



Annual Report 2019



ITALIAN - THAI
DEVELOPMENT PCL.

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Message from the President

Toward the end of 2019, the world economy was slowing down due to many factors including the impacts of the US-China trade war and the withdrawal of the United Kingdom from the European Union (or Brexit). Stepping into 2020, those impacts were exacerbated by the massive impacts on travel and trade from the coronavirus disease (COVID-19) as it spread around the world. Crucially, it is too soon to know when this unfortunate pandemic will end and the full impacts, so widely and deeply felt, will be overcome. Thailand is being affected directly in respect of its goods export and tourism, which are the country's main revenue sources. For the Government, driving Thailand's economy along its desired path has become a critical task. The disease has disrupted all levels of the nation's workforce in all industries. It is essential to suppress the pandemic, at the same time fostering progress as a nation and as global citizens gracefully.

2019 was another year in which the Company accomplished more than 60 billion Baht turnover from its construction, sales and service activities. The turnover increased from 60,644 million Baht to 62,221 million Baht, which makes ITD the highest income company in the Stock Exchange of Thailand (SET). The Company's success is the direct result of its operations on mega-projects including the Double Track Railway projects, multiple Subway projects, the Bang Pa-kong Combined Cycle Power Plant project, the One Bangkok project, the Overburden Excavation-Removal and Coal Extraction at Mae-Moh Mine (Contract 9) and the PTT LNG Nong Faab LNG Receiving Terminal project. The aforementioned work, together with the soon-to-start projects including the High Speed Rail linking 3 Airports project, the Malolos-Clark Intercity Rail project in the Philippines, the Thai-Chinese High Speed Rail project Contracts 4 and 5, contribute over 260 billion to the Company's backlog. Judging by the limited impact of the COVID-19 on the Company's operations to date, no significant immediate impact is anticipated on the Company's performance and operations. To ensure the ongoing minimum impact on the Company's operations, it has implemented measures to ensure health and safety of its personnel and the prevention of contracting, spreading or transferring the virus in every facet of the Company's operations.

The Government is promoting the bidding for several major projects to stimulate the slowing Thai economy and to establish jobs and investment which are significant drivers in the country's economic system. The projects planned include the new Double Track projects, the MRT Purple Line Southern Section and the Orange Line Western Section. The Company is well experienced in the upcoming projects' fields of work and is certain to win some of those bids. These anticipated projects are going to generate a continuous flow of work in the next couple of years.

For our ongoing development projects, namely the Potash Mining Project in Udon Thani, the Dawei SEZ Development Project, the Rail Line and Port Terminal Construction Projects in Mozambique and the Bauxite Mining and Production of Alumina and Aluminum Projects in Laos PDR, they are progressing very encouragingly.

Overall 2019 was another remarkable year of successful achievement for the Company.



(Mr. Premchai Karnasuta)
President

Report of Audit Committee For The Year 2019

The Audit Committee of Italian Thai Development Public Company Limited was duly appointed by the resolution of the Annual General Meeting of Shareholders on April 27, 2017. The three members of the Audit Committee have been appointed for a three-year term, comprising: Dr. Krisorn Jittorntrum as Chairman, Mr. William Lee Zentgraf and Prof. Dr. Mingsarn Kaosa-ard as Committee Members. In addition, Mr. Withit Ouaysinprasert, the Vice President of Internal Audit Division, served as secretary of the Audit Committee.

On June 15, 2018, Mr. Sai Wah Simon Suen was appointed to hold the position of Audit Committee Member instead of Prof. Dr. Mingsarn Kaosa-ard who resigned as an Audit Committee Member.

In 2019, five Audit Committee Meetings were held, each of which was met by presence of all members. The significant activities undertaken by the Audit Committee assigned by the Company's Board of Directors in the year 2019 were as follows:

1. Review and approval of the Quarterly Financial Statements, Annual Financial Statements, Certified Public Accountant's Report, Financial Status Report and Company's Performance Report for 2019.
2. Review of the Company's Internal Control Systems and the 2019 Audit Plan of the Internal Audit Division. Also, review of 2019 Audit Report and Follow up of Operation Improvement Report.
3. Review of legal compliance, the laws and regulations relating to the Stock Exchange of Thailand and other laws concerning the company business.
4. Consideration of the risk assessment of increasing cost that is caused by a potential increasing price of main materials in 2019 and the measures taken against direct impact to the Company.
5. Review of the connected transaction and potential conflicts of interest disclosed by the responsible executives in full and correct compliance with the laws and regulations of the Stock Exchange of Thailand.
6. Selection and recommendation for appointment of the Certified Public Accountant of the Company for 2019, including holding an official meeting with the Certified Public Accountant without the management representative once a year.

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

Finally, the Audit Committee's opinion recommends for the Board of Directors to propose to the 2019 Annual General Shareholders' Meeting to appoint Mr. Somkid Tiatragul, Certified Public Accountant no.2785 and/or Miss. Kanyanat Sriratchatchaval Certified Public Accountant no. 6549 and/or Mr. Teerasak Chuasrisakul, Certified Public Accountant no.6624 and/or Mr. Narin Churamongkol, Certified Public Accountant no.8593 from Grant Thornton Limited as qualified to be the Company's auditor for 2019.



(Dr.Krisorn Jittorntrum)
Audit Committee Chairman
March 16, 2020

Report of the Risk Management Committee for the year 2019

To the Shareholders

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

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

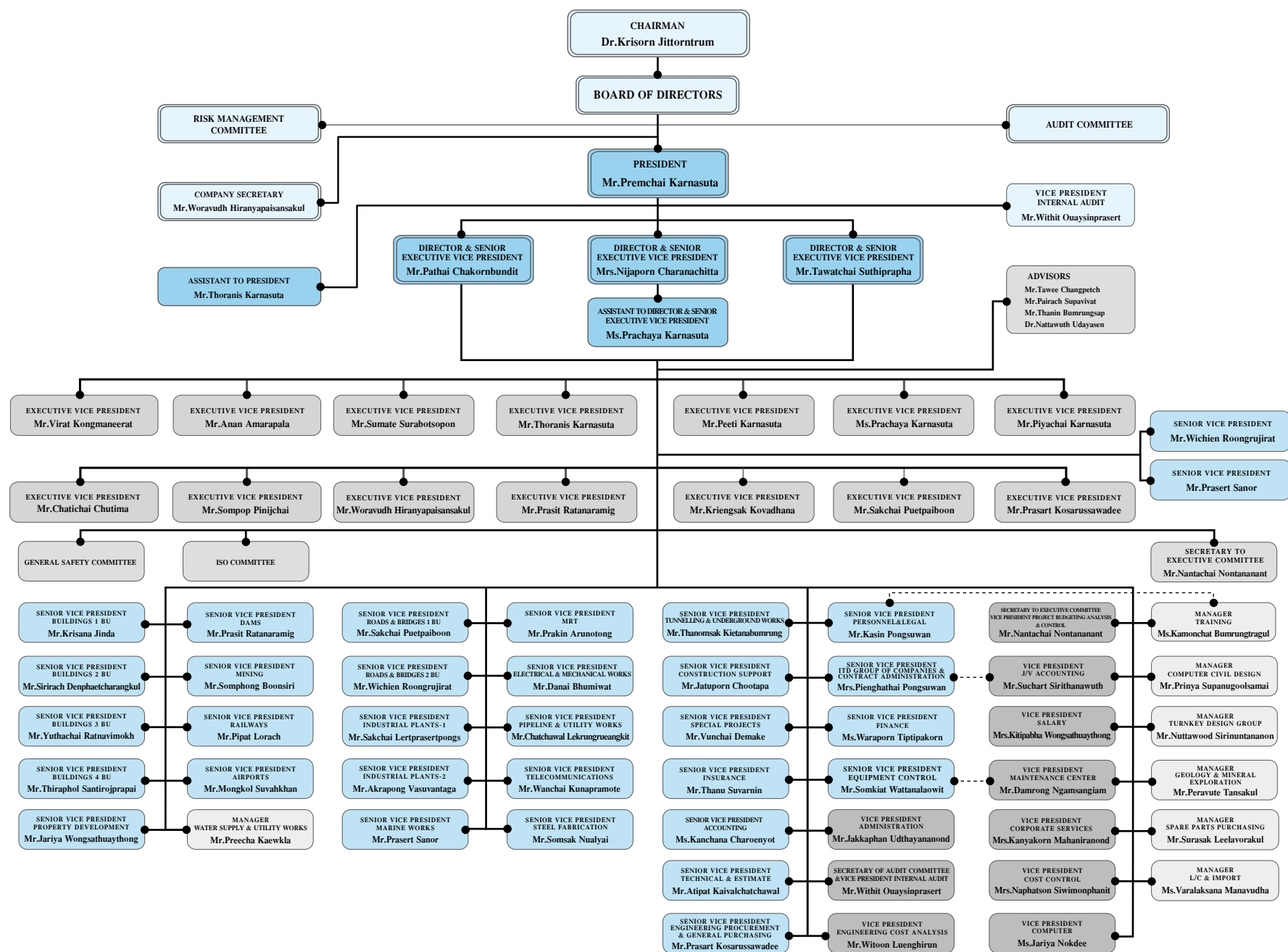
In 2019, the Risk Management Committee held the meetings to oversee, review, and monitor some particular construction projects by inviting the Management and persons concerned to participate the meetings. The Committee thoroughly reviewed the progress of six operational projects of the Company, namely Dhaka Elevated Expressway in Bangladesh, the Dawei SEZ Initial Phase Development Project in Myanmar, the Bauxite Mining Project in Lao PDR, the Potash Mining Project in Udonthani Province, the Construction and Operation of the Deep Sea Port and the Railway from Moatize to Macuse in Mozambique, and the Mae Moh Mining Project Contract No.9 in Lam Pang Province. Two further significant matters considered were the Company's Railway Business Unit with its current operational performance, and progress on the newly-signed High-Speed Rail Linked 3 Airports Project.

