hold these properties for sales or rent.

On 8 December 2016, the Board of Directors passed a resolution to approve transferred of condominium from a related company for debt settlement from construction services of Baht 210.98 million.

21. PROPERTY, PLANT AND EQUIPMENT – NET

(Unit : Thousand Baht)

	Consolidated F/S					Total
	Land	Building and factories	Machinery, furniture, fixtures and office equipment	Site office and temporary camps	Machinery and equipment under installation	
Cost						
1 January 2015	1,341,667	5,934,989	24,586,463	1,181,235	3,981,868	37,026,222
Acquisitions/Transfer in	28,997	40,497	6,237,288	55,692	462,808	6,825,282
Disposals/Transfer out	(72,909)	(1,873)	(1,056,824)	(23,191)	(3,747,965)	(4,902,762)
Translation adjustment	41	4,193	223,288	863	1,308	229,693
31 December 2015	1,297,796	5,977,806	29,990,215	1,214,599	698,019	39,178,435
1 January 2016	1,297,796	5,977,806	29,990,215	1,214,599	698,019	39,178,435
Acquisitions/Transfer in	1,037	244,354	3,227,718	14,066	783,479	4,270,654
Disposals/Transfer out	-	(10,062)	(533,219)	(3,157)	(755,109)	(1,301,547)
Transferred to assets held for sale	-	-	(700,787)	-	-	(700,787)
Translation adjustment	(932)	(2,582)	(134,617)	(225)	(578)	(138,934)
31 December 2016	1,297,901	6,209,516	31,849,310	1,225,283	725,811	41,307,821
Accumulated depreciation						
1 January 2015	-	3,773,185	15,566,053	593,506	-	19,932,744
Depreciation for the year	-	300,995	1,781,811	110,613	-	2,193,419
Depreciation for disposals	-	(745)	(838,248)	(23,158)	-	(862,151)
Translation adjustment	-	1,159	153,166	599	-	154,924
31 December 2015	-	4,074,594	16,662,782	681,560	-	21,418,936
1 January 2016	-	4,074,594	16,662,782	681,560	-	21,418,936
Depreciation for the year	-	188,272	2,033,194	110,080	-	2,331,546
Depreciation for disposals	-	(6,933)	(433,834)	(2,241)	-	(443,008)
Transferred to assets held for sale	-	-	(506,110)	-	-	(506,110)
Translation adjustment	-	(827)	(88,779)	(153)	-	(89,759)
31 December 2016	-	4,255,106	17,667,253	789,246	-	22,711,605
Less Allowance for impairment						
31 December 2015	15,219	1,818	67,079	-	-	84,116
31 December 2016	15,219	1,818	68,411	-	-	85,448

(Unit : Thousand Baht)

	Consolidated F/S					Total
	Land	Building and factories	Machinery, furniture, fixtures and office equipment	Site office and temporary camps	Machinery and equipment under installation	
Net book value						
31 December 2015	1,282,577	1,901,394	13,260,354	533,039	698,019	17,675,383
31 December 2016	1,282,682	1,952,592	14,113,646	436,037	725,811	18,510,768
Depreciation for the year 2015						2,193,419
Depreciation for the year 2016						2,331,546

(Unit : Thousand Baht)

	Separate F/S					Total
	Land	Building and factories	Machinery, furniture, fixtures and office equipment	Site office And Temporary Camps	Machinery and equipment under installation	
Cost						
1 January 2015	1,124,175	4,374,197	15,638,193	1,075,002	169,374	22,380,941
Acquisitions/Transfer in	-	31,182	570,713	8,011	139,154	749,060
Disposals/Transfer out	(46,360)	-	(697,977)	(23,191)	(9,728)	(777,256)
Translation adjustment	-	-	54,658	599	-	55,257
31 December 2015	1,077,815	4,405,379	15,565,587	1,060,421	298,800	22,408,002
1 January 2016	1,077,815	4,405,379	15,565,587	1,060,421	298,800	22,408,002
Acquisitions/Transfer in	-	81,088	1,888,781	3,931	383,026	2,356,826
Disposals/Transfer out	-	(10,062)	(364,839)	(2,857)	(115,279)	(493,037)
Transferred to assets held for sale	-	-	(700,787)	-	-	(700,787)
Translation adjustment	-	-	(27,232)	(170)	-	(27,402)
31 December 2016	1,077,815	4,476,405	16,361,510	1,061,325	566,547	23,543,602
Accumulated depreciation						
1 January 2015	-	3,026,206	10,036,872	589,559	-	13,652,637
Depreciation for the year	-	226,415	969,393	100,719	-	1,296,527
Depreciation for disposals	-	-	(633,015)	(23,158)	-	(656,173)
Translation adjustment	-	-	47,999	599	-	48,598
31 December 2015	-	3,252,621	10,421,249	667,719	-	14,341,589
1 January 2016	-	3,252,621	10,421,249	667,719	-	14,341,589
Depreciation for the year	-	115,866	1,043,364	97,571	-	1,256,801
Depreciation for disposals	-	(6,933)	(324,412)	(1,941)	-	(333,286)
Transferred to assets held for sale	-	-	(560,110)	-	-	(560,110)
Translation adjustment	-	-	(30,439)	(170)	-	(30,609)
31 December 2016	-	3,361,554	10,603,652	763,179	-	14,728,385

(Unit : Thousand Baht)

	Separate F/S					Total
	Land	Building and factories	Machinery, furniture, fixtures and office equipment	Site office And Temporary Camps	Machinery and equipment under installation	
Net book value						
31 December 2015	1,077,815	1,152,758	5,144,338	392,702	298,800	8,066,413
31 December 2016	1,077,815	1,114,851	5,757,858	298,146	566,547	8,815,217
Depreciation for the year 2015						1,296,527
Depreciation for the year 2016						1,256,801

As at 31 December 2016 and 2015, certain building, machinery and equipment items of the Company and subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 9,207.70 million and Baht 8,314.63 million, respectively (Separate F/S : Baht 7,338.01 million and Baht 7,046.94 million, respectively).

As at 31 December 2016 and 2015, the Company and subsidiaries' machinery, equipment and vehicles with a total net book value of Baht 2,706.56 million and Baht 2,471.18 million, respectively, were acquired under finance lease/ hire purchase agreements (Separate F/S : Baht 2,429.57 million and Baht 2,222.92 million, respectively).

The Company has assets under construction for precast and limestone production to support the project under development of Baht 138.49 million. The Company's management believes that these assets will not impair.

