

**ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2018**  
**(Unaudited but reviewed)**

**1. NATURE OF OPERATIONS**

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

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

**2.1 Basis for interim financial statements preparation**

The interim financial statements are for the three-month and nine-month periods ended 30 September 2018 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2017) “Interim Financial Reporting” which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards. These should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2017.

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

These interim financial statements were approved by the Company’s director on 14 November 2018.

**2.2 Basis of consolidation**

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

- An oversea subsidiary company increased its share capital but the Company did not participate in additional investment. This diluted the Company proportion of investment from 51.63% to 46.64%. However, the Company continues to the consolidate the financial statements of such subsidiary since it has not lost control from the change of shareholding in subsidiary. In addition, such oversea subsidiary company has investment in a joint venture of 40.00%. This also causes the dilution of the company equity of such joint venture from 20.70% to 18.66%

- The Company and Sumitomo Mitsui Corporation Company Limited jointly invested in SMCC-ITD Joint Venture for which 49% is invested by the Company. Such joint Venture is incorporated under the laws of Bangladesh and is principally engaged in the construction of Dhaka Mass Transit Development project (CP-06) at Dhaka, Bangladesh with Dhaka Mass Transit Company Limited.
- The Company made investment for share capital increment of Italian Thai Power Co., Ltd of Baht 550.00 million. Its proportion of investment still remains at 99.99%.
- The Company made additional payment of BDT 497.06 million for share capital of First Dhaka Elevated Expressway Co., Ltd.
- A local joint venture registered the liquidation of joint venture.

2.3 The consolidated financial statements as at 30 September 2018 include investments in associated companies under the equity method of Baht 481.23 million (representing 0.51% of the total assets) and related share of loss accounted for under equity method for three-month and nine-month periods then ended of Baht 0.95 million and Bath 8.85 million, respectively (representing 0.43% and 1.87%, of the consolidated net profit of the three-month and nine-month periods, respectively). Those financial statements are based on financial information compiled by the management of such associated companies which has not been reviewed by their auditor because those associated companies are not under the control of the Company's management. However, the management of the Company believes that there will be no significant variances had the financial statements of those associated companies been reviewed by their auditor.

#### 2.4 Information of joint operations

The consolidated and separate financial statements as at 30 September 2018 and 31 December 2017 and for the three-month and nine-month periods ended 30 September 2018 and 2017 included assets, liabilities, revenues and expenses of the joint operations proportionately based on the Company's interest as follows :

	(Unit : Thousand Baht)	
	30 September 2018	31 December 2017
	<hr/>	<hr/>
Current assets	1,757,938	1,244,870
Non – current assets	862,239	997,892
Current liabilities	1,096,533	711,639
Non – current liabilities	640,943	167,179

	(Unit : Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2018	2017	2018	2017
Revenues	510,119	184,631	1,361,191	624,118
Expenses	527,664	134,535	1,306,508	508,523

### 3. SIGNIFICANTS ACCOUNTING POLICIES

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

During the period, the Federation of Accounting Professions issued the following new Thai Financial Reporting Standards:

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

TFRS 15 will be effective from 1 January 2019, and introduces new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard No. 11 “Construction Contracts”, and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

- Thai Financial Reporting Standards for Financial Instruments

TFRSs for financial instruments will be effective from 1 January 2020 and has new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

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

#### 4. ESTIMATES

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

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

#### 5. PROMISSORY NOTES - NET

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	30 September 2018	31 December 2017
Promissory Notes	485,939	-
Less : Current portion	(50,000)	-
Net	<u>435,939</u>	<u>-</u>

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

As at 30 September 2018, the Company has long-term loan from a local financial institution of Baht 485.94 million. Such loan bears interest at 4 percent per annum. The principal and interest are repayable when the Company received debt settlement from the promissory notes from the debtor mentioned above.

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

The aging of outstanding trade accounts receivable balances as at 30 September 2018 and 31 December 2017 are as follows :

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Less than 3 months	9,585,185	7,632,380	8,137,468	6,658,682
3 – 6 months	1,149,717	449,812	911,600	158,943
6 – 12 months	435,403	353,200	213,488	7,635
More than 12 months	1,250,730	1,230,896	359,066	402,137
Total	12,421,035	9,666,288	9,621,622	7,227,397
Less : Allowance for doubtful accounts	(969,857)	(969,052)	(360,039)	(396,706)
Net	11,451,178	8,697,236	9,261,583	6,830,691

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

- At as 30 September 2018, the consolidated financial statements include trade account receivable of an overseas subsidiary of Baht 272.04 million (net of an allowances for doubtful account amount to Baht 35.87 million) (31 December 2017 : Baht 309.98 million) which the debtor had complied with the repayments schedule as planned. During the period, the subsidiary's management considered recognizing an allowance for impairment in value of such receivable by using discounted cash flow from the repayment plan of such receivable and recognized an allowance for impairment of Baht 35.87 million. The subsidiary's management believes that such allowance for impairment is reasonable.
- As at 30 September 2018, the consolidated and separate financial statements include trade receivable from the State Enterprise for a construction project which has been under process of negotiation to extend the construction period. Initially, this matter has been approved by the work inspection committee, the construction period of the mentioned project will be extended to 20 February 2019. At present, such matter is awaiting for the final approval by the Employer's Board of Director. Therefore, the outstanding receivable of Baht 825.33 million has not been received. The Company's management believes that the approval for the extension of the construction period and will receive in full amount.

During the period, the Company received a payment of works and retentions from a trade receivable totaling to Baht 81.67 million. The Company has previously recognized full allowance for doubtful accounts for such receivable. Therefore, the Company reversed such allowance for doubtful accounts in the statement of profit or loss in this period.