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



Dr. Krisorn Jittorntrum
Chairman of the Risk Management Committee
February 28, 2020

Organization Chart



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

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

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

With over 5 decades in construction field, the Company has been recognized as one of the largest construction companies in Thailand with excellent performance by high quality of work. The Company’s high-standard construction quality has also been certified with the standard as follows:

- ISO-9001: the standard for the Quality Management Systems including design, development installation, and service;
- ISO-14001: the standard for the Environmental Management Systems; and
- ISO-45001: the standard for the Occupational Health and Safety Management Systems.

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

With the strong intention to grow further with best care to all stakeholders, the Company shall always revise the vision, mission, motto, strategy, objectives and main goal every year. In 2019 the Board of Directors’ Meeting No. 5/12/2019, held on December 16, 2019 reviewed them all and resolved as follows;

Vision: To be the leading contractor in Southeast Asia

Mission

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

Motto: Commitment, Reliability, Quality

Strategy

- To build the Company’s credibility and trust through high quality construction
- To complete our construction works with professional quality and punctuality
- To develop and apply the advanced construction technologies and techniques
- To develop and enhance the potential of organization and its human resources management

Objectives and Main Goal

- To be the leading contractor in building, civil and structural works nationally and internationally
- To operate our construction projects for optimum profit
- To operate our business with Quality, Environment and Occupational Health and Safety standard in order to lift up the level of the Company and staffs into international standard (ISO9001/ ISO 14001/ ISO 45001).
- To provide a reasonable profit to the shareholders of the Company

The Company's operation goal for the year 2019 was categorized into 6 parts as follows;

Short Term – Medium Term Period (within 1-4 years)	Long Term Period (More than 5 years)
<p>1. To increase competitiveness for revenue growth</p> <ul style="list-style-type: none"> Attend the Government's biddings i.e. <ul style="list-style-type: none"> High-speed railway project (Nakhon Ratchasima - Nong Khai) Laem Chabang Port Phase 3 project Suvarnabhumi Airport's third runway project Double-track railway Phase 2 project (Paknam Po - Den Chai, Den Chai - Chiang Mai, Thanon Chira Junction - Ubon Ratchathani, Khon Kaen - Nong Khai, Chumphon - Surat Thani, Surat Thani - Hat Yai - Songkhla, and Hat Yai - Padang Besar) New railway project (Den Chai - Chiang Rai - Chiang Khong, and Baan Pai - Mukdahan - Nakhon Phanom) SRT Dark Red Line suburban railway project (Rangsit - Thammasat University's Rangsit campus) SRT Light Red Line suburban railway project (Taling Chan - Salaya and Taling Chan - Siriraj) SRT Light Red Line suburban railway project (Bang Sue - Phaya Thai - Makkasan - Hua Mak) SRT Dark Red Line railway project for the missing link (Bang Sue - Hua Lamphong) MRT Purple Line project (Tao Poon - Rat Burana) MRT Orange Line project (Bang Khun Non -Thailand Cultural Centre) Don Muang Airport Phase III project Bangkok Drainage Tunnel project High Speed Rail Linking 3 Airports Phase II extension project (Rayong - Chanthaburi - Trat) Each Business Unit (BU) is to be capable to develop with the highest effectiveness simultaneously in order to create the competitive advantages in bidding, and be able to win the bidding Maintain the market share and the position of No.1 leader Be a joint venture with the Government for the PPP Projects i.e. <ul style="list-style-type: none"> High-speed rail linked 3 airports project U-Tapao and Eastern Airport City project Bang Khun Thian - Pakthor (Bang Khun Thian - Ban Phaeo section) Intercity Motorway Nakhon Pathom - Cha Um Intercity Motorway Hat Yai- Thailand/Malaysia border Intercity Motorway Utraphimuk Elevated Tollway Expansion (Rangsit - Bang Pa-In section) Intercity Motorway High-speed railway project (Bangkok - Hua Hin) Elevated expressway (Kathu - Patong) Increase backlog from the present 	<ul style="list-style-type: none"> To maintain the market share and the position of No.1 leader. Expand the overseas market. Improve the revenues from the invested projects so as to generate profits to the Company.

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

Significant Changes and Developments over the past year

1. Appointment of the ISO Committee

With the main aim to develop the operating system and the Company's management system further for more quality, the Company has appointed and formed the ISO Committee to prepare for the quality management system (ISO 9001), environmental management system (ISO 14001) and occupational health and safety management system (ISO 45001) in order to strengthen the Company's operation with efficiency and effectiveness.

2. Change of paid-in capital

The Company has registered for the change of paid-up capital for 2 times with the Department of Business Development, Ministry of Commerce and the Stock Exchange of Thailand for 2 times. The change was from the warrants (ITD-W1) exercising, and the Company's paid-in registered capital is currently Baht 5,279,868,944.

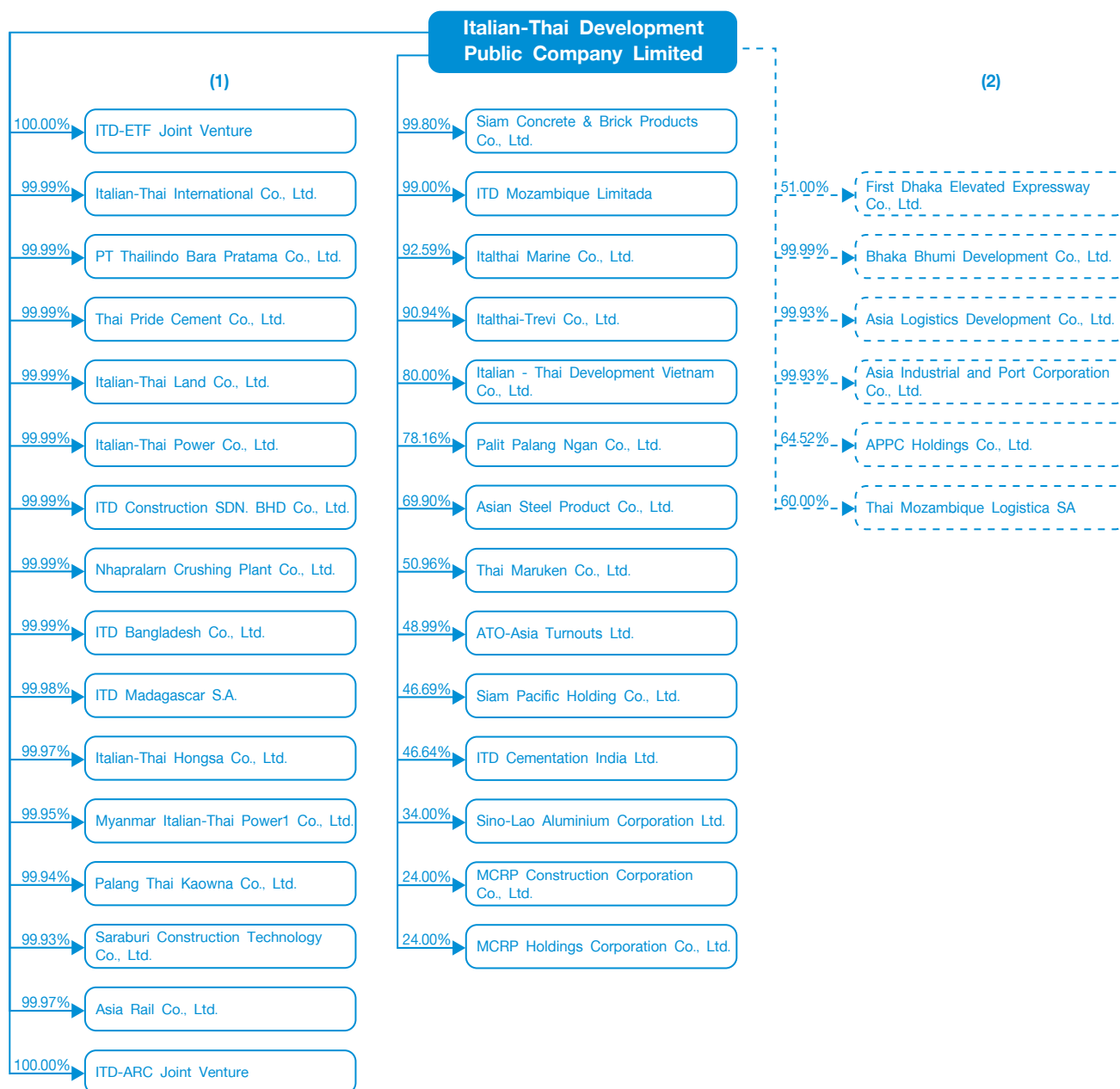
3. Establishment of Building Service Center (BSC)

The Company has established the Buildings Service Center (BSC) at the Italian-Thai Industrial Complex, Wihan Daeng, Saraburi province to support facilities to the construction projects especially the building works in terms of production, formwork rental, building construction machinery, and storage warehouses.