22. GOODWILL

(Unit : Thousand Baht)

	Consolidated F/S	
	2016	2015
Goodwill	958,785	958,785
Less : Allowance for impairment	(16,673)	(16,673)
Net	942,112	942,112

A segment-level summary of the goodwill allocation is presented as follow :

(Unit : Thousand Baht)

	Consolidated F/S		
	Cement business in Thailand	Potash mining in Thailand	Construction business in India
Goodwill allocation	275,619	458,699	207,794

Impairment tests of goodwill

The Company annually tested impairment of goodwill resulting from cement, mining and construction business. The Company compared the carrying amount of goodwill and recoverable amount of cash generated unit which is consider based on the estimated financial value of the cash flows for the period 5 - 25 years.

Key assumptions used in the recoverable amount assessment include:

	Cement business	Construction business in India
Gross margin (%)	20	9
Growth rate (%)	2	7
Discount rate (%)	10	18
Recoverable amount (Million Baht)	2,331	5,360

The Group assesses recoverable value from Potash Mining Project by considered project feasibility and internal rate of return (IRR). The Company using discount rate at 8% with appropriate internal rate of return considered by Management. Recoverable value from project amounts is Baht 45,585 million.

Cash flow assumptions

Management determined budgeted gross margin is approximate with the normal gross margin from past experience and its expectations of market development. Management believes that this is the best available input for this projection.

Growth rate

Weighted average growth rate is based on the industry growth. Weighted average growth rate is used to extrapolate cash flows after cash flow projection of 5 years period.

Discount rate

Discount rate is reflected the current market assessments of the time value of money and risks specific to assets.

The Company recognized impairment losses on goodwill in the statement of profit or loss when the recoverable amounts of cash generate unit lower than its book value and cannot reverse in the future.

Based on impairment test for goodwill by increased discount rate at 0.5 percent, the Company will not recognize an impairment of goodwill in the consolidated financial statements for the year end 31 December 2016.

23. DEFERRED CONCESSION COST

In the year 2011, the Company entered into a Concession agreement with Bangladesh Bridge Authority of the Government of People's Republic of Bangladesh to proceed with the development of the Dhaka Elevated Expressway. The Company shall establish and incorporate in the Republic of Bangladesh a Project Company as the Concessionaire, which will be a limited liability company. In addition, the Company will be appointed as the EPC Contractor for the design, construction and completion of the Dhaka Elevated Expressway. The period of concession agreement is 25 years. Total project development is approximately Baht 38,044.98 million. Currently, the Company has received 1st Tranche of land distance of 7.45 kilometre from the government and has started construction work.

In the year 2013, the Company has signed the Concession agreement with the Ministry of Transportation and Communications, Government of the Republic of Mozambique. The Company will hold 60% of project with project value of USD 3,500 million equivalents to Baht 122,500 million and project detail are as follows:

1. Construction of a Heavy Haul Railway Lines from Moatize to Macuse Port, the approximate length of the standard gauge railways is about 530 kilometers.
2. Construction of a Deep Sea Port at Macuse with the starting port capacity, for exporting coal, of 25 million tons annually to the maximum capacity of 100 million tons annually.
3. Operation of the Heavy Haul Railway Lines and Macuse Deep Sea Port on the Concession Agreement of 30 Years (including the Construction) and the Concession period could be extended for another 10 years.

The Company paid USD 5 million within 30 days after signing the concession agreement and USD 5 million will be used in human development program and formation of national framework from the start-up of the project.

Currently, the Company is completed Bankable Feasibility Study and already selected Engineering Procurement and Construction (EPC Contractor).

24. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

The outstanding balances of bank overdrafts and short – term loans from financial institutions as at 31 December 2016 and 2015 are as follows :

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Bank overdrafts	753,657	2,020,489	-	621
Short – term loans from financial institutions	7,536,884	7,677,669	5,110,778	5,480,965
Total	8,290,541	9,698,158	5,110,778	5,481,586

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

	(Unit : Million)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
THB	5,577	5,908	5,111	5,481
INR	3,727	3,159	-	-
BDT	-	120	-	-

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 Company has not been able to maintain some financial ratios as stipulated in the loan agreements with a bank. However, the Company has negotiated with the bank to waive the covenants of such financial ratios. The Company obtained letter for the waiver of the covenants from such bank dated 24 February 2017 granting to relieve to all covenant conditions under the loan agreements for the period ended 31 December 2016.

The subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 330.81 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 as described in Note 10. The subsidiary companies will reduce credit facilities when redeemed 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 December 2016 and 2015, part of loans amounting to Baht 1,606.97 million and Baht 2,450.07 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company's accounts with those banks.

As at 31 December 2016 and 2015, bank overdrafts and short - term credit facilities that have not been drawn down amounted to Baht 4,332.72 million and Baht 2,601.41 million, respectively.

25. TRADE ACCOUNTS PAYABLE - RELATED PARTIES

The outstanding balances as at 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Subsidiaries</u>				
(eliminated in consolidated financial statements)				
Siam Concrete and Brick Products Co., Ltd.	-	-	159,196	224,298
Thai Maruken Co., Ltd.	-	-	108,908	150,252
Asian Steel Product Co., Ltd.	-	-	17,145	1,544
Italthai Trevi Co., Ltd.	-	-	450,022	321,764
ITD Cementation India Limited	-	-	12,723	13,134
Thai Pride Cement Co., Ltd.	-	-	55,744	45,468
Aquathai Co., Ltd.	-	-	1,819	6,082
Italthai Marine Co., Ltd.	-	-	4,724	13,607
Nha Pralan Crushing Plant Co., Ltd.	-	-	1,716	2,092
Saraburi Construction Technology Co., Ltd.	-	-	6,048	19,802
Italian – Thai Hongsa Co., Ltd.	-	-	2,213	2,206
Others	-	-	3,195	6,283
Total	-	-	823,453	806,532
<u>Associated companies and joint ventures</u>				
MCRP Construction Corporation, Philippines	146,024	152,283	146,024	152,283
Bangkok Steel Wire Co., Ltd.	71,377	81,554	66,961	73,435
ATO – Asia Turnouts Ltd.	248	126	248	124
ITD – ETF – MVM Joint Venture	40,259	39,854	40,259	39,854
ITD – ETF Joint Venture	177,927	135,675	177,927	135,675
CMC/ITD/SONG DA Joint Venture	9,420	-	-	-
Total	445,255	409,492	431,419	401,371