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

The outstanding balances as at 30 September 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Subsidiaries	-	-	1,799,594	1,761,470
Associated companies and joint ventures	1,162,228	1,182,412	1,079,488	1,129,910
Related parties	780,601	1,470,758	656,693	1,308,318
Joint operations	19,550	25,958	19,550	25,958
<b>Total</b>	<b>1,962,379</b>	<b>2,679,128</b>	<b>3,555,325</b>	<b>4,225,656</b>
Less : Allowance for doubtful accounts	(759,977)	(617,903)	(790,829)	(687,186)
<b>Net</b>	<b>1,202,402</b>	<b>2,061,225</b>	<b>2,764,496</b>	<b>3,538,470</b>

The aging of outstanding balances of trade accounts receivable – related parties as at 30 September 2018 and 31 December 2017 are as follows :

Receivable Ages	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Less than 3 months	494,565	447,786	720,427	790,904
3 – 6 months	94,606	108,456	215,555	877,501
6 – 12 months	96,596	116,637	401,001	303,972
More than 12 months	1,276,612	2,006,249	2,218,342	2,253,279
<b>Total</b>	<b>1,962,379</b>	<b>2,679,128</b>	<b>3,555,325</b>	<b>4,225,656</b>
Less : Allowance for doubtful accounts	(759,977)	(617,903)	(790,829)	(687,186)
<b>Net</b>	<b>1,202,402</b>	<b>2,061,225</b>	<b>2,764,496</b>	<b>3,538,470</b>

As at 31 December 2017, the consolidated and separate financial statements include trade accounts receivable - related companies totalling Baht 162.94 million and Baht 103.57 million. Such receivables are under negotiation with strategic investors and in the process of project feasibility study to join the operations in the future. Debt repayment from such debtors depends on the materialization of the project feasibility. During the period, managements have assessed an opportunity to recover such receivables and recognized full allowance for doubtful accounts in the financial statements for the nine-month periods ended 30 September 2018.

During the period, the Company received the repayment of receivable from a local subsidiary of Baht 27.48 million. The Company had previously recognized full allowance for doubtful accounts for such receivable. The Company, therefore reversed allowance for doubtful account of such receivable during the period.

During the period, a joint venture sold machineries and vehicles to the Company for debt settlement totalling to Baht 769.75 million.

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Subsidiaries	-	-	3,300,292	3,233,016
Associated companies and joint ventures	270,174	255,908	212,531	198,730
Related parties	15,465	16,018	-	-
Joint operations	-	23	-	23
<b>Total</b>	<b>285,639</b>	<b>271,949</b>	<b>3,512,823</b>	<b>3,431,769</b>
Less : Allowance for doubtful accounts	(26,858)	(11,255)	(2,135,749)	(2,059,344)
<b>Net</b>	<b>258,781</b>	<b>260,694</b>	<b>1,377,074</b>	<b>1,372,425</b>

Movements in short - term loans and advances to subsidiaries and related parties for the nine-month period ended 30 September 2018 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S			30 September 2018
	1 January 2018	During the period		
	Increase	Decrease		
Associated companies and joint ventures	255,908	14,266	-	270,174
Related companies	16,018	-	553	15,465
Joint operations	23	-	23	-
<b>Total</b>	<b>271,949</b>	<b>14,266</b>	<b>576</b>	<b>285,639</b>

(Unit : Thousand Baht)

	Separate F/S			30 September 2018
	1 January	During the period		
	2018	Increase	Decrease	
Subsidiaries	3,233,016	67,276	-	3,300,292
Associated company and joint ventures	198,730	13,801	-	212,531
Joint operations	23	-	23	-
Total	<u>3,431,769</u>	<u>81,077</u>	<u>23</u>	<u>3,512,823</u>

As at 31 December 2017, the consolidated financial statements include short – term loans and advances to related companies totalling to Baht 16.02 million. Debt repayment from such related companies depends on the condition discussed in Note 7 to the financial statements. During the period, the Subsidiary's management assessed an opportunity to recover such loans to be remote and recognized full allowance for non-collection in the financial statement for the nine-months periods ended 30 September 2018.

## 9. INVESTMENTS

### 9.1 Investments in subsidiaries – net

Movements in investments in subsidiaries for the nine-month period ended 30 September 2018 are as follows:

	(Unit : Thousand Baht)
	Separate F/S
Balance as at 1 January 2018	6,878,187
Add : Additional investments during the period	752,574
Less : Allowance for impairment of investment	(550,354)
Balance as at 30 September 2018	<u>7,080,407</u>

Investments in subsidiaries as at 30 September 2018 and 31 December 2017 comprise investments as follows :