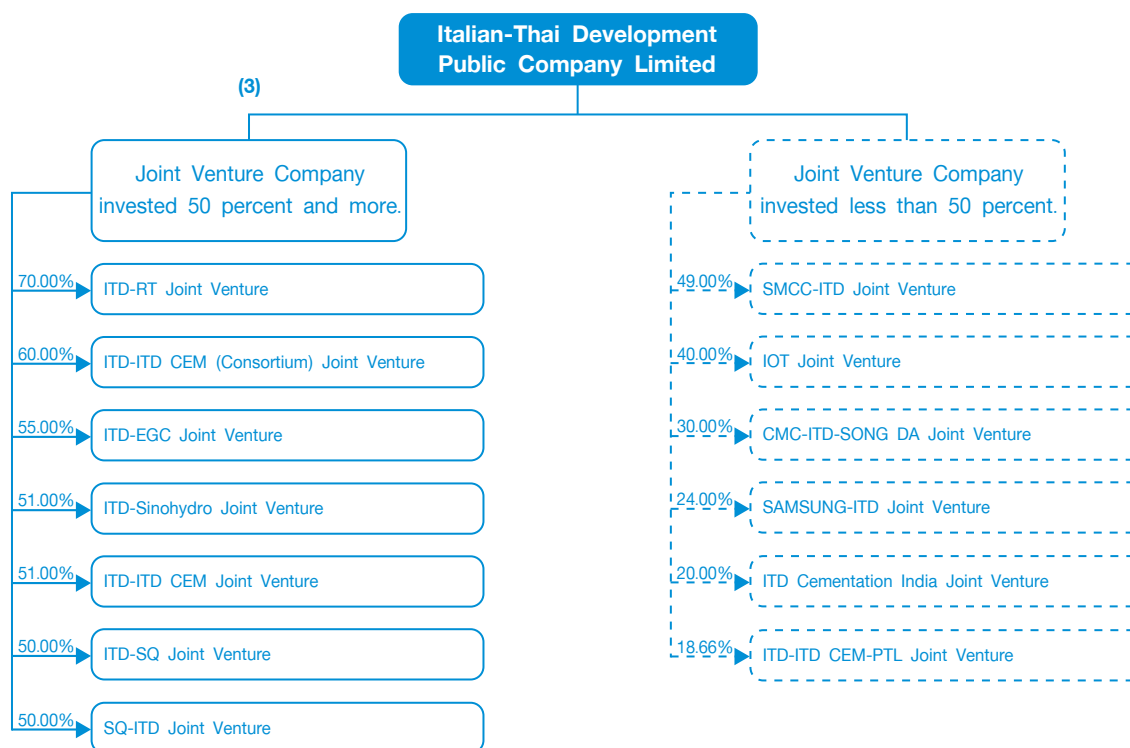
Shareholding Structure of the Company

The business lines of the Company's subsidiary companies, associated companies, and joint venture as of December 31, 2019 can be divided into three lines as below:

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



The Company's investment in Joint Venture Companies as of December 31, 2019:



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

Italian-Thai Development Public Company Limited Only

At present, the business operations of ITD can be divided into nine major activities:

1. Buildings (office buildings, condominiums, skyscrapers and hotels)
2. Industrial Plants
3. Pipelines and Utility Works (oil, gas and water transmission pipelines, conduit and manhole systems and storage tanks)
4. Highways, Bridges, Railways, High Speed Rails, Runways, Railway Stations, Expressways, and Mass Transit System both underground and elevated lines
5. Airports, Ports and Marine Works
6. Irrigation and Multi-purpose Dams, Water and Railways Tunnels, and Power Plants
7. Steel Structures
8. Telecommunications
9. Mining

Subsidiary Companies, Joint Ventures and Associated Companies

The business lines of the Company's subsidiary, associated companies and joint ventures as of December 31, 2019 could be divided into three lines as below:

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

Sales Structure of Italian-Thai Development Public Company Limited

Sales Structure	2019		2018		2017	
	(Baht) Million	%	(Baht) Million	%	(Baht) Million	%
1. Large-scale Building Construction	9,560.03	14.47	9,936.94	15.45	11,817.61	20.20
2. Industrial Plants and Facilities	1,031.56	1.56	1,743.48	2.71	1,240.00	2.12
3. Pipelines and Tank Farms	5,227.89	7.91	5,613.95	8.73	3,923.64	6.71
4. Highways, Railways, Bridges and Expressway Systems	22,680.16	34.32	21,105.68	32.82	14,929.25	25.51
5. Airports, Jetties, Deep-sea Ports and Marine Works	7,851.35	11.88	8,808.64	13.70	13,043.20	22.29
6. Multi-purpose Hydro-electric Dams, Tunnels and Power Plants	3,783.04	5.72	1,478.59	2.30	1,148.59	1.96
7. Steel Structures	9.99	0.02	183.98	0.29	78.95	0.13
8. Telecommunications	88.22	0.13	0.00	0.00	62.83	0.11
9. Mining	5,748.47	8.70	4,540.11	7.06	2,896.68	4.95
10. Miscellaneous	9,097.60	13.77	9,758.94	15.17	8,007.89	13.69
11. Others	1,005.13	1.52	1,143.25	1.77	1,367.18	2.33
Total Sales	66,083.44	100.00	64,313.56	100.00	58,515.82	100.00
Sale Growth	2.75%		9.91%		15.67%	
Related Party Transactions from Construction	671.73		663.89		513.57	
Related Party Transactions from Miscellaneous	2,185.15		1,862.52		1,538.76	
Others	219.62		256.04		384.48	
Total Net after Provisions	63,006.94		61,531.11		56,079.01	
Growth	2.40%		9.72%		15.89%	

Sales Structure of Subsidiary Companies, Associated Companies & Joint Ventures

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

Company Name	% of	2019		2018		2017	
(Unit : Thousand Baht)	Holdings	Sales	%	Sales	%	Sales	%
Subsidiary Companies							
1. ITD-ETF Joint Venture	100.00	12,533	0.05	51,933	0.20	-	-
2. ITD-ARC Joint Venture	100.00	1,858	0.01	-	-	-	-
3. Italian-Thai International Co., Ltd.	99.99	5,244	0.02	14,811	0.07	106,636	0.50
4. PT Thailindo Bara Pratama Co., Ltd.	99.99	343,772	1.36	258,863	1.02	20,434	0.10
5. Thai Pride Cement Co., Ltd.	99.99	1,354,494	5.34	1,353,829	5.33	1,211,110	5.70
6. Italian-Thai Land Co., Ltd.	99.99	-	-	-	-	-	-
7. Italian-Thai Power Co., Ltd.	99.99	-	-	-	-	-	-
8. ITD Construction SDN.BHD.	99.99	-	-	-	-	-	-
9. Nha Pralan Crushing Plant Co., Ltd.	99.99	38,740	0.15	20,913	0.08	28,250	0.13
10. ITD Bangladesh Company Limited	99.99	-	-	-	-	-	-
11. ITD-Madagascar S.A.	99.98	-	-	740	-	2,135	0.01
12. Italian-Thai Hongsa Co., Ltd.	99.97	2,104,458	8.29	2,119,797	8.34	2,060,462	9.70
13. Asian Rail Co., Ltd.	99.97	146,946	0.58	-	-	-	-
14. Myanmar Italian-Thai Power 1 Co., Ltd.	99.95	-	-	-	-	-	-
15. Palang Thai Kaowna Co., Ltd.	99.99	-	-	-	-	-	-
16. Saraburi Construction Technoloy Co., Ltd.	99.93	13,075	0.05	46,469	0.18	41,583	0.20
17. Siam Concrete Brick&Products Co., Ltd.	99.80	343,571	1.35	308,043	1.21	435,856	2.05
18. ITD Mozambique Limitada	99.00	4,291	0.02	7,700	0.03	12,246	0.06
19. ItalThai Marine Co., Ltd.	92.59	378,369	1.49	357,717	1.41	196,760	0.93
20. ItalThai Trevi Co., Ltd.	90.94	1,334,020	5.26	1,475,368	5.81	1,317,978	6.20
21. Italian-Thai Development Vietnam Co., Ltd.	80.00	-	-	-	-	-	-
22. Palit Palangan Co., Ltd.	78.16	-	-	-	-	-	-
23. Asian Steel Products Co., Ltd.	69.90	177,482	0.70	147,424	0.58	86,369	0.41
24. ITD Cementation India Ltd.	46.64	12,300,852	48.48	12,874,399	50.67	11,940,442	56.19
25. Thai Maruken Co., Ltd.	50.96	739,631	2.92	496,714	1.96	580,059	2.73
Associated Companies							
1. ATO Asia Turnouts Co., Ltd.	48.99	109,158	0.43	93,851	0.37	146,885	0.69
2. Siam Pacific Holding Co., Ltd.	46.69	-	-	-	-	-	-
3. Sino Lao Aluminum Corporation Co., Ltd.	34.00	-	-	-	-	-	-
4. MCRP Construction Co., Ltd.	24.00	-	-	-	-	-	-
5. MCRP Holding Corporation Co., Ltd.	24.00	-	-	-	-	-	-

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

Company Name	% of	2019		2018		2017	
(Unit : Thousand Baht)	Holdings	Sales	%	Sales	%	Sales	%
Subsidiary Companies							
1. Bhaka Bhumi Development Co., Ltd.	99.99	399,539	1.57	563,264	2.22	543,357	2.56
2. Asia Logistics Development Co., Ltd.	99.93	-	-	-	-	-	-
3. Asia Industrial and Port Corporation Co., Ltd.	99.93	-	-	-	-	-	-
4. APPC Holdings Co., Ltd.	64.52	-	-	-	-	-	-
5. Thai Mozambique Logistica SA	60.00	-	-	-	-	-	-
Associated company							
1. First Dhaka Elevated Expressway Co., Ltd.	51.00	-	-	-	-	-	-