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Related companies</u>				
Sahakol Equipment Plc.	43,938	75,676	43,938	75,676
Siam Steel Syndicate Plc.	258,203	167,626	258,193	167,626
Italthai Engineering Co., Ltd.	73,313	352,558	73,313	352,558
Italthai Industrial Co., Ltd.	45,791	43,373	25,697	22,725
Nishio Rent All (Thailand) Co., Ltd.	107,946	95,621	107,408	95,592
Charoong Thai Wire & Cable Plc.	83,494	89,440	77,956	83,863
LNG PLUS International	24,894	36,644	24,894	36,644
Asia Thai Mining Co., Ltd.	-	27,403	-	-
Construction Concrete Co., Ltd.	133,461	87,793	133,461	87,793
Praram 9 Square Co., Ltd.	348	3,126	348	3,126
OHTL Plc.	-	11,146	-	11,146
Siam Fiber Optics Co., Ltd.	1,115	10,194	1,115	10,194
Siam machinery and equipment Co. ltd	3,091	3,471	3,091	3,471
Others	9,739	18,947	9,248	3,130
Total	<u>785,333</u>	<u>1,023,018</u>	<u>758,662</u>	<u>953,544</u>
Total trade accounts payable – related parties	<u>1,230,588</u>	<u>1,432,510</u>	<u>2,013,534</u>	<u>2,161,447</u>

26. FINANCE LEASE PAYABLES – NET

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Not over one year	685,537	668,348	624,438	629,604
Over one year but not over five years	1,010,932	985,745	833,815	919,367
Total	<u>1,696,469</u>	<u>1,654,093</u>	<u>1,458,253</u>	<u>1,548,971</u>
Less : Deferred interest	(112,659)	(121,266)	(83,726)	(108,906)
	<u>1,583,810</u>	<u>1,532,827</u>	<u>1,374,527</u>	<u>1,440,065</u>
Less : Current portion	(649,422)	(601,357)	(575,577)	(570,407)
Net	<u>934,388</u>	<u>931,470</u>	<u>798,950</u>	<u>869,658</u>

The above finance leases payable are for machinery, equipment and vehicles leases with scheduled repayment terms of two - five years

27. LONG - TERM LOANS - NET

As at 31 December 2016 and 2015, the outstanding balance of long - term loans are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Outstanding balances	10,994,098	8,165,816	6,138,104	4,781,820
Less : Current portion	(3,623,801)	(2,940,627)	(2,903,816)	(2,179,028)
Net	<u>7,370,297</u>	<u>5,225,189</u>	<u>3,234,288</u>	<u>2,602,792</u>

Movements in the long – term loans for the years ended 31 December 2016 and 2015 are summarized as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	8,165,816	7,999,658	4,781,820	5,633,895
Add : Additional borrowings	5,352,567	2,825,282	2,980,288	1,085,000
Less : Repayments	(2,519,902)	(2,620,278)	(1,624,004)	(1,935,958)
Less : Translation adjustment for foreign currency financial statements	(4,383)	(38,846)	-	(1,117)
Balance as at 31 December	<u>10,994,098</u>	<u>8,165,816</u>	<u>6,138,104</u>	<u>4,781,820</u>

During the year 2016, the Company entered into loan agreements with two banks for credit facilities of Baht 4,965 million. These credit facilities bear interest at the rate of MLR – 1 and MLR – 1.5 per annum. The loans are collateralized by transferring of right for the payment of construction project, and are payable within 31 August 2018, 16 May 2019, 30 November 2019 and 2 July 2020 or upon completion of the project, whichever comes first.

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

A joint operation entered into loan agreement with a financial institution for credit facilities of Baht 8,330 million of which Baht 4,165 million is for the portion of the Company. These credit facilities bear interest at the rates of MLR – 0.75 and MOR – 1 per annum.

A subsidiary entered into loan agreement with a local bank for credit facilities of Baht 1,371 million which bear interest at the rates of MLR per annum. Such contain covenants relating to various matters including maintenance of financial ratios, limitations on the execution of new loan obligations and others. Loans are guarantees by the Company and mortgages of machinery and equipment including the transfer of right for Engineering Procurement Contractor Contract of the subsidiary's construction project.

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

Loan of an overseas subsidiary bears interest rate at 10.00 - 13.50 per annum and is repayable as specified in agreements. These loans secured by office premises and specific equipments.

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

28. DEBENTURES – NET

Debenture	Duration	Date of issue	Maturity date	Interest rate (% p.a.)	(Unit : Thousand Baht) Consolidated and Separate F/S	
					2016	2015
1	5 years	8 June 2011	8 June 2016	6.72	-	3,497,909
2	5 years	26 June 2014	26 June 2019	6.15	5,980,348	5,972,409
3	2 years	27 February 2015	27 February 2017	4.50	199,962	199,716
4	5 years 1 day	21 September 2015	22 September 2020	4.95	3,490,237	3,487,610
5	2 years 2 days	27 November 2015	29 November 2017	4.10	299,637	299,236
6	5 years	8 June 2016	8 June 2021	4.40	3,493,015	-
7	3 years 2 days	15 September 2016	17 September 2019	4.00	199,604	-
Total					13,662,803	13,456,880
Less: Current Portion					(499,598)	(3,497,909)
Debentures – net					13,163,205	9,958,971

Movements of debentures for the years ended 31 December 2016 and 2015 are as follows :

	(Unit : Thousand Baht) Consolidated and Separate F/S	
	2016	2015
Balance as at 1 January	13,456,880	12,951,466
Newly issued debentures	3,700,000	4,000,000
Old redeemed debentures	(3,500,000)	(3,500,000)
Cost of issuing debentures	(8,317)	(14,416)
Amortization of costs of issuing debentures	14,240	19,830
Balance as at 31 December	13,662,803	13,456,880
Less : Current Portion	(499,598)	(3,497,909)
Net	13,163,205	9,958,971

On 8 June 2016, the Company issued new unsecured, unsubordinated and represented debentures with a principal amount of Baht 3,500 million to specific persons with five-year tenure and with a face value of Baht 1,000. These bear interest at a rate of 4.40 percent per annum which is payable quarterly. The debentures will be due for redemption on 8 June 2021. The Company used the proceeds from this issuance to repay debts and/or for working capital required to fund business expansion.

On 15 September 2016, the Company issued new unsecured, unsubordinated and represented debentures with a principal amount of Baht 200 million to specific persons with 3 years 2 days tenure and with a face value of Baht 1,000. These bear interest at a rate of 4.00 percent per annum which is payable quarterly. The debentures will be due for redemption on 17 September 2019. The Company used the proceeds from this issuance to repay debts and/or for working capital required to fund business expansion.