		(Unit : Thousand Baht)					
		Percentage of shareholding		Separate F/S Cost			
				30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Nature of business	Paid-up Capital	Percent	Percent				
<b>Investments in subsidiaries</b>							
Italian-Thai International Co., Ltd.	Holding company	400,000	99.99	99.99	400,000	400,000	
Less : Allowance for impairment					(400,000)	(400,000)	
Net					-	-	
Bhaka Bhumi Development Co., Ltd.	Real estate development	5,075	99.99	99.99	5,075	5,075	
Thai Pride Cement Co., Ltd.	Manufacture and distribution of cement	1,300,000	99.99	99.99	1,585,000	1,585,000	
Nha Pralan Crushing Plant Co., Ltd.	Rock quarrying, processing and distribution	31,000	99.99	99.99	30,999	30,999	
Less : Allowance for impairment					(10,999)	(10,999)	
Net					20,000	20,000	
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products	126,000	99.80	99.80	124,296	124,296	
Italthai Marine Co., Ltd.	Production and sale of vessels and equipment	810,000	92.59	92.59	430,000	430,000	
Less : Allowance for impairment					(430,000)	(430,000)	
Net					-	-	
Italthai Trevi Co., Ltd.	Foundation and piling work services	80,000	90.94	90.94	84,189	84,189	
Asian Steel Product Co., Ltd.	Manufacture and distribution of large steel pipes	20,000	69.90	69.90	7,004	7,004	
Thai Maruken Co., Ltd.	Lease and sale of sheet piles and beams for foundation construction work	20,000	50.96	50.96	10,196	10,196	
Italian-Thai Land Co., Ltd.	Not yet operational	10,000	99.99	99.99	50	50	
Less : Allowance for impairment					(50)	(50)	
Net					-	-	
Palang Thai Kaowna Co., Ltd.	Not yet operational	1,000	99.94	99.94	650	650	
Less : Allowance for impairment					(650)	(650)	
Net					-	-	
Palit Palang Ngan Co., Ltd.	Not yet operational	1,000	74.93	74.93	50	50	
Less : Allowance for impairment					(50)	(50)	
Net					-	-	
Italian Thai Power Co., Ltd.	Production and distribution of electricity	650,000 (31 Dec 2017: 100,000)	99.99	99.99	650,000	100,000	
Less : Allowance for impairment					(650,000)	(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	
<b>Overseas subsidiary companies</b>							
Myanmar ITD Co., Ltd.	Service agent for Myanmar companies	1,483	99.99	99.99	1,483	1,483	
Less : Allowance for impairment					(1,483)	(1,483)	
Net					-	-	

		(Unit : Thousand Baht)					
				Percentage of shareholding		Separate F/S Cost	
				30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Nature of business	Paid-up Capital	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	172	46.64	51.63	2,143,951	2,143,951	
		(31 Dec 2017: 155)					
		Million INR					
ITD–Madagascar S.A.	Mining business	20	99.98	99.98	99,527	99,527	
		Million MGA					
Less : Allowance for impairment					(99,527)	(99,173)	
Net					-	354	
ITD Construction SDN. BHD.	Construction services in Malaysia	0.75	99.99	99.99	7,312	7,312	
		Million MYR					
Less : Allowance for impairment					(7,312)	(7,312)	
Net					-	-	
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	1,617	99.99	99.99	666,523	463,949	
		(31 Dec 2017: 1,120)					
		Million BDT					
ITD Bangladesh Company Limited	Construction services in Bangladesh	4	99.99	99.99	1,546	1,546	
		Million BDT					
Italian–Thai Development Vietnam Co., Ltd.	Not yet operational	6,000	80.00	80.00	9,160	9,160	
		Million VND					
Less : Allowance for impairment					(9,160)	(9,160)	
Net					-	-	
ITD Mozambique Limitada	Construction services in the Republic of Mozambique	1,141,815	99.00	99.00	38,447	38,447	
		USD					
Thai Mozambique Logistica SA	Concession for constructing Port and Railway in the Republic of Mozambique	250,000	60.00	60.00	4,955	4,955	
		USD					
Momaz Logistics	Not yet operational	-	100.00	100.00	-	-	
		USD					
Italian - Thai Development (Myanmar) Co., Ltd.	Construction services in the Republic of the Union of Myanmar	25,000	99.90	99.90	814	814	
		USD					
Total Investments in subsidiaries - net					7,080,407	6,878,187	

On 2 February 2018, an overseas subsidiary re-issued 16,629,684 new shares at price of 202.55 INR per share (par value at 1 INR per share) to Qualified Institutional Buyers by legal and received paid-up share capital amounting to INR 3,368.34 million (net cash received from share issuance expenses of Baht 1,531.67 million). Such subsidiary increased its registered share capital from 155,157,900 shares to 171,787,584 shares. Consequently, the proportion the Company's investment was diluted from 51.63% to 46.64%. However, the Company still continues to consolidate the financial statements of such subsidiary since it has not lost control from the change of shareholding in subsidiary. As a result of the increase share capital of subsidiary, the Company's surplus on investment in subsidiary increases by Baht 511.54 million, which is recognized in other components of shareholders' equity during the period

During the period, the Company paid for share capital increased of a local subsidiary of Baht 550 million which was used for debt settlement to the Company. The Company, therefore recognized full provision for impairment of such investment.

## 9.2 Investments in associated companies - net

Movements in investments in associated companies, which are accounted for by the equity method in the consolidated financial statements, for the nine-month period ended 30 September 2018 are as follows:

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	633,637	697,963
Less : Dividend from associated company	(2,971)	-
Less : Share of loss from associated companies	(9,213)	-
Less : Translation adjustment for foreign currency financial statements	(7,053)	-
Balance as at 30 September 2018	<u>614,400</u>	<u>697,963</u>

Investments in associated companies as at 30 September 2018 and 31 December 2017, comprise investments as follow :

Nature of business	Paid-up Capital	Percentage of shareholding		Consolidated F/S Equity method		Separate F/S Cost		
		30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017	
		Percent	Percent					
<b>Investments in associated companies</b>								
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	35,487	35,199	2,450	2,450
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,615	26,615	27,373	27,373
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	97,678	101,292	71,603	71,603
Oriental Residence Bangkok Co., Ltd.	Real estate development	500,000	15.00	15.00	-	-	75,000	75,000
<b>Overseas companies</b>								
MCRP Construction Corporation, Philippines	Construction contractor in Philippines	25 Million PHP	24.00	24.00	12,000	12,000	12,000	12,000
Less : Allowance for impairment					(12,000)	(12,000)	(12,000)	(12,000)
Net					-	-	-	-
MCRP Holding Corporation, Philippines	Holding company in Philippines	5 Million PHP	24.00	24.00	3,000	3,000	3,000	3,000
Less : Allowance for impairment					(3,000)	(3,000)	(3,000)	(3,000)
Net					-	-	-	-
Sino Lao Aluminum Corporation Limited	Bauxite mine business in Laos	32 Million USD	34.00	34.00	452,095	468,006	521,537	521,537
Total investments in associated companies – net					<u>611,875</u>	<u>631,112</u>	<u>697,963</u>	<u>697,963</u>