3. Lines of Joint Ventures

Company Name	% of	2019		2018		2017	
(Unit : Thousand Baht)	Holdings	Sales	%	Sales	%	Sales	%
Joint Ventures							
1. ITD –RT Joint Venture	70.00	467,636	1.84	138,662	0.55	4,520	0.02
2. ITD-ETF Joint Venture	65.00	-	-	89,984	0.35	137,408	0.65
3. ITD – ITD Cem (Consortium) Joint Venture	60.00	-	-	-	-	8,306	0.04
4. ITD-ETF-MVM Joint Venture	55.25	-	-	13,514	0.05	-	-
5. Italian-Thai-EGC Joint Venture	55.00	1	-	3,013	0.01	2,161	0.01
6. ITD-ITD Cem Joint Venture	51.00	461,915	1.82	737,819	2.90	758,481	3.57
7. ITD- Sinohydro Joint Venture	51.00	798,810	3.15	483,526	1.90	37,799	0.18
8. ITD SQ Joint Venture	50.00	1,352,752	5.33	1,480,530	5.83	816,130	3.84
9. SQ-ITD Joint Venture	50.00	-	-	-	-	-	-
10. SMCC- ITD Joint Venture	49.00	1,102,320	4.34	318,284	1.25	-	-
11. IOT Joint Venture	40.00	-	-	-	-	-	-
12. CMC/ITD/SONG DA JOINT VENTURE	30.00	949,466	3.74	1,234,705	4.86	594,761	2.80
13. SUMSUNG – ITD Joint Venture	24.00	-	-	261,159	1.03	-	-
14. ITD Cementation Joint Venture	20.00	37,510	0.15	24,898	0.10	27,023	0.13
15. CEC-ITD CEM-TPL Joint venture	18.66	395,657	1.56	429,387	1.69	133,743	0.60
		25,374,100	100	25,407,316	100	21,250,894	100

Many scholars from different sections point out that Thai economic overall for the year 2020 is a difficult situation for the government to expand the economic as planned. External factors are the key influence whether it is the world economy slowing down due to the situation of trade war between China and the United States; the problem between United States and Iran; UK leaving the EU (Brexit); or the current outbreak of coronavirus disease (COVID-19); not to mention the rising baht and the increasing of the minimum wage in the country. With the varied factors affecting the industry in 2020, one of a few solutions for the country to grow economically is investment of the government in large-scale projects. These projects includes Eastern Economic Corridor development projects and other infrastructure investments i.e. sky train lines, high speed trains, double track train, inter-city motorway. It is only when the government can instill economic confidence that the private sector invests in real estate, either condominiums or department stores, along sky train lines. There can create more investments on industrial factories where transportation reaches which can boost employment and income distribution to other industries on the go.

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

Building Construction

The completed building projects in the previous year include:

- Singha Complex project worth Baht 1,347 million;
- Whizdom 101 (South Commercial Project) worth Baht 1,764 million;
- Windshell Naradhiwas Condominium project worth Baht 479 million;
- Social Security Building (Inter 3) Yanhee Hospital project worth Baht 302 million;
- National Audio Visual Service and Conservation Center project worth Baht 466 million;
- Amari Orchid Pattaya Hotel project worth Baht 311 million; and
- OZO Pattaya Hotel project worth Baht 301 million.

Projects currently in progress are:

- Queen Savang Vadhana Memorial Hospital Phase 2 project worth Baht 5,389 million as 88% of work completed;
- 400 Bed Chulabhorn Hospital Building, Medical Service Expansion (Phase 1) project worth Baht 7,005 million as 23% of work completed;
- The Magnolias Waterfront Residences project worth Baht 2,492 million as 97% of work completed;
- Sub-Structure Work for The Iconsiam Superlux Residence project worth Baht 1,440 million as 98% of work completed;
- One Bangkok Mixed-use (Sub-Structure) project worth Baht 8,250 million as 20% of work completed;
- Training Centre and Welfare, Immigration Bureau project worth Baht 1,397 million as 9% of work completed;
- Structure and Architecture Works for Terminal 21, Rama3 project worth Baht 1,215 million as 22% of work completed;
- The Construction of EmSphere/EmLive project worth Baht 3,124 million as 4% of work completed; and
- The Royal Hangar and Air Force Data Center Building project worth Baht 350 million as 29% of work completed.

For the new project that has just started:

- Bangkok Mall & Bangkok Arena project Phase 1 worth Baht 2,270 million;
- The Medical and Rehabilitation Building for Police Project, Police Hospital worth Baht 1,921 million; and
- Building Works for Thai Oil Clean Fuel Project (Package 1&2) worth Baht 1,356 million.

Highways, Railways, Bridges and Expressway Systems

The completed projects in the previous year include:

- The Highway No.304 A.Kabin Buri – A.Paktongchai (Wildlife Corridors KM.26+000-KM.29+450) project worth Baht 1,863 million;
- Motorway Route No.6 Bang Pa In –Nakhonratchasima (section 7-8-9) project worth total of 3,179 million;
- The Construction of Underpass at the Intersection of Highway Route No.402 and Highway Route No.4026 Phuket worth Baht 406 million;
- Single Rail Transfer Operator Project (SRT0) worth Baht 1,344 million;

- Track Strengthening Project Between Khlong Sip Kao Junction and Kaeng Khoi Junction worth Baht 573 million; and
- Track Strengthening Project Between Hua Ta-khe Station to Chachoengsao Junction worth Baht 159 million.

The domestic projects in progress are:

- Construction of Road No.202 A.Banmaisaipot-A.Putthaisong Section I project worth Baht 500 million as 93% of work completed; and
- Elevated Highway at Highway Route No.35 Project (Section 3) worth Baht 2,328 million as 4% of work completed.

The double track railway projects in progress are:

- Track Doubling Project: Map Kabao - Thanon Chira Junction; Contract 1: Map Kabao-Khlong Khanan Chit project worth Baht 7,065 million as 55% of work completed;
- ITD-RT Joint Venture Track Doubling Project: Map Kabao-Thanon Chira Junction; Contract 3 Tunnel Works project worth Baht 8,682 million at 14% of work completed; and
- Track Doubling Project: Hua Hin-Prachuab Kirikhun worth Baht 5,427 million as 54% of work completed.

And we are in the process of beginning with the Cooperation between the Government of the Kingdom of Thailand and the Government of the People's Republic of China on Bangkok- Nong Khai HSR Development for Regional Connectivity Contract 4-5: Civil Works (Ban Pho-Phraekaw Section) with total distance of 13.30 km worth Baht 9,264 million. The company had won the bidding and currently in the process of requesting approval from the State Railway of Thailand.

The overseas projects in progress includes the Dhaka Elevated Expressway worth Baht 38,095 million in the People's Republic of Bangladesh which is currently in the process of Financial Close and expected to be completed within this year.

Airports

The project completed in the past year is Construction of Satellite Building (B2, B1 & Ground Fl. Level), with Aircraft Aprons and South Tunnel Extension for Suvarnabhumi Airport Expansion Project worth Baht 11,263 million

The domestic projects in progress are the Repair of Airfield Pavements at Runway 01R-19L and Rapid Exit Taxiway, Suvarnabhumi Airport with progress at 69% and Airport of Thailand Public Company Limited has planned on Suvarnabhumi Airport expansion project in phase 3 which includes the Construction of the 3rd Runway and Construction of West Passenger and Construction of 2nd Passenger, to name a few. There will be an acceleration of the projects bidding process as planned to meet the increasing of passengers.

Moreover, there are airport development projects in many regions of Thailand to promote tourism in the secondary cities such as Buriram Airport Development Project, Surat Thani Airport, Krabi Airport, Narathiwat Airport and the airports of the main cities such as Chiang Mai Airport, Hat Yai Airport, and Phuket Airport.

All of the above are the projects the Company has always been interested and aimed to pursue.

Industrial Plants and Facilities

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

- Civil Work for Mitr Phol Sugar Mill project worth total Baht 277 million; and
- Civil Works for Bulk Power Sub Station Building ; MRT Red Line worth Baht 252 million.

The projects currently in progress are:

- Bang Pakong Combined Cycle Power Plant Project, (Units 1-2 Replacement) project in cooperation of Sumitomo, and Black & Veatch (Thailand) worth Baht 22,000 million. The structural work the company is responsible for worth Baht 5,199 million and as 70% of work completed;
- Construction of a New Ice Cream Factory, 36 Mil.Litre/Year of F&N United Co.,Ltd in Don Tum District, Nakhon Pathom worth Baht 255 million as 98% of work completed;
- Goodyear – Sapphire Project phase 2, Pathum Thani worth Baht 348 million as 10% of work completed;
- Site Preparation and Utilities for EECi @ Wangchan Valley Project worth Baht 1,395 million as 56% of work completed; and
- Civil and Concrete Works for Harmony Project, Rayong worth Baht 672 million as 13% of work completed.

And the new projects started is Civil Works for Thai oil Clean Fuel Project (Package 1-7) worth Baht 3,771 million.