On 27 February 2015, the Company issued new debenture issuing to specific persons, unsecured, unsubordinated with no representative holders, for a principal amount totaling Baht 200 million with two-year tenure and with a face value of Baht 1,000. These bear interest at a rate of 4.50 percent per annum which is payable every six months. The debentures will be due for redemption on 27 February 2017. The Company used the proceeds from this issuance to repay debts and/or for working capital required to fund business expansion.

On 21 September 2015, the Company issued new debenture issuing to specific persons, unsecured, subordinated with representative holders, for a principal amount totaling Baht 3,500 million with five-year and one-day tenure and with a face value of Baht 1,000. These bear interest at a rate of 4.95 percent per annum which is payable quarterly. The debentures will be due for redemption on 22 September 2020. The Company used the proceeds from this issuance to redeem the maturity debenture and for working capital for operations.

On 27 November 2015, the Company issued new debenture issuing to specific persons, unsecured, unsubordinated with no representative holders, for a principal amount totaling Baht 300 million with two-year and two-day tenure and with a face value of Baht 1,000. These bear interest at a rate of 4.10 percent per annum which is payable every three months. The debentures will be due for redemption on 29 November 2017. The Company used the proceeds from this issuance to repay debts and/or for working capital required to fund business expansion.

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.

29. EMPLOYEE BENEFITS OBLIGATION

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Present value of employee benefits obligation				
as at 31 December	1,100,406	1,021,629	800,856	764,259
Fair value of plan assets as at 31 December	(85,115)	(74,187)	-	-
Obligation – net	<u>1,015,291</u>	<u>947,442</u>	<u>800,856</u>	<u>764,259</u>

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Employee benefits obligation</u>				
Balance as at 1 January	1,021,629	788,220	764,259	578,869
Current service costs	85,441	61,472	49,798	38,689
Interest on obligation	28,936	37,241	20,880	24,653
Actuarial loss	31,790	178,926	23,391	155,057
Benefit paid	(69,154)	(50,032)	(56,963)	(32,827)
Translation adjustments for foreign currency				
financial statements	1,764	5,802	(509)	(182)
Balance as at 31 December	<u>1,100,406</u>	<u>1,021,629</u>	<u>800,856</u>	<u>764,259</u>
<u>Plan assets</u>				
Balance as at 1 January	74,187	70,534	-	-
Expected returns on plan assets	6,619	6,386	-	-
Contribution	13,068	10,682	-	-
Benefit paid	(9,029)	(14,824)	-	-
Actuarial gain (loss)	2,513	(2,282)	-	-
Translation adjustments for foreign currency				
financial statements	(2,243)	3,691	-	-
Balance as at 31 December	<u>85,115</u>	<u>74,187</u>	<u>-</u>	<u>-</u>

Plan assets invested with two insurance companies as at 31 December 2016 and 2015 are Baht 85.12 million and Baht 74.19 million, respectively. The management believes that the assets in these portfolios are well diversified risk and, as such, the long term return thereon is expected to be higher than the rate of return on Government Bonds.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The amount of employee benefits obligation, plan assets, the deficit thereof and the experiences of adjustments on plan assets and plan liabilities of overseas entities for the current and previous three years are as follow :

	(Unit : Thousand Baht)			
	2016	2015	2014	2013
Employee benefits obligation	172,205	145,870	111,637	93,205
Plan assets	85,115	74,187	70,534	64,826
Deficit	(87,090)	(71,683)	(41,103)	(28,379)
Experience adjustments on plan assets	(2,513)	2,282	(2,556)	4,323
Experience adjustment on plan liabilities	(14,707)	(20,695)	(7,746)	9,800

The employee benefit obligations of the Company and subsidiaries are measured using actuarial techniques. The estimated amount is computed by the discounted cash flows for amounts to be paid in the future based on the government bond interest rate with a term to maturity that approximates the term of the related obligation. The estimated future cash outflows are based on employee wages, turnover rate, retirement ages, mortality, length of service and others. The employee benefits expenses are recognised in the statement of profit or loss to allocate the expenses through the hiring period. Principal actuarial assumptions are as follows :

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
<u>Financial assumptions</u>				
Discount rates	2.62 – 7% per annum	1.74 – 8% per annum	2.69% per annum	2.56 – 2.59% per annum
Future average salary increment rates	0 – 6.61% per annum	0 – 7.39% per annum	1.30 – 6.16% per annum	1.76 – 7.18% per annum
<u>Demographic assumptions</u>				
Mortality rate	Thai Mortality Table 2008	Thai Mortality Table 2008	Thai Mortality Table 2008	Thai Mortality Table 2008
Normal retirement ages	50 - 60 years	50 - 60 years	60 years	60 years
Weighted average duration of the defined benefit obligation (years)	3 - 28 years	6.9 - 20 years	8 years	8.30 years

- Defined benefit plan expenses

Amounts recognised in profit or loss related to employee benefits obligation are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Current service cost	72,373	50,790	49,798	38,689
Net interest expense	22,317	30,855	20,880	24,653
Total expenses recognized in profit or loss	94,690	81,645	70,678	63,342

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

- Amounts recognised in other profit or loss related to the employee benefits obligation plans are as follows:

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Actuarial loss from changes in experience assumptions	(25,908)	(86,405)	(25,082)	(70,650)
Actuarial loss from changes in demographic assumptions	(40,772)	(36,776)	(37,321)	(32,204)
Actuarial gain (loss) from changes in financial assumptions	37,400	(58,027)	39,012	(52,203)
Translation adjustments for foreign currency financial statement	1,858	(97)	-	-
Total income (loss) recognised in other profit or loss	(27,422)	(181,305)	(23,391)	(155,057)

All expenses summarised above were included within item that will not be reclassified subsequently to profit or loss.

- Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Unit : Thousand Baht)

	Consolidated F/S				Separate F/S			
	2016		2015		2016		2015	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate								
Increment (decrement) of employee benefit obligation	46,029	96,671	36,356	104,619	(20,441)	19,856	(20,732)	19,220
Future salary growth								
Increment (decrement) of employee benefit obligation	95,213	47,146	104,713	36,731	19,245	(20,071)	18,402	(20,174)

- As at 31 December 2016 and 2015, expected maturity of employee benefits obligation before discount are as follow :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Within 1 year	378,414	350,591	351,925	322,006
Between 2 – 5 years	274,773	339,904	238,671	231,753
Between 6 – 10 years	367,945	342,404	302,358	284,963
Between 11 – 15 years	334,848	306,089	254,598	244,239

30. INCOME TAX

The analysis of deferred tax assets and liabilities are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Deferred tax assets	557,397	543,032	-	2,024
Deferred tax liabilities	(990,566)	(980,380)	(183,195)	(204,989)
Deferred tax – net	(433,169)	(437,348)	(183,195)	(202,965)