		Percentage of shareholding		Consolidated F/S Equity method		Separate F/S Cost		
Nature of business	Paid-up Capital	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	
		2018	2017	2018	2017	2018	2017	
		Percent	Percent					
<b>Investment in associated company held by subsidiary</b>								
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	-	-
Total investment in associated company held by subsidiary					2,525	2,525	-	-
Total investments in associated companies - net					614,400	633,637	697,963	697,963

### 9.3 Investments in joint ventures – net

Movements in investments in joint ventures, which are accounted by the equity method in the consolidated financial statements, during the nine-month period ended 30 September 2018 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	126,524	-
Add : Share of profit from joint ventures	131,080	-
Less : Received the share of profit from joint venture	(31,000)	-
Add : Invested during the period	49,252	49,252
Add : Translation adjustment for foreign currency financial statements	1,996	-
Balance as at 30 September 2018	277,852	49,252

Investments in joint ventures as at 30 September 2018 and 31 December 2017, comprise investments in the following:

		Proportion of investments		Consolidated F/S Equity		Separate F/S Cost	
Nature of business		30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec
		2018	2017	2018	2017	2018	2017
		Percent	Percent				
<b>Investments in joint ventures</b>							
ITD-EGC Joint Venture	Construction services in Republic of China	55.00	55.00	300,927	295,766	291,819	295,206
Less : Allowance for impairment				(291,819)	(292,896)	(291,819)	(295,206)
Net				9,108	2,870	-	-
IOT Joint Venture	Construction services	40.00	40.00	-	-	-	-
ITD – ETF Joint Venture	Construction services	65.00	65.00	116,056	52,525	49,252	-
ITD – ETF – MVM Joint Venture	Construction services	55.25	55.25	439	19,831	-	-
CMC/ITD/SONG DA Joint Venture	Construction services	30.00	30.00	80,851	48,223	-	-
ITD SINOHYDRO Joint Venture	Construction services	51.00	51.00	17,262	3,075	-	-
SMCC-ITD Joint Venture	Construction services	49.00	-	1,524	-	-	-
Total investments in joint ventures - net				225,240	126,524	49,252	-

Nature of business	Proportion of investments		Consolidated F/S		Separate F/S	
	30 Sep	31 Dec	Equity		Cost	
	2018	2017	30 Sep	31 Dec	30 Sep	31 Dec
	Percent	Percent	2018	2017	2018	2017
<b>Investments in joint ventures held by subsidiary</b>						
CEC-ITD Cem-TPL Joint Venture	Construction services	18.66*	20.70 *	52,612	-	-
Total investments in joint venture held by subsidiary - net				52,612	-	-
Total investments in joint ventures - net				277,852	126,524	49,252
<b>Total investments in subsidiaries, associated companies and joint ventures - net</b>				<b>892,252</b>	<b>760,161</b>	<b>7,827,622</b>

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

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

## 10. OTHER LONG – TERM INVESTMENTS – NET

Movements in other long - term investments during the nine-month period ended 30 September 2018 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	861,138	691,793
Add : Reversal of allowance for impairment of investment	200,000	200,000
Less : Unrealized losses from changes in value of investments	(67,938)	(64,112)
Balance as at 30 September 2018	993,200	827,681

Other long - term investments as at 30 September 2018 and 31 December 2017 comprise investments as follows :

		(Unit : Thousand Baht)					
Nature of business		Percentage of Shareholding		Consolidated F/S		Separate F/S	
		30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
		Percent	Percent				
<b><u>Investments in other companies</u></b>							
<b>a) <u>Non-listed companies</u></b>							
M-Home SPV 3 Co., Ltd.	Real estate development	11.54	11.54	12	12	12	12
	Less : Allowance for impairment			(12)	(12)	(12)	(12)
	Net			-	-	-	-
Siam Steel Syndicate Plc.	Manufacture and distribution of steel for construction	1.15	1.15	55,885	55,885	55,885	55,885
Siam Fiber Optics Co., Ltd.	Manufacture and distribution of optic fibers	10.00	10.00	24,000	24,000	24,000	24,000
Bell Development Co., Ltd.	Real estate development	2.29	2.29	47,313	47,313	47,313	47,313
The Bangkok Club Co., Ltd.	Entertainment services	0.44	0.44	3,000	3,000	3,000	3,000
	Less : Allowance for impairment			(1,985)	(1,985)	(1,985)	(1,985)
	Net			1,015	1,015	1,015	1,015
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery rental	15.00	15.00	7,500	7,500	7,500	7,500
Praram 9 Square Co., Ltd.	Real estate development and rental	6.32	6.32	200,000	200,000	200,000	200,000
	Less : Allowance for impairment			-	(200,000)	-	(200,000)
	Net			200,000	-	200,000	-
Total investment in other non-listed companies – net				335,713	135,713	335,713	135,713
<b>b) <u>Listed companies</u></b>							
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of wire and cable	12.90	12.90	308,715	308,715	308,715	308,715
	Add : Unrealized gain from changes in value of investments			178,893	240,485	178,893	240,485
	Net market value			487,608	549,200	487,608	549,200
TTCL Plc.	Construction services	0.07	0.07	400	400	400	400
	Add : Unrealized gain from changes in value of investments			3,960	6,480	3,960	6,480
	Net market value			4,360	6,880	4,360	6,880
Total investment in other listed companies – net				491,968	556,080	491,968	556,080
Total investments in other companies - net				827,681	691,793	827,681	691,793
<b><u>Investments held by subsidiaries</u></b>							
<b>a) <u>Non-listed company</u></b>							
Bell Development Co., Ltd.	Real estate development	6.55	6.55	135,226	135,226	-	-
<b>b) <u>Listed company</u></b>							
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			11,115	14,941	-	-
	Net market value			30,293	34,119	-	-
Total investment held by subsidiaries				165,519	169,345	-	-
<b>Total other long-term investments – net</b>				<b>993,200</b>	<b>861,138</b>	<b>827,681</b>	<b>691,793</b>

During the period, the Company's management reversed an allowance for impairment of investment in a company of Baht 200 million since the assessment of its financial position and operations indicates no longer impaired.