Mining

The domestic projects in progress are:

- Mae Moh Mining Project Contract No.7 worth Baht 21,891 million which is the excavation-removal of 365 million cubic meters and the extraction of 50 million tons of coal for Electricity Generating Authority of Thailand. In cooperation with Sahakol Equipment Co.,Ltd. under the ITD-SQ Joint Venture with progress at 98% and is expected to be completed in the first quarter of this year; and
- Overburden Excavation-Removal, and Coal Extraction at Mae Moh Mine Contract 9 with progress at 4%, currently prepared the area for installing the machinery and the conveyor line and start excavation at peak efficiency in quarter 2 of 2020.

The overseas projects in progress are:

- Mining Services for MBR Project, Indonesia, the excavation-removal of 14 million cubic meters, Coal sorting and transportation work, 1.58 million tons worth Baht 1,295 million as 55% of work completed; and
- Excavation-removal of 383 million cubic meters for Hong Sa Mining Project, Lao PDR worth Baht 25,282 million as 37% of work completed.

Tunnels, Pipelines, and other Utilities

The completed project in the previous year are:

- EPC Contract For 1st Transmission Pipeline Life Extension Project-18" Reroute Section (RC-670) worth Baht 1,739;
- EPC Contract for Cross Pipe Type 36" and 42" for PTT & GAS Separation Plant at Rayong worth Baht 176 million; and
- Construction of the Underground Ductbank and Manhole for Chim-plee Substation Project Contract No. 19/2556 worth Baht 216 million.

The projects in progress are:

- Natural Gas Pipeline for Hemarj Saraburi industrial land (HSIL) worth Baht 190 as 95% of work completed;
- Construction of Outgoing Cable Tunnel at Chidlom Terminal Station Contract No. For Bor Kir. Kor. 20/2557 worth Baht 863 million as 67% of work completed;
- Construction of Manhole and Underground Ductbank in Conjunction With the Golden Line Mass Transit System (Thonburi Skytrain Station-Klongsan District Office-Prachathipok) of Traffic and Transportation Department Bangkok worth Baht 176 million as 52% of work completed;
- Conversion of Overhead line to Underground system (Rama III Project : Thanon Tok Terminal Station-Rama IX Bridge)project worth Baht 1,823 million as 6% of work completed;
- Construction of Manholes and Underground Ductbanks in Conjunction with the Construction of Orange Line Mass Transit System, Contract No.3 of MRTA worth Baht 671 million as 2% of work completed; and
- Construction of Seawater intake and Seawater Outfall (SWI&SWO Tunneling Works) for PTTLNG Nong Fab Rayong LNG Receiving Terminal Project worth Baht 1,017 million as 9% of work completed.

The new projects started are:

- Underground Piping Works of Package1-2 Project; Thai Oil Clean Fuel Project worth Baht 165 million; and
- Conversion of Overhead Line to Underground Cable System along the Orange Line Mass Transit System, RamKhamhaeng Road (MRT. Contract 3) worth Baht 194 million.

The overseas projects currently in progress include:

- Second Ho Chi Minh City Environmental Sanitation Project, Package XL-01 : Construction of the Interceptor worth Baht 2,248 million as 70% of work completed; and
- Laying of Tank Sewer along James Long Sarani by Microtunneling Method project worth Baht 987 million as 99% of work completed and is expected to be completed in the first quarter this year.

Jetties, Deep-sea Ports and Marine Works

The concluded projects in the year preceding were:

- Retaining Wall for Pasak River, Phase 1 Section 1 project worth Baht 920 million;
- Construction of Flood Prevention System for Bangsrimuang Community at Choapraya Riverside, Nonthaburi worth Baht 326 million; and
- Kerry Siam Seaport Phase 4 Development Project worth Baht 1,572 million.

The project that are on closing including:

- Flood Prevention and System Drainage for Mae Fah Luang Community Areas; Chiang Rai worth Baht 83 million; and
- The Construction of Retaining Wall Along Tha Chin River at Banpanthuwong Community, Samutsakorn worth Baht 97 million.

Ongoing Projects include:

- Thai Oil Jetty No.7 & No.8 Project - Civil and Marine Works,Phase I and Phase II. Sriracha District, Chonburi worth Baht 2,297 million as 99% of work completed;
- PTTLNG Nong Faab, LNG Recieving Terminal project, Rayong worth Baht 5,349 million as 32% of work completed; and
- Modification Work of Marine Offloading Facility (MOF), Sriracha, Chonburi worth Baht 120 million as 47% of work completed.

The projects the company closely monitors and aim to achieve are:

- Laem Chabang Seaport Phase 3 worth Baht 35,100 million;
- Mab Ta Put Seaport Phase 3 worth Baht 12,900 million;
- Coastal Protection Bang Khun Thian Project worth Baht 1,500 million; and
- Jomtien Beach project worth Baht 600 million.

It is expected that there will be many private pier construction projects. Most of them used to be satisfied customers in the company's work in the past projects and planning on gradually start to expand the business.

Hydro-electric Dams and Power Plants

The Ongoing Project is Tunneling and Associated Works, Mae Ngad-Mae Kuang Water Transmission Tunnel Contract 1: Water Augmentation Project for Mae Kuang Udom Tara Dam, Chiangmai. The purpose of this project is to divert excess water demand during the rainy season from the Mae Ngad Somboon Chon Dam in order to increase the quantity at the Mae Kuang Udom Thara Dam, where the amount of water flowing into the basin. The project worth Baht 2,182 million with progress of 24%.

To correspond with the Government's drought and flood prevention policies each year. Including the company has studied the Government's water resource management plan and is ready to take part bidding for this development and for electricity generation for these mandatory projects which will accelerate the preparation for the electricity demand of the people that increasing every year.

Mass Rapid Transit Systems

The concluded Mass Rapid Transit System projects is the Construction of Mass Transit System Project in Bangkok (Red Line), Contract 2 : Civil Works for Bang Sue – Rangsit Railway worth Baht 24,206 million.

The in-progress project is The MRT Green Line (North) Project Contract 1 : Civil Works Mo Chit - Saphan Mai Section worth Baht 14,070 million with core work 100% completed and the additional work is in progress.

1. Risks related to business

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

We conduct a substantial portion of our operations in Thailand. In 2019, we generated 67.4% of our construction service revenues in Thailand. The Thai economy had been expanded in 2019. Real GDP in Thailand grew 2.4% in 2019, 4.2% in 2018 and 4.1% in 2017. Real GDP of the construction industry increased 2.0% in 2019, 2.4% in 2018 and -3.0% in 2017 (Source: NESDC). We cannot predict how long the current economic expansion will continue, if at all, or whether another financial or economic crisis will occur in the future. Factors that may adversely affect the Thai economy include:

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

Any economic recession or other deterioration in Thailand's economy, or decline in business, industrial, manufacturing or financial activity in Thailand, could adversely affect our business financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations and prospects.

In addition to our business concentration in Thailand, our business is also highly dependent on Thai public sector spending. Our major customers are the government and its state-owned enterprises, such as the State Railway of Thailand, the Mass Rapid Transit Authority of Thailand, Dhaka Mass Transit Company Limited, the Electricity Generating Authority of Thailand, and the Thai Red Cross Society. Our Thai public sector customers accounted for 70.3% and 73.2% of our construction revenues in 2019 and 2018, respectively, and 71.1% and 70.1% of the Company, the subsidiaries with the Company's construction role and portion of the Company backlog as of December 31, 2019 and 2018, respectively.

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

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

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

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

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

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

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

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

1.4 We are reliant on a small number of clients.

We generally target large government entities as clients. As a result, at any point in time a small number of clients may account for a substantial portion of our revenues and backlog such as the State Railway of Thailand, the Mass Rapid Transit Authority of Thailand, Dhaka Mass Transit Company Limited, the Electricity Generating Authority of Thailand, and the Thai Red Cross Society accounted for 40.4% and 30.8% of our construction revenues in 2019 and 2018, respectively, and 54.1% and 57.6% of the Company, the subsidiaries with the Company’s construction role and portion of the Company backlog as of December 31, 2019 and 2018, respectively. To prevent these risks, we participated in bidding both of public and private sector with more vary group of clients. If any of these clients ceases to provide us with new work or if there are any significant disputes relating to any of our contracts with any of these clients, this could temporarily disrupt our business, which could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

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

The construction business in Thailand and throughout Asia is highly competitive. New project awards are typically determined through a competitive bidding process, and after potential bidders pre-qualify to bid on a project, the principal competitive consideration is the price of the bid. There is increasing competition for construction projects in Thailand and other parts of Asia from both Thai and foreign construction companies,

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

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

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

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

We are seeking to increase the portion of our business that we undertake in countries outside Thailand even though our work outside Thailand accounted for 32.6% and 26.8% of our construction revenues in 2019 and the 2018, respectively and 28.9% and 32.1% of the Company, the subsidiaries with the Company's construction role and portion of the Company backlog as of December 31, 2019 and 2018, respectively including projects in Laos, Myanmar, Cambodia, Indonesia, Vietnam, Bangladesh, India, Madagascar, Mozambique and Taiwan. We also expect to bid and be awarded for new construction contracts in these and other countries.

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

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

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

1.9 Risk on Dawei project

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

Committee of the Republic of the Union of Myanmar to develop the Initial Phase of the Dawei Special Economic Zone which includes the Initial Industrial Estate area of 27 square kilometers and its related infrastructures and utilities. The details of the Concession Agreements are as follow:

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

*(Concession Agreement signed on 29th March 2016)

In April 2016, there was a political transition in Myanmar. As a result, the new DSEZ Management Committee was officially appointed on 12th October 2016 to continuously supervise and manage the DSEZ Initial Phase Project.