The movements in deferred tax assets and liabilities are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S			
	1 January 2016	Recognised as income (expense)		31 December 2016
	Statement of profit and loss	Shareholders' Equity		
<u>Deferred tax assets</u>				
From allowance for doubtful accounts	73,195	36,709	-	109,904
From allowance for obsolete inventories	366	585	-	951
From allowance for impairment of assets	969	(969)	-	-
From depreciation of assets	336,436	(9,755)	-	326,681
From loss carry forward	7,491	21	-	7,512
From employee benefits obligations	66,833	24,745	583	92,161
From finance lease payables	6,066	7,292	-	13,358
From provision for liabilities	18,971	(18,971)	-	-
From provision for loss on construction project	18,924	(10,086)	-	8,838
From other timing differences	13,781	(6,916)	(8,873)	(2,008)
Total	543,032	22,655	(8,290)	557,397
<u>Deferred tax liabilities</u>				
From unrealized gain on changes in the value of investments	79,192	-	(29,897)	49,295
From finance lease receivable	-	-	-	-
From finance lease payables	74,533	22,815	-	97,348
From depreciation of machinery	298,319	(6,327)	-	291,992
From debentures	8,623	(1,184)	-	7,439
From potash mining right	458,699	-	-	458,699
From investment properties	61,014	9,218	-	70,232
From other timing differences	-	15,561	-	15,561
Total	980,380	40,083	(29,897)	990,566

(Unit : Thousand Baht)

Consolidated F/S

	1 January 2015	Recognised as income (expense)		31 December 2015
		Statement of profit and loss	Shareholders' Equity	
<u>Deferred tax assets</u>				
From allowance for doubtful accounts	53,252	19,943	-	73,195
From allowance for obsolete inventories	813	(447)	-	366
From allowance for impairment of assets	969	-	-	969
From depreciation of assets	139,200	197,236	-	336,436
From loss carry forward	5,471	2,020	-	7,491
From employee benefits obligations	54,963	11,082	788	66,833
From finance lease payables	1,936	4,130	-	6,066
From provision for liabilities	18,414	557	-	18,971
From provision for loss on construction project	-	18,924	-	18,924
From other timing differences	2,683	2,333	8,765	13,781
Total	277,701	255,778	9,553	543,032
<u>Deferred tax liabilities</u>				
From unrealized gain on changes in the value of investments	134,608	-	(55,416)	79,192
From finance lease receivable	29,085	(29,085)	-	-
From finance lease payables	50,479	24,054	-	74,533
From depreciation of machinery	192,026	106,293	-	298,319
From debentures	9,706	(1,083)	-	8,623
From potash mining right	458,699	-	-	458,699
From investment properties	59,888	1,126	-	61,014
Total	934,491	101,305	(55,416)	980,380

(Unit : Thousand Baht)

Separate F/S

	1 January 2016	Recognised as income (expense)		31 December 2016
		Statement of profit or loss	Shareholders' Equity	
<u>Deferred tax asset</u>				
From depreciation of assets	2,024	(2,034)	10	-
Total	2,024	(2,034)	10	-
<u>Deferred tax liabilities</u>				
From unrealized gain on changes in the value of investments	77,701	-	(31,203)	46,498
From finance lease payables	71,184	10,989	-	82,173
From depreciation of machinery	34,335	(2,242)	-	32,093
From debentures	8,624	(1,185)	-	7,439
From Investment properties	13,145	1,847	-	14,992
Total	204,989	9,409	(31,203)	183,195

(Unit : Thousand Baht)

	Separate F/S			31 December 2015
	1 January 2015	Recognised as income (expense)		
		Statement of profit or loss	Shareholders' Equity	
<u>Deferred tax asset</u>				
From depreciation of assets	452	1,572	-	2,024
Total	452	1,572	-	2,024
<u>Deferred tax liabilities</u>				
From unrealized gain on changes in the value of investments	131,556	-	(53,855)	77,701
From finance lease receivable	29,085	(29,085)	-	-
From finance lease payables	50,479	20,705	-	71,184
From depreciation of machinery	31,347	2,988	-	34,335
From debentures	9,706	(1,082)	-	8,624
From investment properties	13,090	55	-	13,145
Total	265,263	(6,419)	(53,855)	204,989

Income tax consist of :

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
	Domestic income tax			
Current tax	39,198	94,472	66	42,883
Overseas income tax				
Current tax	38,930	49,309	-	-
	78,128	143,781	66	42,883
Deferred tax				
Change in temporary differences	17,428	(154,473)	11,443	(7,991)
Total	95,556	(10,692)	11,509	34,892
Income tax recognised in other comprehensive income				
Unrealised gain on changes in value of investments	29,897	55,416	31,203	53,855
Actuarial losses	583	788	-	-
Others	(8,873)	8,765	10	-
Total	21,607	64,969	31,213	53,855

Reconciliation of effective tax rate

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Accounting profit (loss) before income tax	149,306	(497,259)	122,407	308,418
Tax rate for parent company (%)	20	20	20	20
Tax expense	<u>29,861</u>	<u>(99,452)</u>	<u>24,481</u>	<u>61,684</u>
Adjustment for tax – rate difference in foreign jurisdictions	(37,126)	(39,061)	-	-
Adjustment for eliminate transaction	26,241	70,774	(61,323)	(74,319)
Tax on deductible for revenue code	(323,016)	(524,247)	(202,661)	(325,711)
Tax on expenses not subject to tax for revenue code	385,435	280,980	187,221	172,516
Recognition of previously unrecognized loss carry forward	(302,230)	(16,788)	(45,808)	-
Current year losses for which no deffered tax asset was recognized	316,391	317,102	109,599	200,722
Tax expense	<u>95,556</u>	<u>(10,692)</u>	<u>11,509</u>	<u>34,892</u>

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statement are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Temporary differences	1,452,904	1,452,862	1,427,422	1,425,644
Unused loss carried forward	498,267	260,837	243,202	-
Total	<u>1,951,171</u>	<u>1,713,699</u>	<u>1,670,624</u>	<u>1,425,644</u>

The tax losses will expire in 2016 to 2020. The deductible temporary differences do not expire under current tax legislation. The Company and subsidiaries have not been recognised deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Company and subsidiaries can utilize the benefits.

31. SHARE CAPITAL AND WARRANT

31.1 Share capital

At the Annual General Shareholders Meeting held on 8 April 2015, shareholders passed resolution as following :

31.1.1 Approval to decrease the registered share capital from Baht 5,871,149,452 to Baht 5,279,840,828 by decrease unissued shares of Baht 591,308,624 (591,308,624 shares at Baht 1 par value).