## 11. LAND LEASE CONCESSION AND PROJECT UNDER DEVELOPMENT

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Land lease concession	30,198	30,198	-	-
Project under development	7,706,039	7,621,557	5,205,964	5,130,170
<b>Total</b>	<b>7,736,237</b>	<b>7,651,755</b>	<b>5,205,964</b>	<b>5,130,170</b>

As at 30 September 2018 and 31 December 2017, the Company has costs for acquisition of land lease concessions and projects under development in the Dawei Special Economic Zone ("DSEZ") amounting to Baht 7,736.24 million and Baht 7,651.76 million, respectively. This project depends on the cooperation of the governments of Thailand and the Republic of the Union of Myanmar as the new concessionaires and promoters of the Dawei Project. The Company has the right to reimburse such costs including other expenses during negotiation from Special Purpose Vehicle after the completion of the due diligence work performed by the consultants of the two governments.

The Dawei SEZ Management Committee ("DSEZ MC") and the Special Purpose Vehicle ("SPV") signed the Supplementary Memorandum of Understanding wherein the agreement defined the DSEZ MC and the SPV as the responsible entities to coordinate with a future developer of the Dawei Special Economic Zone ("DSEZ") to return the Company's previous investments as well as determining the framework for granting of the land concession right in the DSEZ area to replace previous investment costs that the Company had invested.

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

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

In March 2018, the Government of the Republic of the Union of Myanmar approved the terms and conditions of a loan offer by the Government of Thailand for construction of road link from Dawei to the Thailand border which it is in process to prepare the loan agreement and the selection of contractor through bidding for construction of road link project. In May 2018, the Joint Technical Task Force had arranged the meeting for engineering issues of the road as well as the terms of loan offered by the Government of Thailand.

On 28 – 29 March 2018, DSEZ MC arranged a final Public Consultation Meeting for all concessionaires which was attended by the local people, relevant of the Republic of the Union of Myanmar Authorities, external agencies and the concessionaires. Currently, the Environmental Impact Assessment Report (EIA Report) has been approved by the Environmental Conservation Department (ECD) of the Republic of the Union of Myanmar.

## **12. POTASH MINING RIGHT**

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

The Department of Primary Industries and Mines (DPIM) is now scrutinizing the documents for the mining license application approval of subsidiary to the Ministry of Industry. The approval of mining licenses may be behind the Company's expectation since the DPIM is waiting for the approval of the Mineral Master Plan B.E. 2560 - 2564 from the Ministry in according to the Mineral Act. B.E. 2560. The Company's management believes that the Mineral Master Plan will be approved by the Ministry soon.

In June 2018, DPIM made the legal consultations letter to the Office of the Council of State to request an opinion for proper implementations and compliance with both the concession agreement and the Mineral Act. B.E. 2560 before submit to the Cabinet's consideration.

In September 2018, the Udon Thani Provincial Industry Office issued the letter inform to the Company to made additional report according to the Mineral Act B.E. 2560. The Company has already prepared and submitted the such additional reports.

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

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

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Project under development				
– Mozambique	2,043,938	1,943,705	1,843,855	1,740,234
– Bangladesh	2,353,198	1,826,268	-	-
<b>Total</b>	<b>4,397,136</b>	<b>3,769,973</b>	<b>1,843,855</b>	<b>1,740,234</b>

During the year 2011, the Company entered into a Concession Agreement with Bangladesh Bridge Authority of the Government of the People's Republic of Bangladesh to proceed with the development of the Dhaka Elevated Expressway. Total project development value is approximately Baht 38,044.98 million. The Company established and registered Project Company as the concessionaire, to operate the project in according to the legal of the People's Republic of Bangladesh. The Company will be appointed as the EPC Contractor for the design, construction and completion of the project.

On 1 April 2018, Bangladesh Bridge Authority has issued the Construction Commencement Date notification which is considered as formal permission to start the project. The construction and inception of concession period is 25 years included 42 months of construction period. Currently, the Company has performed the construction work for the 1st Tranche of construction distance of 7.45 kilometer which work progress of approximately 9.65%.

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

The outstanding balances as at 30 September 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Subsidiaries	-	-	6,631,178	7,026,668
Less : Allowance for doubtful accounts	-	-	(945,089)	(1,355,601)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>5,686,089</b>	<b>5,671,067</b>

Movements in the long - term loans and advances to subsidiaries for the nine-month period ended 30 September 2018 are as follows :

	(Unit : Thousand Baht)			
	Separate F/S			
	1 January 2018	During the period		30 September 2018
	Increase	Decrease		
Subsidiaries	7,026,668	-	395,490	6,631,178

During the period, a local subsidiary repaid its long-term loans and advance to the Company amounted to Baht 520.62 million. The Company had previously recognized full allowances for doubtful accounts of such long-term loans and advance. The Company, therefore reversed allowances for doubtful account of such long-term loans and advance during the period.