Currently, both ITD and the DSEZ Management Committee are in the process of having discussions on the outstanding issues and 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.

In accordance to the obligations of the concession agreements, the Company and its partners have conducted and submitted the reports of Detailed Design and Environmental Impact Assessment Reports ("EIA Reports") for each respective concession to the DSEZ MC. The EIA Reports for all concessions have been approved by the Environmental Conservation Department under the Myanmar Ministry of Natural Resources and Environmental Conservation.

Presently, the Company and its partners are in ongoing discussions with the DSEZ MC to finalize the Land Lease Agreements first for the Initial Industrial Estate concession. Once the key terms and conditions are agreed, negotiations will continue for the Land Lease Agreements of the other respective concessions accordingly.

The DSEZ Initial Phase Project continues to be supported by both the Myanmar and Thai Governments. In March 2018, the Government of the Republic of the Union of Myanmar approved the terms and conditions of a loan offered by the Government of Thailand for construction of the 2-lane road linking the DSEZ to the Thailand-Myanmar border. The Joint Technical Taskforce under both governments arranged meetings to discuss the engineering issues of the 2-lane road as well as discuss the terms of loan offered by the Government of Thailand. Thereafter, it was agreed by both governments to select an engineering advisory firm to conclude the construction plan of the 2-lane road and related information necessary for the construction tendering process and the loan document between the two governments and the selected engineering advisory firm was later engaged in February 2019.

Surveys were conducted along the 2-lane road by the engineering advisory firm along with the relevant Thai and Myanmar Authorities, namely the Neighboring Countries Economic Development Agency ("NEDA") and the Myanmar Ministry of Construction respectively. Another Public Consultation Meeting also took place in August 2019 based on the already approved EIA of the 2-lane road.

In October 2019, there was the 9th Myanmar-Thai Joint Coordinating Committee ("JCC") meeting between the two governments with the focus being on the continued cooperation and support to the DSEZ Initial Phase development.

On 28th November 2019, there was the meeting on the Final Report Presentation for the 2-lane road amongst the advisory firm, NEDA, and the Myanmar Ministry of Construction in Nay Pyi Taw. Further discussions between both governments are expected to take place, first at the Joint Task Force level in order to discuss the details of the loan agreement for the 2-lane road to be provided by the Thai Government. Its recommendations will then be proposed for further consideration at the next JCC meeting and thereafter the Joint High Level Committee ("JHC") meeting.

This support from both governments is advancement for the cooperation between the two countries. The development of this road linkage infrastructure will effectively generate economic and social benefits for both countries and will also create a positive impact to the DSEZ Initial Phase project development and the betterment of the well-being and livelihood of the population in DSEZ and the surrounding areas of both countries.

The aforementioned factors may cause negative effects on the image of the project development, the financial status, loan agreements, debentures' terms and conditions, company's performance, investment opportunities and investors' return.

1.10 Risk on granting potash mining license

The process of granting the underground mining license under the Minerals Act of the Ministry of Industry requires comprehensive procedures than a general mining license. The Company's subsidiary has entered into the contract with the Ministry of Industry in place of the prior foreign shareholders in 2008 after the Company acquired the whole outstanding shares of the subsidiary since 2006 for the purpose of exploring and producing potash mine in the northeast. This contract has not only defined the benefits to the government, including 10% shares in this subsidiary without any direct investment in term of cash, but also defined the right to the subsidiary that the Ministry of Industry, via the Department of Primary Industries and Mines (DPIM), would consider granting the rights along with privileges to the subsidiary to be capable of developing, conducting, and continuing the commercial mining in accordance with the purposes of this contract as well as approval of the mining license. The said contract guards against the failure of license approval. Moreover, the EIA approval, an important process, increases the confidence and possibility that the mining license will be granted. In addition, the subsidiary has completed all due application processes in compliance with the Minerals Act 2510 BE along with the Minerals Act (No.5) 2545 BE. Moreover, the Udon Thani Provincial Governor has submitted all relevant document to the DPIM to scrutinize the documents and continue towards the Minerals Committee since 2016 to consider and approve the mining license. However, there were some complications due to the effectiveness of the Minerals Act, 2560 BE, dated August 29, 2017, which subsequently have caused the announcements of the new National Mineral Management Master Plan and some additional regulations from the Industry Ministry and the DPIM respectively. There were some legal concerns, whether the completed processes of the subsidiary might not be in accordance with the Minerals Act, 2560 BE as well as the respective new regulations. Consequentially, the DPIM made a consultation to the Office of the Council of State for providing the right legal procedures. Thereafter, the Office of the Council of State has already replied the legal interpretations to the DPIM to proceed further the process of mining license approval to the subsidiary under the Minerals Act, 2560 BE by deeming that all completed application processes undertaken in compliance with the Minerals Act 2510 BE of the subsidiary are considered compliance with the Minerals Act, 2560 BE, without any requirement for further action by the subsidiary under the new regulations. Furthermore, the DPIM in 2019 in accordance with the statutory processes in consideration and approval of the mining license under the Minerals Act 2560 BE has completely undertaken the last outstanding meetings of the compensation determination committee to define the compensation of the underground mine and the committee in charge of holding a consultation meeting to endorse the draft of the prevailing conditions of the mining license from the previous environmental impact assessment report along with opinions of the stakeholders. Subsequently, it is the duty of the DPIM in the mining license approval process to summarize all information for consideration and approval of the Minerals Committee, and thereafter the DPIM's Director General shall eventually issue the subsidiary's mining license.

The failure of obtaining the said mining license could have an adverse effect on the Company's business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

1.11 Risk on the other investments

In addition to the Dawei project and Potash mining project, the Company invested in subsidiaries, associated companies and joint ventures, the other long-term investments, the land awaiting development, the investment properties and the deferred concession costs and cost of project under development as of December 31, 2019 totaling Baht 7,075 million. The investment's objective to increase revenues and decrease expenses according to the policy of vertical integration and economy of scale to reduce risks from uncertainty of future turnovers; however, the limitations, conditions and delaying possibility of each entity might not be accomplished those objectives and might be set up provision on impairment which could have an adverse effect on the Company's business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

2. Risks related to production

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

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

2.2 Our projects expose us to potential liability claims.

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

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

We use our backlog as a general indicator of our level of work to be completed. Backlog represents our estimate of the contract value of work that remains to be completed at any given time under our executed project contracts. The contract value of a project represents the amount that we expect to receive under the terms of the contract if the contract is performed in accordance with its terms. The Company and portion of the Company backlog amounted to Baht 112,225 million and Baht 149,495 million as of December 31, 2019 and December 31, 2018, respectively. We may not realize the contract value of our projects or the revenue we expect to receive from our backlog or, if we realize revenue, it may not result in profits. For example, if a project reflected in our backlog is terminated, suspended or reduced in scope, it would result in a reduction to our backlog, which would reduce, potentially to material extent, the revenue, cash flows and operating profit we actually receive from the contracts we include in backlog. If a customer cancels a project, we may be reimbursed for certain costs, but we typically would have no contractual right to the total revenues reflected in our backlog. Significant cancellations or delays of projects in our backlog could have a material adverse effect on our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

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

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

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

3. Risks related to finance

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

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

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

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

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

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

Surety Bonds and Guarantees.

Our contingent liabilities under surety bonds amounted to Baht 68,453 million and Baht 65,588 million as of December 31, 2019, and December 31, 2018, respectively, and our contingent liabilities under guarantees that we issued to financial institutions to secure credit facilities granted by those financial institutions to our subsidiaries, associated companies and joint ventures amounted to Baht 3,503 million and Baht 6,490 million as of December 31, 2019 and December 31, 2018, respectively. A call on some of these bonds by a project owner would result in the financial institutions providing the bonds claiming the amounts paid under the bonds from us. In addition, a claim on some of these guarantees by a financial institution could subject us to liabilities under the guarantees. These factors may adversely affect our liquidity, which could materially and adversely affect our business, financial condition, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

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

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

As of December 31, 2019 and December 31, 2018, we had the net trade account receivable, the current portion of financial lease receivable and the retentions receivable due within one year amounting to Baht 20,824 million and Baht 14,642 million, respectively.

As at 31 December 2019, the trade accounts receivable from a State Enterprise for a construction project which has been negotiating with the employer to request for the extension of the completion dates as initially determined in the contract with the employer. The Company has not received payments for amounts billed in respect of a portion of construction work from a State Enterprise totaling Baht 825 million which has been held unpaid by the employer since the Company was not able to complete some parts of construction work following the milestones plan. However, the Company has completed such construction work and the remaining of construction work which has been inspected and accepted from the project consultant and the employer on 1 August 2019 in accordance with Substantial Completion certificate and also received Final Acceptance certificate on 25 September 2019. Therefore, the Company has additionally billed for the remaining of construction work totaling Baht 2,585 million during the year 2019, which is in the process of negotiating for the payment of the construction work with the employer.

On 9 April 2019, the project consultant of the employer agreed to the 2 main matters for which the Company negotiated for the extension of the completion dates that the consultant of employer agreed to the extension of completion dates to 2 August 2019. This issue was brought to the meeting of the Inspection Committee of the employer on 22 October 2019 who passes such approval to the Sub-Committee of Procurement of the employer on 17 February 2020 for proposing to the Board of Directors for further consideration.

Nonetheless, the Inspection Committee of the employer will take all the remaining issues that the Company negotiate for the extension of the completion milestone and end date under the original contract for consideration at the same time. Although the consideration for the extension completion milestone and end date shall take long process for many consideration, the Company's management believes that the Company will receive approval and receive the full payment for the amounts billed that have been held from the employer.