31.1.2 Approval to increase the register share capital from Baht 5,279,840,828 (5,279,840,828 shares at Baht 1 par value) to Baht 6,335,808,993 (6,335,808,993 shares at Baht 1 par value) which reserve for the exercise warrant of Baht 1,055,968,165.

The Company registered such changes with the Department of Business Development on 23 April 2015.

During the year 2016, the warrant holders exercised 20 warrants to buy 20 common shares. The Company received additional paid-up share capital to be Baht 5,279,840,848.

The Company registered such changes with the Department of Business Development on 11 October 2016.

31.2 Warrant

At the Annual General Shareholders Meeting held on 8 April 2015, the shareholders passed a resolution to issue and allocate warrant no.1 (TID-W1) to existing shareholders at 5 shares for 1 unit of warrant totaling 1,055,968,165 units. The Company registered warrants with The Thailand Securities Depository CO., Ltd totaling 1,055,934,113 units.

1 unit of warrant is exercisable to purchase 1 common share at Baht 14 each within 4 years starting from 14 May 2015 to 13 May 2019. It first exercise is on 30 June 2015 and able to exercise on the last working day of each quarter. The Company has the exercise of warrants No. 6 on 30 September 2016 that the warrant holders exercised 20 warrants to buy 20 common shares.

As at 31 December 2016, the Company has the outstanding warrant totaling 1,055,934,093 units unexercised warrants.

32. EARNING PER SHARE

There is no potential dilution in earnings per share arose from warrant 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.

33. RELATED PARTY TRANSACTIONS

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

<u>Name</u>	<u>Location</u>	<u>Relationship</u>
Siam Steel Syndicate Pcl.	Thailand	Co-Director
Italthai Industrial Co., Ltd.	Thailand	Co-Director
Italthai Engineering Co., Ltd.	Thailand	Co-Director
Ao Po Grand Marina Co., Ltd.	Thailand	Co-Director
Ao Po Grand Marina & Residence Co., Ltd.	Thailand	Co-Director
P3 Global Energy Co., Ltd.	Thailand	Co-Director
PAN AFRICAN MINING CORP.	Canada	Co-Director
Asia Thai Mining Co., Ltd.	Thailand	Co-Director
Charoong Thai Wire and Cable Plc.	Thailand	Co-Director
PAM SAKOA COAL S.A.	Madagascar	Co-Director
LNG Plus International (Hong Kong) LTD	Hong Kong	Co-Director
Siam machinery and equipment Co., Ltd.	Thailand	Co-Director
Construction concrete Co., Ltd.	Thailand	Co-Director
OHTL Pcl.	Thailand	Co-Director
NWR – SBCC Joint Venture	Thailand	Co-Director
Bell Development Co., Ltd.	Thailand	Co-Director
Nishio Rent All (Thailand) Co., Ltd.	Thailand	Co-Director
Intrinsic Resources Co., Ltd.	Thailand	Co-Director
Sakdi Sin Prasit Co., Ltd.	Thailand	Co-Director
Siam Fiber Optics Co., Ltd.	Thailand	Co-Director

<u>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 prices
Interest on loans with related parties	Mutually agreed rate
Rental expenses	Mutually agreed rate

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

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2016	2015	2016	2015
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	679	363
Sales of equipment	-	-	4	49
Purchases of construction materials and services	-	-	1,398	1,037
Purchases of equipment	-	-	-	1
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	195	231	194	231
Sales of equipment	8	-	8	-
Purchases of construction materials and services	250	405	223	354
<u>Transactions with related companies</u>				
Construction services, sales and other income	852	890	676	808
Purchases of construction materials and services	2,062	1,999	1,450	1,593
Purchases of equipment	909	93	907	39
<u>Key management personnel compensation</u>				
Short-term employee benefits	133	112	106	90
Post-employment benefits	11	6	2	1

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

Accrued rental expenses

As at 31 December 2016, a subsidiary has accrued rental expenses of Baht 70.31 million (2015 : Baht 62.42 million).

34. ALLOWANCE FOR LOSSES ON CONSTRUCTION PROJECT

Movements of allowance for losses on construction project for the years ended 31 December 2016 and 2015 are as follow:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Balance as at 1 January	265,468	159,401	265,468	157,173
Allowance (reversal) for loss on construction projects	26,119	106,067	(44,368)	108,295
Balance as at 31 December	<u>291,587</u>	<u>265,468</u>	<u>221,100</u>	<u>265,468</u>

35. PROVIDENT FUND

The Company and subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company, and subsidiaries, contributed to the fund monthly at the rate of 2.00 – 15.00 percent of basic salary. The fund, which is managed by CIMB-Principal Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2016 and 2015, the Company and its subsidiaries contributed Baht 113.03 million and Baht 138.69 million, respectively, to the fund (Separate F/S : Baht 52.21million and Baht 49.13 million, respectively).

36. COST OF CONSTRUCTION WORK

As at 31 December 2016 and 2015, construction costs of the Company after adjustment to reflect gains or losses recognized for current construction projects, amounted to Baht 84,715 million and Baht 78,738 million, respectively.

37. LEGAL RESERVE

Pursuant to Section 116 of the Public Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The legal reserve is not available for dividend distribution.

38. OTHER INCOME

Significant other income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Rental income	47,687	63,457	37,456	56,997
Insurance claim	1,823	9,373	-	-
Gain on disposal of assets	4,558	60,091	573	10,319
Bad debt written back	47,637	10,365	7,432	192
Income from claims for debt settlement	94,811	59,241	92,974	42,854
Others	157,507	118,664	58,213	31,093
Total	<u>354,023</u>	<u>321,191</u>	<u>196,648</u>	<u>141,455</u>

39. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Salaries, wages and other employee benefits	9,439,224	9,641,129	6,923,597	7,456,259
Depreciation	2,331,546	2,193,419	1,256,801	1,296,527
Amortisation	32,904	6,251	6,089	5,585
Rental expenses	1,349,770	1,524,950	876,549	1,143,809
Materials and supplies used	14,865,602	16,973,520	8,704,552	10,176,930
Subcontract costs	12,997,905	13,331,348	5,405,589	5,887,117
Utilities expenses	786,626	785,278	293,270	315,435
Transportation expenses	506,052	548,789	255,145	296,042
Repair and maintenance expenses	842,011	611,403	356,097	438,030
Prebid expenses	68,543	70,618	58,485	55,925
Professional fee	431,080	3,303,871	113,501	108,557
Fuel expenses	1,401,990	1,366,335	879,874	961,923

40. GUARANTEES

As at 31 December 2016, the Company and subsidiaries have outstanding guarantees totaling approximately Baht 48,391.86 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 December 2016, the Company has outstanding guarantees approximately Baht 6,952.22 million issued to financial institutions to collateralize credit facilities granted by those financial institutions to the subsidiaries and joint venture. The Company issued guarantees in proportion to its shareholding (except for Italthai Trevi Co., Ltd., Italthai Marine Co., Ltd., Aquathai Co., Ltd., Sarithorn Co., Ltd., Asian Steel Product Co., Ltd., and ITD Cementation India Limited for which the Company issued full guarantees for the credit facilities).