## 15. INVESTMENT PROPERTIES

As at 30 September 2018, investment properties presented at fair value consist of :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Land	1,727,270	765,219
Building	317,439	317,439
Total	2,044,709	1,082,658

Movements in investment properties for the nine-month period ended 30 September 2018 are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2018	2,113,270	1,151,219
Disposal during the period	(68,561)	(68,561)
Net book value as at 30 September 2018	2,044,709	1,082,658

## 16. PROPERTY, PLANT AND EQUIPMENT – NET

During the nine-month period ended 30 September 2018, condensed movements in property, plant and equipment are as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2018	19,646,861	9,488,112
Purchases / transferred in	4,653,282	3,638,419
Disposal / transferred out	(651,010)	(354,728)
Depreciation for the period	(2,096,606)	(1,144,392)
Accumulated depreciation for disposal of fixed assets	525,181	357,837
Translation adjustment for foreign currency financial statements	(291,713)	(26,378)
Net book value as at 30 September 2018	21,785,995	11,958,870

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

The outstanding balances of bank overdrafts and short – term loans from financial institutions as at 30 September 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Bank overdrafts	1,346,619	791,468	75,498	-
Short – term loans from financial institutions	6,969,419	7,700,113	5,140,337	5,348,803
Total	8,316,038	8,491,581	5,215,835	5,348,803

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

	(Unit : Million)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
THB	5,622	5,738	5,140	5,349
INR	3,002	3,845	-	-

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

The subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 94.04 million. These loans bear interest per annum at MLR – 0.75%. Such long-term loans are collateralized by its land and structure thereon, including present and future construction, and the guarantee of the Company and subsidiary. The subsidiary companies are obliged to reduce credit facilities when upon the redemption of the mortgage at 70% – 80% of selling price of the projects' assets as stipulated in the agreements. The payback period for the principals are within 36 – 42 months from agreements date.

As at 30 September 2018 and 31 December 2017, part of loans amounted to Baht 3,213.90 million and Baht 3,869.50 million, respectively, have been used to finance certain specific projects (Project Finance). The lending banks had set a condition for the Company to process the cash transactions from the projects through the Company's accounts with those banks.

As at 30 September 2018 and 31 December 2017, bank overdrafts and short - term loans credit facilities that have not been drawn down amounted to Baht 8,879.36 million and Baht 7,100.72 million, respectively.

#### 18. TRADE ACCOUNTS PAYABLE – RELATED PARTIES

The outstanding balances as at 30 September 2018 and 31 December 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Subsidiaries	-	-	877,158	460,569
Associated companies and joint ventures	458,577	389,174	440,097	372,829
Related companies	1,393,992	1,183,482	1,307,115	1,046,130
<b>Total</b>	<b>1,852,569</b>	<b>1,572,656</b>	<b>2,624,370</b>	<b>1,879,528</b>

## 19. LONG – TERM LOANS – NET

As at 30 September 2018 and 31 December 2017, the outstanding balance of long - term loans are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Outstanding balances	19,456,768	15,236,546	13,370,672	9,209,727
Less : Current portion	(10,123,154)	(8,823,130)	(8,344,226)	(7,398,073)
Net	<u>9,333,614</u>	<u>6,413,416</u>	<u>5,026,446</u>	<u>1,811,654</u>

Movements in the long - term loans for the nine-month period ended 30 September 2018 are summarized below :

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	15,236,546	9,209,727
Add : Additional borrowings	7,530,311	6,763,230
Less : Repayments	(3,268,077)	(2,604,090)
Add (less) : Translation adjustment for foreign currency financial statements	(42,012)	1,805
Balance as at 30 September 2018	<u>19,456,768</u>	<u>13,370,672</u>

The outstanding balance of long – term loans as at 30 September 2018 and 31 December 2017 are as follows :

Loan	Credit amount (Million Baht)	Interest rate (Percentage)	Condition	Guarantee	Million Baht			
					Consolidated F/S		Separate F/S	
					30 September 2018	31 December 2017	30 September 2018	31 December 2017
<b>Parent Company</b>								
	17,822	MLR - 0.50 per annum	Repayable within 2018 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract	13,371	9,210	13,371	9,210
		MLR - 1 per annum	Repayable within 2019 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		MLR - 1.25 per annum	Repayable within 2018 and 2020 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		MLR - 1.50 per annum	Repayable within 2019 - 2021 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		MLR – 1.375 per annum	Repayable within 2017 - 2021 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		Libor + 4% per annum	Repayable per contract	Machinery				
		Market rate per annum	Repayable within 2019 - 2020 upon completion of the project, whichever is earlier	Bank account opened for receive revenue from construction				
		4% per annum	Repayable per contract	-				
<b>Subsidiaries</b>								
1	250	MLR - 1 and MLR - 1.70 per annum	Repayable within 36 months from initial drawdown	Machinery	248	65	-	-
2	951	MLR per annum	Repayable per contract	Land and Machinery	306	329	-	-
3	265 Million INR	10.15 per annum	Repayable by quarterly start from November 2017	Construction and Equipment	-	135	-	-
4	10,242	MLR - 1.50 per annum	Repayable within 2018 – 2026	Assignment of collection from construction contract	3,870	4,235	-	-
5	8,000 Million BDT	Floating rate of Bank of Bangladesh plus 6 percent per annum	Repayable per contract	Guaranteed by parent company	1,662	1,263	-	-
				Total	19,457	15,237	13,371	9,210
				Less : Current portion	(10,123)	(8,823)	(8,344)	(7,398)
				Net	9,334	6,414	5,027	1,812

## 20. DEBENTURES – NET

Movements in debentures for the nine-month period ended 30 September 2018 are as follows :

	(Unit : Thousand Baht)
	Consolidated and Separate F/S
	<hr/>
Balance as at 1 January 2018	14,553,330
Newly issued debentures	1,050,000
Redemption of old debentures	(830,000)
Amortization of debentures issuing costs	5,773
Balance as at 30 September 2018	<hr/> 14,779,103
Less : Current portion	(1,499,718)
Net	<hr/> <hr/> 13,279,385

On 25 May 2018, the Company issued new short-term debentures to specific persons, unsecured, unsubordinated with no representative holders, for a principal amount of Baht 850 million with 270 days tenure and with a face value of Baht 1,000. These bear interest at a rate of 3 percent per annum which is payable on the redemption date. The debentures will be due for redemption on 19 February 2019. The Company used the proceeds from this issuance to repay debts.