As at 31 December 2019, the consolidated financial statements include trade account receivable of an overseas subsidiary of Baht 238 million (net of allowances for impairment amount of Baht 46 million) which is in the process negotiating of the debt collection for new settlement plan. By the way, the subsidiary may have to set up provision uptoup to the remaining payments.

As at 31 December 2019, the trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 122 million and Baht 63 million, respectively. For the service that provide to a customer which at the present work for the construction project has been suspense due to a customer facing liquidity constraints. The subsidiary's management has been negotiating/discussing with the customer's group management for debt collection and discuss about financial support from the Group company of receivable to be able to complete the project. However, the subsidiary's management believes that such amount can be realized in full amount. By the way, the subsidiary may have to set up provision uptoup to the remaining payments.

As at 31 December 2019, the local trade accounts receivable of Baht 224.18 million (net of an allowances for doubtful account amount to Baht 112.09 million) which is under process of negotiation to claim the payment of construction work with the employer and is currently subject to award by an arbitration tribunal. However, the Company's management has assessed the opportunity for the receive payment of such balance and believes that it will be received in full amount. By the way, the subsidiary may have to set up provision uptoup to the remaining payments.

In addition, future non-payments of our trade and loan receivables and a diminution in the value of our investments may result in our having to establish provisions equal to the amount of such non-payment or the amount of such diminution in the future, which could materially and adversely affect our business, financial condition, ability to pay debts, financial covenants in the loan agreements and the terms and condition of bonds, results of operations, prospects and returns of investors.

3.4 Risk on credit rating

October 26, 2018, the Company Rating and Issue Ratings on the senior unsecured debenture was "BBB-" with Outlook "Stable" reflected the Company's solid market presence in the domestic engineering and construction (E&C) industry on the back of its track record of undertaking projects in a broad range of end markets. However, the ratings were partially offset by weakening profitability, a lingering debt-heavy capital structure, execution risks from future long-term investment projects, and the cyclicity of the E&C industry. The credit rating's change could adversely affect our business, financial condition, results of operations, prospects and returns of investors

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

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

As of January 31, 2020 the Thailand Securities Depository Co., Ltd. reported the shares distribution of major shareholders including the directors, the managements and related persons totally 1,311,487,080 shares or 24.90% of the paid-up capital (common share only). If these major shareholders hold shares more than 25%, they might be able to have the right to objection or to disapprove the vote in the shareholders' meeting in whatever the articles of association or related regulation to take approval not less than 3 out of 4 of the whole existing shareholders in such meeting and had right to vote.

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

The Company committed to maintain the debt to equity ratio not excess than 3.0 times under the conditions of debentures and some banks on each consecutive half year and ended year on its consolidated financial statements. As at December 31, 2019 and 2018, the debt to equity ratio from the Company's consolidated financial statement were 2.53 times and 2.58 times, respectively. The Company and its affiliates must also maintain the covenants under the terms and conditions of theirs financial institutions. In case the said covenants could not be maintained, the related facilities might be payable immediately and could adversely affect our business, financial condition, results of operations, prospects and returns of investors

On 12 November 2019, the Company called for a meeting No. 1/2019 of debenture holders to consider the following matters;

- To consider waiving for the maintenance of the Debt to Equity ratio as stipulated in the Terms and Conditions of the debenture issuance to be effective from the fiscal year ended 2019 up to the end of fiscal year 2020. The Company has already received the approval from the five series of debenture holders.

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- To consider the amendment of the definition of “Debt” and “Shareholders’ Equity” under the Terms and Conditions used for calculation of Debt to Equity ratio. The Company has already received the approval from one series of debenture holder while the remaining four series of debenture holders did not constitute the quorum. The Company will have to call for another meeting for consideration of this condition again on 25 November 2019. At present, the Company has already received the approval from four series of debenture holder.

4.3 Risks from the call option of debenture

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

4.4 Risks from reinvestment in debenture

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

Marketing and Competition

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

Clients

We classify our clients in two ways – by the type of client and by the location of client. The type of client is determined by whether the public sector (including state-owned enterprises), or the private sector. The location of the client is either domestic or international and is determined by whether the work we perform for the client is in Thailand or outside Thailand. As of December 31, 2019, the public sector accounted for approximately 70.3% of the Company, the subsidiaries with the Company's construction role and portion of the Company backlog, while the private sector accounted for approximately 29.7%. Domestic clients accounted for approximately 71.1% of the Company and portion of the Company backlog as of December 31, 2019, while international clients accounted for approximately 28.9%.

Backlog by Client Classification	As of December 31,		
	2019	2018	2017
Public Sector Backlog	70.3	70.1	71.7
Private Sector Backlog	29.7	29.9	28.3
Total	100.0	100.0	100.0
Domestic	71.1	67.9	61.3
International	28.9	32.1	38.7
Total	100.0	100.0	100.0

In 2 years, the public sector backlog is around 70% of total backlog. The public sector is 70.3% and 70.1% of total backlog at the year ended of 2019 and 2018, respectively.

Competition

There are more than 500 companies operating in the construction business who are members of the Thai Contractors Association, including Thai companies, foreign companies and joint ventures between Thai and foreign companies. Competition is mainly based on price, but a key factor that affects the ability to price a bid competitively is the sourcing of materials. The fluctuation of the price of materials has an impact upon the construction industry because the value of materials typically represents approximately 30 to 40% of the entire project cost. Other than the availability of materials, significant competitive factors include the expertise and experience of employees and subcontractors, as well as joint venture formation for technological support and business alliances.

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

The following table sets forth the construction contractors in Thailand that are listed on the SET and their reported revenues of each for 2019:

Company Name	Revenues (million Baht)	% of Total
Italian-Thai Development Public Company Limited	63,006.9	30.15
Sino-Thai Engineering Public Company Limited	33,383.6	15.98
CH. Karnchang Public Company Limited	24,796.5	11.87
Uniq Engineering and Construction Public Company Limited	12,137.9	5.81
TTCL Public Company Limited	11,553.6	5.53
Power Line Engineering Public Company Limited	9,607.6	4.60
Syntec Construction Public Company Limited	8,562.2	4.10
Nawarat Pattanakan Public Company Limited	7,840.6	3.75
Christiani & Neilsen (Thai) Public Company Limited	7,347.9	3.52
Sahakol Equipment Public Company Limited	4,772.9	2.28
Pre-Built Public Company Limited	4,330.9	2.07
Thai Polycons Public Company Limited	3,846.5	1.84
TRC Construction Company Limited	3,426.6	1.64
STP&I Public Company Limited	3,373.1	1.61
SEAFCO Public Company Limited	3,062.1	1.47
BJC Heavy Industries Public Company Limited	2,073.2	0.99
Pylon Public Company Limited	1,576.3	0.75
EMC Public Company Limited	1,304.0	0.62
Triton Holding Public Company Limited	1,275.4	0.61
Sriracha Construction Public Company Limited	926.4	0.44
Bangkok Dec-Con Public Company Limited	775.0	0.37
Total	208,979.2	100.00

Source: Stock Exchange of Thailand

* Excluded PAE (Thailand) Public Company Limited because of no financial statement 2019.

General Information

(1) Corporate Information

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

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

ITD's investment in Related Companies, in excess of 10% of the paid-up capital as of December 31, 2019 is as reported below:

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

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

Company Name	Head Office	Tel./Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
11. Italian-Thai Hongsa Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 1800 Fax 0-2716-1556	Coal digestion services	250	25	99.97
12. Myanmar Italian-Thai Power I Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	250	25	99.95
13. Palang Thai Kaowna Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	459,000	100	99.99
14. Saraburi Construction Technology Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Manufacturing, distribution and installation of concrete panels	250	25	99.93
15. Siam Concrete and Brick Products Co., Ltd.	Pathumthani	Tel. 0-2501-2281-2 Fax 0-2501-2280	Manufacturing, distribution and installation of concrete products for real estate	126,000	100	99.80
16. ITD Mozambique Limitada	Mozambique	Tel. 258-849000719	Construction in Mozambique	1,373,615 (USD)	100	99.00
17. ItalThai Marine Co., Ltd.	Samutprakarn	Tel. 0-2387-1056 Fax 0-2387-1056	Production and sale of vessels and equipment	810,000	100	92.59
18. ItalThai Trevi Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 6076	Foundation and piling work services	80,000	100	90.94
19. Italian-Thai Development Vietnam Co., Ltd.	Vietnam	Tel. 84-8-382-79182 Fax 84-8-382-79184	Not yet operational	6,000 (Million VND)	100	80.00
20. Palit Palang Ngan Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	123,000	100	78.16
21. Asian Steel Product Co., Ltd.	Rayong	Tel. 0-3860-6024 Fax 0-3860-6114	Manufacture and distribution of steel pipes for civil construction	20,000	50	69.90
22. ITD Cementation India Ltd.	India	Tel. 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction services in India	172 (Million INR)	100	46.64
23. Thai Maruken Co., Ltd.	Bangkok	Tel. 0-2231-2226-9 Fax 0-2231-2230	Leasing/selling of sheet piles and beams	20,000	100	50.96
24. Asian Rail Co., Ltd.	Bangkok	Tel. 0-2716-1600 Ext. 4201 Fax 0-27161556	Construction services in Thailand	250	25	99.97
25. ITD-ARC Joint Venture	Bangkok	Tel. 0-2231-2226-9 Fax 0-2231-2230	Construction services with State Railway of Thailand	-	-	100.00
Associated Companies						
1. ATO Asia Turnouts Co., Ltd.	Bangkok	Tel 0-3636-5311-20 Fax 0-3636-5311-20	Production and distribution of turnouts for railway projects	5,000	100	48.99
2. Siam Pacific Holdings Co., Ltd.	Bangkok	Tel. 0-2745-6118 Fax 0-2745-6118	Holding company	58,625	100	46.69
3. Sino Lao Aluminum Corporation Limited	Lao PDR	Tel. 001-85-620-680-8288	Bauxite mine business	32 (Million USD)	100	34.00
4. MCRP Construction Corporation Co., Ltd.	Philippines	Tel. 001-632-788-0770 Fax 001-632-788-0141	Construction contractor in the Philippines	25 (Million PHP)	25	24.00
5. MCRP Holding Corporation	Philippines	Tel. 001-632-788-0770 Fax 001-632-788-0141	Holding company in the Philippines	5 (Million PHP)	100	24.00