41. COMMITMENTS

41.1 As at 31 December 2016, the Company, subsidiaries and joint venture have outstanding commitments with major subcontractors, classified by currencies as follows :

(Unit : Million Baht)

<u>Currency</u>	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	4,241.06	4,076.83
INR	2,896.86	103.28
BDT	697.92	-

41.2 As at 31 December 2016, the Company and subsidiaries have the following outstanding commitments, proportionately, for purchases of materials, machinery, software, related services and service contracts :

(Unit : Million Baht)

<u>Currency</u>	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	471.09	380.52
USD	1,383.14	65.53
INR	96.98	-
EUR	519.26	19.53
TWD	0.64	0.64

- 41.3 As at 31 December 2016, the Company has outstanding commitments of USD 8.35 million in respect of the uncallable portion of investments in a related company, and nine subsidiary companies of Baht 2.25 million, USD 1.65 million, BDT 26,880.82 million and MMK 344.17 million.
- 41.4 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 million is payable to the Ministry of Industry upon receipt of the mining concession and an annual fee subsidizing the Education Fund of USD 0.20 million is payable to the Department of Primary Industries and Mines in accordance with an agreement between the Ministry of Industry and the Department of Primary Industries and Mines and the Company.
- 41.5 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 2 million for the land purchase, and the balance will be paid according to the terms of the agreements.
- 41.6 Several indirect subsidiary companies entered service agreements for project consultant which have commitment to pay at the rate as specified in agreements.

42. CONTINGENT LIABILITIES

- a) In year 1997, the Company and seven other parties were jointly sued for compensation totaling approximately Baht 654.89 million. On 30 December 2005, the Court of First Instance ordered the defendant to pay for damages amounting to Baht 440.03 million, plus interest at the rate of 7.50 percent per annum from 11 June 1992 to the payment date. On 17 March 2006, the Company submitted an appeal and a petition to stay execution to the order of the Court - Chonburi Province defending that the plaintiffs did not file the claims with the Bankruptcy Court within the prescribed period. The Appeal Court had issued a verdict in favour of the Company (co-defendant) whereby the Company has no responsibility to the plaintiff. Currently, such case is in the process of consideration to submit the petition by plaintiff. The Company believes that there will be no damage from such case. The Company therefore, has not set up any provision in its accounts. There has been no progress on this matter during the year.
- b) Certain customers of the Company have taken legal actions against the Company, subsidiary companies, and joint venture for breaches of service agreements as follow :

	Million Baht
Company and subsidiary companies	899.89
Associated companies	5.45
Joint venture	16.78
Total	922.12

The cases are currently pending for judgment from the Civil Courts. Management is of the opinion that such lawsuits are a normal part of businesses and some are brought without proper justifiable grounds, and believes that no material liabilities will be incurred as a result of those lawsuits. Therefore, the Company has not set up provision for those in the accounts. However certain creditor has taken legal actions against an indirect subsidiary company for breaches of service agreements amounting Baht 4.03 million which the case is currently pending for judgment from the Central Bankrupt Courts.

- c) A branch office in overseas has been tax assessed for the years 2008 by tax authority of branch office totalling Baht 128.41 million. The Company's management believes that no material liabilities will be incurred from tax assessed. Therefore, the Company has not set up provision for those in the accounts.
- d) A subsidiary company was assessed additional import tax for equipment by custom department of Baht 52.31 million. The management of subsidiary company submitted an appeal and objection such assessment by confirm that have to pay tax correct and completely. During the year 2016, Appeal Committee had issued a verdict a favour of the subsidiary company whereby the subsidiary company has no pay tax in the amount of Baht 52.31 million. The subsidiary company has to be classified component machineries by category to comply with verdict in order to assess and pay import tax in according to the Appeal Committee defined. The management of subsidiary company believe that there will be no damage from such case. The company therefore has not set up provision in its accounts.

43. SEGMENT REPORTING

Consolidated financial statements as at 31 December 2016 and 2015 and for the years ended 31 December 2016 and 2015 combined geographic segment reporting as follow :

(Unit : Million Baht)

	Consolidated F/S			
	Revenues from construction		Non - current assets*	
	work			
	2016	2015	2016	2015
<u>Geographic information</u>				
Thailand	26,976	28,679	22,441	21,152
India	16,846	18,154	2,056	1,997
Others	1,368	2,387	10,762	10,261
Total	45,190	49,220	35,259	33,410

* Exclude deferred tax asset and goodwill

Revenues from external customers in the Group, Thailand as well as its major markets, and India, have been identified on the basis of the customer's geographical location. Non - current assets are allocated based on their physical location.

The operations of the Company and subsidiaries for the years ended 31 December 2016 and 2015 are mainly engaged in a single industry segment, construction services, and are conducted in the following geographical segments.

(Unit : Million Baht)

	Consolidated F/S											
	For the years ended 31 December											
	Thailand		India		Other countries		Total		Eliminate		Grand Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<u>Revenue from construction work</u>												
Gross segment revenues	26,976	28,679	16,846	18,154	1,368	2,387	45,190	49,220	-	-	45,190	49,220
Inter - segment revenues	1,013	430	43	14	426	190	1,482	634	(1,482)	(634)	-	-
Net revenues from third parties	27,989	29,109	16,889	18,168	1,794	2,577	46,672	49,854	(1,482)	(634)	45,190	49,220
<u>Revenue from sale and service</u>												
Gross segment revenues	2,176	2,071	-	-	3	7	2,179	2,078	-	-	2,179	2,078
Inter - segment revenues	573	741	-	-	-	-	573	741	(573)	(741)	-	-
Net revenues from third parties	2,749	2,812	-	-	3	7	2,752	2,819	(573)	(741)	2,179	2,078
Gross profit (loss)	2,760	2,793	1,515	1,713	423	(80)	4,698	4,426	(30)	(17)	4,668	4,409
Other income	217	106	149	210	7	41	373	357	(19)	(36)	354	321
Interest income	88	91	105	37	11	1	204	129	(40)	(46)	164	83
Interest expense	(1,523)	(1,503)	(716)	(914)	(211)	(218)	(2,450)	(2,635)	40	46	(2,410)	(2,589)
Depreciation and amortization	(1,701)	(1,633)	(337)	(277)	(404)	(302)	(2,442)	(2,212)	13	12	(2,429)	(2,200)
Reversal of allowance (allowance) for doubtful accounts	(99)	218	(107)	(793)	1	-	(205)	(575)	44	(25)	(161)	(600)
Gain (loss) on exchange rate	2	23	4	15	(36)	(50)	(30)	(12)	-	-	(30)	(12)
Share of profit (loss) from investment in associated companies and joint ventures											(28)	10
Income tax expense											(96)	11
Profit (loss) for the year											54	(487)