On 17 July 2018, the Company issued new short-term debentures to specific persons, unsecured, unsubordinated with no representative holders, for a principal amount of Baht 200 million with 269 days tenure and with a face value of Baht 1,000. These bear interest at a rate of 3 percent per annum which is payable on the redemption date. The debentures will be due for redemption on 12 April 2019. The Company used the proceeds from this issuance to repay debts.

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

## 21. RELATED PARTY TRANSACTION

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

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

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

	(Unit : Million Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2018	2017	2018	2017
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	206	177
Purchases of construction materials and services	-	-	506	279
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	50	52	50	52
Purchases of construction materials and services	61	69	61	57
<u>Transactions with related companies</u>				
Construction services, sales and other income	179	79	162	52
Sale of equipment	-	1	-	1
Purchases of construction materials and services	815	677	789	617
Purchases of assets and equipment	898	41	897	41
<u>Key management personnel compensation</u>				
Short-term employee benefits	36	31	27	27
Post-employment benefits	3	3	1	-

(Unit : Million Baht)

	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2018	2017	2018	2017
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	504	467
Sales of assets	-	-	-	37
Purchases of construction materials and services	-	-	1,089	1,234
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	121	142	100	135
Sales of equipment	-	25	-	24
Purchases of construction materials and services	198	241	168	174
<u>Transactions with related companies</u>				
Construction services, sales and other income	476	291	424	225
Sales of equipment	-	1	-	1
Purchases of construction materials and services	2,295	2,018	2,090	1,779
Purchases of assets and equipment	1,209	171	1,167	171
<u>Key management personnel compensation</u>				
Short-term employee benefits	102	99	79	76
Post-employment benefits	10	8	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 30 September 2018, a subsidiary has accrued rental expenses of Baht 78.97 million (31 December 2017 : Baht 77.38 million).

## **22. GUARANTEES**

As at 30 September 2018, the Company and subsidiaries have outstanding guarantees totaling approximately Baht 62,099.27 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 30 September 2018, the Company has outstanding guarantees approximately Baht 7,091.24 million issued to financial institutions to collateralize credit facilities granted by those financial institutions to the subsidiaries and joint venture. The Company issued guarantees in proportion to its shareholding (except for Italthai Trevi Co., Ltd., Italthai Marine Co., Ltd., Aquathai Co., Ltd., Sarithorn Co., Ltd., Asian Steel Product Co., Ltd., First Dhaka Elevated Expressway Co., Ltd., and ITD Cementation India Limited for which the Company issued full guarantees for the credit facilities).

## 23. COMMITMENTS

23.1 As at 30 September 2018, the Company, subsidiaries and joint ventures have outstanding commitments with major subcontractors, classified by currencies as follows :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	4,694.32	4,169.44
INR	1,487.87	61.82
BDT	766.18	721.83

23.2 As at 30 September 2018, the Company and subsidiaries have the following outstanding commitments for purchases of materials, machinery, related services and service contracts classified by currencies as follow :

<u>Currency</u>	(Unit : Million Baht)	
	Baht Equivalent	
	Consolidated F/S	Separate F/S
THB	2,296.70	2,232.43
USD	491.91	146.27
INR	117.42	-
EUR	1,918.67	1,912.46
VND	30.62	30.62
BDT	1,745.49	1,745.49

23.3 As at 30 September 2018, the Company has outstanding commitments in respect of the un-call portion of investments in nine subsidiary companies of Baht 2.25 million, USD 1.65 million, BDT 26,903.13 million and MMK 344.17 million.

23.4 As at 30 September 2018, the Company has outstanding commitments of USD 8.35 million for purchase shares transfer agreement of an associated company from existing shareholder.

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

- 23.6 A subsidiary company entered into a land purchase and sale agreement for the land located in the mining project area in Udon Thani Province. The total area of land is approximately 1,239 rais for a total cost of Baht 279 million. The subsidiary company has paid a deposit of Baht 1.58 million for the land purchase, and the balance will be paid according to the terms of the agreements.
- 23.7 Several indirect subsidiary companies entered service agreements for project consultant which have commitment to pay at the rate as specified in agreements.
- 23.8 An overseas subsidiary has a commitment to pay Environmental and Social Impact Assessment license (ESIA License) for the construction of Deep-Sea Port and Heavy Haul Railway amount of USD 1.60 million and USD 3.90 million, respectively.

#### **24. CONTINGENT LIABILITIES**

During the prior year, litigation has been brought against the Company. As at 30 September 2018, management has considered such litigation to be unjustifiable. The Company, therefore, has not set any provision in the financial statements. There has been no significant change in litigation from the year ended 31 December 2017.

## 25. SEGMENT REPORTING

The operations of the Company and subsidiaries for the three-month and nine-month periods ended 30 September 2018 and 2017 are principally engaged in a single industry segment, construction services and are conducted in the following geographical segments as follows :

(Unit : Million Baht)

	Consolidated F/S											
	For the three-month periods ended 30 September											
	Thailand		India		Other countries		Total		Eliminate		Grand Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<u>Revenue from construction work</u>												
Revenues from external sources	8,272	9,834	3,280	2,876	1,639	296	13,191	13,006	-	-	13,191	13,006
Inter - segment revenues	417	63	17	1	-	-	434	64	(434)	(64)	-	-
Total segment revenues	8,689	9,897	3,297	2,877	1,639	296	13,625	13,070	(434)	(64)	13,191	13,006
<u>Revenue from sales and services</u>												
Revenues from external sources	963	746	-	-	576	461	1,539	1,207	-	-	1,539	1,207
Inter - segment revenues	310	291	-	-	-	-	310	291	(310)	(291)	-	-
Total segment revenues	1,273	1,037	-	-	576	461	1,849	1,498	(310)	(291)	1,539	1,207
Gross profit	946	412	476	581	217	492	1,639	1,485	(25)	(165)	1,614	1,320
Other income											135	185
Interest income											126	36
Financial costs											(623)	(554)
Depreciation and amortization											(726)	(630)
Provision for doubtful accounts											(151)	(105)
Reverse of allowance for impairment of investment											200	-
Loss on exchange rate											(160)	(88)
Share of profit from investment in associated companies and joint ventures											42	16
Income tax expense											(45)	(64)
Profit for the period											220	217