(Unit : Million Baht)

	Thailand		India		Other countries		Total		Elimination		Grand total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Property, plant and equipment - net	11,325	10,339	1,798	1,737	5,440	5,663	18,563	17,739	(52)	(64)	18,511	17,675
Other assets	56,727	55,594	12,466	15,309	7,652	6,128	76,845	77,031	(17,236)	(16,611)	59,609	60,420
Total assets	68,052	65,933	14,264	17,046	13,092	11,791	95,408	94,770	(17,288)	(16,675)	78,120	78,095
Total liabilities	45,821	43,732	15,145	17,765	15,059	13,719	76,025	75,216	(12,239)	(11,697)	63,786	63,519

Major Customer

For the year ended 31 December 2016, the Company and subsidiaries revenue come from Government agencies amounting of Baht 24,767.75 million (2015 : Baht 27,582.91 million).

44. FINANCIAL INSTRUMENTS

Financial risk management

The Company and subsidiaries have financial instruments principally comprise cash and cash equivalent pledged deposits at banks, trade accounts receivable, loans, investments, bank overdrafts and short - term loans from financial institutions, loans, finance lease payables, debentures and long-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company and subsidiaries have exposure to credit risk primarily with respect to trade accounts receivable, loans, and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses since most of the credit grantings are covered with contracts and guarantees. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, and other receivables as presented in the statement of financial position.

Interest rate risk

The Company and subsidiaries exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and short-term loans from financial institutions, short-term loans, finance lease payables, debentures and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The Company and subsidiaries have exposure to foreign currency risk from trading transactions and borrowings that are denominated in foreign currencies. The Company, subsidiaries and joint ventures seek to manage this risk by entering into forward exchange and currency swap contracts when it considers appropriate.

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2016 are summarized below :

Foreign currency	Consolidated F/S		Separate F/S		Average exchange rate as at 31 December 2016 (Baht per foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
USD	24	24	29	1	35.8307
EUR	-	35	-	-	38.1362
LAK	-	80	-	-	0.0044
HKD	4	-	4	-	4.5796

Forward exchange contracts which remain outstanding as at 31 December 2016 are summarized below :

Currency	Balance (Million)	Forward contract exchange rate
USD (sell)	22	32.8000
EUR (buy)	35	43.7500
USD (buy)	24	33.2800
CNY (buy)	9	5.1200 – 5.3940

As at 31 December 2016, significant foreign currency denominated assets and liabilities which are unhedged of the Company, subsidiaries and joint venture as follow:

	Consolidated F/S (Net)			
	USD	EUR	LAK	HKD
	Million	Million	Million	Million
Trade accounts receivable and retention	10	-	-	4
Trade accounts receivable and loan to – related companies	14	-	-	-
Trade accounts payable	-	-	80	-

	Separate F/S (Net)			
	USD	EUR	LAK	HKD
	Million	Million	Million	Million
Trade accounts receivable and retention	-	-	-	4
Trade accounts receivable and loan to – related companies	29	-	-	-
Trade accounts payable	1	-	-	-

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

A subsidiary has entered into the cross currency swap contract with a financial institution to manage exposure of fluctuations in foreign currency exchange rates of Baht 2,702.39 million, starting from 20 November 2014 to 30 December 2024.

45. 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 December 2016 :

(Unit : Thousand Baht)

	Consolidated F/S			Total
	Level 1	Level 2	Level 3	
<u>Non - financial assets</u>				
Current investments	-	46	-	46
Other long – term investments	574,764	-	-	574,764
Investment properties	-	-	1,925,363	1,925,363
Non – current assets classified as held for sale	-	-	168,677	168,677
Total	574,764	46	2,094,040	2,668,850
<u>Financial liabilities</u>				
Forward contract liabilities	-	125,315	-	125,315
Total	-	125,315	-	125,315

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Non - financial assets</u>				
Other long – term investment	541,602	-	-	541,602
Investment properties	-	-	1,040,043	1,040,043
Non – current assets classified as held for sale	-	-	168,677	168,677
Total	541,602	-	1,208,720	1,750,322
<u>Financial liabilities</u>				
Forward contract liabilities	-	1,882	-	1,882
Total	-	1,882	-	1,882

The following table present financial and liabilities assets that are measured at fair value as at 31 December 2015 :

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Forward contract asset	-	65	-	65
<u>Non - financial assets</u>				
Current investments	-	45	-	45
Other long – term investment	742,247	-	-	742,247
Investment properties	-	-	1,591,469	1,591,469
Total	742,247	110	1,591,469	2,333,826
<u>Financial liabilities</u>				
Forward contract liabilities	-	48,876	-	48,876
Total	-	48,876	-	48,876

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Forward contract asset	-	65	-	65
<u>Non - financial assets</u>				
Other long – term investment	715,621	-	-	715,621
Investment properties	-	-	743,000	743,000
Total	715,621	65	743,000	1,458,686

Investment properties was carried out using a market approach comparable with market price of the same assets reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the investment properties in question, including plot size, location, encumbrances and current use.

The fair values of the non – current assets classified as held for sale are estimated using a depreciated replacement cost approach which capitalizes the estimated of the market value for the existing use of the assets plus the current gross replacement cost of improvements less allowances for physical deterioration and all relevant forms of obsolescence.

46. CAPITAL RISK MANAGEMENT

The Company and subsidiaries's objective in the management of capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to minimise the cost of capital. In addition, the Company and subsidiaries are required to maintain a debt to equity ratio as stipulated in loan facility agreements.

In order to maintain or adjust the capital structure, the Company and subsidiaries may adjust the dividend payment to shareholders, issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

47. EVENT AFTER REPORTING PERIOD

On 21 February 2017, the Board of Director of an overseas subsidiary passed a resolution to approval to pay dividend to shareholder at 0.30 INR per share (equivalent to Baht 0.15 per share).

48. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 28 February 2017.