(Unit : Million Baht)

	Consolidated F/S											
	For the nine-month periods ended 30 September											
	Thailand		India		Other countries		Total		Eliminate		Grand Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<u>Revenue from construction work</u>												
Revenues from external	25,429	26,628	10,486	9,127	3,581	636	39,496	36,391	-	-	39,496	36,391
Inter - segment revenues	792	365	114	23	-	-	906	388	(906)	(388)	-	-
Total segment revenues	26,221	26,993	10,600	9,150	3,581	636	40,402	36,779	(906)	(388)	39,496	36,391
<u>Revenue from sales and services</u>												
Revenues from external	2,507	1,893	-	-	1,764	1,413	4,271	3,306	-	-	4,271	3,306
Inter - segment revenues	802	1,173	-	-	-	-	802	1,173	(802)	(1,173)	-	-
Total segment revenues	3,309	3,066	-	-	1,764	1,413	5,073	4,479	(802)	(1,173)	4,271	3,306
Gross profit	2,196	2,181	1,614	1,650	890	560	4,700	4,391	(53)	68	4,647	4,459
Other income											452	390
Interest income											179	128
Financial costs											(1,768)	(1,780)
Depreciation and amortization											(2,119)	(1,891)
Provision for doubtful accounts											(180)	(178)
Reverse of allowance for impairment of investment											200	-
Loss on exchange rate											(251)	(239)
Loss on impairment of assets											-	(27)
Share of profit from investment in associated companies and joint ventures											122	62
Income tax expense											(343)	(251)
Profit for the period											473	453

(Unit : Million Baht)

	Thailand		India		Other countries		Total		Elimination		Grand total	
	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Property, plant and equipment – net	12,887	11,188	2,419	2,624	6,493	5,857	21,799	19,669	(13)	(22)	21,786	19,647
Other assets	67,025	63,832	12,745	13,418	11,936	9,865	91,706	87,115	(19,151)	(18,933)	72,555	68,182
<b>Total assets</b>	<b>79,912</b>	<b>75,020</b>	<b>15,164</b>	<b>16,042</b>	<b>18,429</b>	<b>15,722</b>	<b>113,505</b>	<b>106,784</b>	<b>(19,164)</b>	<b>(18,955)</b>	<b>94,341</b>	<b>87,829</b>
<b>Total liabilities</b>	<b>57,354</b>	<b>52,836</b>	<b>14,253</b>	<b>16,639</b>	<b>20,148</b>	<b>17,632</b>	<b>91,755</b>	<b>87,107</b>	<b>(13,855)</b>	<b>(14,050)</b>	<b>77,900</b>	<b>73,057</b>

## 26. FINANCIAL INSTRUMENTS

### *Foreign currency risk*

The significant balances of financial assets and liabilities denominated in foreign currencies as at 30 September 2018 are summarized below :

Foreign currency	Consolidated F/S		Separate F/S		Average exchange rate as at 30 September 2018 (Baht per foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
USD	26	7	56	7	32.1365
INR	-	-	46	-	0.4199
LAK	-	489	-	-	0.0038
JPY	-	1	-	1	0.289234

Forward exchange contracts which remain outstanding as at 30 September 2018 are summarized below :

Currency	Balance (Million)	Forward contract exchange rate
CNY (buy)	1	4.9370
EUR (buy)	3	38.6800

As at 30 September 2018, significant foreign currency denominated assets and liabilities of the Company, subsidiaries and joint venture which are unhedged are as follow :

	Consolidated F/S (Net)		
	USD	LAK	JPY
	Million	Million	Million
Trade accounts receivable and retention	10	-	-
Trade accounts receivable and loan to related companies	16	-	-
Trade accounts payable	2	489	1
Loans from financial institutions	5	-	-

	Separate F/S (Net)		
	USD	INR	JPY
	Million	Million	Million
Trade accounts receivable and loan to related companies	56	46	-
Trade accounts payable	2	-	1
Loans from financial institutions	5	-	-

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

## 27. EARNINGS PER SHARE

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

## 28. FAIR VALUE MEASUREMENT

The following table present financial assets and liabilities that are measured at fair value as at 30 September 2018 :

(Unit : Thousand Baht)

	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Current investments	-	46	-	46
Other long – term investments	522,261	-	-	522,261
Investment properties	-	2,044,709	-	2,044,709
<b>Total</b>	<b>522,260</b>	<b>2,044,755</b>	<b>-</b>	<b>2,567,016</b>
<u>Liabilities</u>				
Forward contract liabilities	-	5,600	-	5,600
<b>Total</b>	<b>-</b>	<b>5,600</b>	<b>-</b>	<b>5,600</b>

(Unit : Thousand Baht)

	Separate F/S			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Other long – term investment	491,968	-	-	491,968
Investment properties	-	1,082,658	-	1,082,658
<b>Total</b>	<b>491,968</b>	<b>1,082,658</b>	<b>-</b>	<b>1,574,626</b>
<u>Liabilities</u>				
Forward contract liabilities	-	5,600	-	5,600
<b>Total</b>	<b>-</b>	<b>5,600</b>	<b>-</b>	<b>5,600</b>