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

Company Name	Head Office	Tel./Fax	Nature of Business	Paid-up Capital		% of Holding	
				Amount	%		
Subsidiary Companies							
1. Bhaka Bhum Development Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 5057 Fax 0-2716-1600-1464	Real Estate development	100 4,975	100 25	} 99.99	
2. Asia Logistics Development Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	1,000	100		99.93
3. Asia Industrial and Port Corporation Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Not yet operational	1,000	100		99.93
4. APPC Holding Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 4202 Fax 0-2716-1418	Holding company	4,279,987	100	64.52	
5. Thai Mozambique Logistica SA	Mozambique	Tel. 258-849000719	Concession for the construction of deep sea port and railway in Mozambique	364,999 (USD)	100	60.00	
Associated Companies							
1. First Dhaka Elevated Expressway Co., Ltd.	Bangladesh	Tel. 009-88-02-988-6543 Fax 009-88-02-988-6543	Concession for constructing elevated expressway in Bangladesh	5,472 (Million BDT)	100	51.00	
2. Bangkok Steel Wire Co., Ltd.	Bangkok	Tel. 0-2716-1600 ext. 5808	Production and distribution of P.C. Wire and P.C. Strand	313,000	100	19.98	
3. Oriental Residence Co., Ltd.	Bangkok	Tel. 0-2319-1031 Fax 0-2319-1031	Real Estate Development	500,000	100	15.00	
Related Companies							
1. NISHIO Rent All Co., Ltd. (Thailand) (Former name: Thai Rent All Co., Ltd.)	Bangkok	Tel. 0-2740-2680-7 Fax 0-2740-2688	Construction Machinery Rental	25,000	100	15.00	
2. Charoong Thai Wire and Cable Plc.	Bangkok	Tel. 0-2745-6118 Fax 0-2745-6118	Manufacture and distribution of enamel coated wire and cable	1,989,531	100	12.90	
3. M-Home SPV 3 Co., Ltd.	Bangkok	Tel. 0-2677-3000 Fax 0-2677-3200	Real estate development	100	100	11.54	
4. Siam Fiber Optic Co., Ltd.	Bangkok	Tel. 0-2745-6118 Fax 0-2745-6118	Manufacture and distribution of optic fibers	24,000	100	10.00	

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

Company Name	Head Office	Tel./Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
<u>Joint Venture</u>						
1. ITD- RT Joint Venture	Bangkok	Tel 0-2716-1600 ext. 4201 Fax 0-2716-1418	The Construction of Track Doubling Project	-	-	70.00
2. ITD-ITD CEM Joint Venture (Consortium)	India	Tel. 001-91-332-511-2866 Fax 001-91-332-511-2866	Construction of an airport terminal in India	-	-	60.00
3. ITD-EGC Joint Venture	Taiwan	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Construction of underground electrical train station in Taiwan	278,668	100	55.00

Company Name	Head Office	Tel./Fax	Nature of Business	Paid-up Capital		% of Holding
				Amount	%	
4. ITD-SINOHYDRO Joint Venture	Bangladesh		Contractor	-	-	51.00
5. ITD-ITD Cem Joint Venture	India	Tel 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction Service in India	-	-	51.00
6. ITD-SQ Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Contractor for the overburden and lignite removal services at Mae Moh Mine , Lampang	2,254,433	100	50.00
7. SQ-ITD Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Contractor for the overburden and lignite removal services at Mae Moh Mine Phase 7.1	-	-	50.00
8. SMCC-ITD Joint Venture	Bangladesh		Contractor	-	-	49.00
9. IOT Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Airfield Pavement Construction for Suvarnabhumi Airport			40.00
10. CMC-ITD-Song Da Joint Venture	Lao PDR	Tel. 001-848-120-446-3258 Tel. 001-848-120-446-3259	Contractor Nam Theun 1 Hydropower Project, Lao PDR	-	-	30.00
11. Samsung-ITD Joint Venture	Bangkok	Tel. 0-2716-1600 ext. 4201 Fax 0-2716-1418	Contractor of LPG Facilities of PTT, Khao Bor Ya, Chonburi	-	-	24.00
12. ITD Cementation India Joint Venture	India	Tel. 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction services in India	-	-	20.00
13. CEC-ITD Cem-TPL Joint Venture	India	Tel. 001-91-226-768-0600 Fax 001-91-226-768-0841	Construction services in India	-	-	18.66

(3) References

■ Register of Common Stock

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building, Rachadapisek Road, Bangkok 10400, Thailand

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

■ Auditor

1. Mr. Somkid Tiatrakul certified auditor No.2785

2. Ms. Teerasak Chuasrisakul certified auditor No.6624

3. Mr. Kanyanat Sriratchachaval certified auditor No.6549

4. Mr. Narin Churamongkol certified auditor No.8593

Grant Thornton Limited

11th floor Capital Tower, All Seasons Place, 87/1 Wireless Road, Lumpini, Phatumwan, Bangkok 10330, Thailand

Ttelephone +66 (0) 2205-8222 or facsimile +66 (0) 2654-3339

■ Legal Advisor

Weerawong, Chinnavat & Partners Ltd.

540 Mercury Tower, 22nd Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand

Telephone +66 (0) 2264-8000 or facsimile +66 (0) 2657-2222

■ Financial Advisor

– None –

■ Management Advisor

– None –

Other Significant Information

– None –

Shareholders

10 Major Shareholders as of January 31, 2020:

Name of Major Shareholders	Number of Shares	Percent of Shares (%)
1. Karnasuta Family	1,308,039,942	24.774
1.1 Mr. Premchai Karnasuta	628,213,626	11.898
1.2 Mrs. Nijaporn Charanachitta	350,815,140	6.644
1.3 Mr. Peeti Karnasuta	463	0.000
1.4 Ms. Prachaya Karnasuta	38,839,766	0.736
1.5 Mr. Thoranis Karnasuta	28,210,960	0.534
1.6 Ms. Jittraphan Charanachitta	50,614,391	0.959
1.7 Ms. Valaithip Charanachitta	50,414,391	0.955
1.8 Mrs. Preeya Karnasuta	2,334,774	0.044
1.9 Mr. Piyachai Karnasuta	23,303,438	0.441
1.10 Ms. Chamaimas Karnasuta	33,594,681	0.636
1.11 Mrs. Bhilaichit Roengpithya	19,934,980	0.378
1.12 Mr. Punsu Roengpithya	8,502,700	0.161
1.13 Ms. Chayaporn Roengpithya	18,680,632	0.354
1.14 Mrs. Orn-ame Karnasuta	19,900,000	0.377
1.15 C.P.K. International Co., Ltd.*	34,680,000	0.657
2. Thai NVDR Company Limited	250,821,966	4.751
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	113,461,649	2.149
4. Mr. Chaiya Sakulchaivanich	44,506,750	0.843
5. Mr. Thaveechat Jurangkool	37,480,500	0.710
6. Mr. Thongma Vjijitpongpan	36,284,500	0.687
7. N.C.B. TRUST LIMITED – POLUNIN DEVELOPING COUNTRIES FUND, LLC	33,114,408	0.627
8. Mr. Suthep Jirasirikul	33,000,000	0.625
9. Mr. Nuttapol Jurangkool	31,402,200	0.595
10. STATE STREET EUROPE LIMITED	29,303,628	0.555

Note

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

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

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

– None –

The Company's dividend policy

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

Subsidiary's dividend policy

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

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

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

Board of Directors

As at December 31, 2019 the Board of Directors consists of nine persons as listed below:

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

Management

■ Board of Management

As on December 31, 2019 the Board of Management of the Company consists of twenty persons as listed below:

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

Name-Surname	Position
15. Mr. Prasit Ratanaramig	Executive Vice President
16. Mr. Kriengsak Kovadchana	Executive Vice President
17. Mr. Sakchai Puetpaiboon	Executive Vice President
18. Mr. Prasart Kosarussawadee	Executive Vice President
19. Mr. Wichien Roongrujirat	Senior Vice President
20. Mr. Prasert Sanor	Senior Vice President

- The Management announced by the Securities and Exchange Commission

As at December 31, 2019, the Management of the Company consists of twenty-one persons as listed below:

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

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

The Company Secretary

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

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

Remuneration of Directors and Management

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

1. Remuneration of Directors

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

2. Remuneration of the Board of Management

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

(1) Financial Remuneration

(A) Remuneration of Directors, Audit Committee, and Risk Management Committee as of December 31, 2019

Directors	Remuneration (Baht/Year)		
	Directors	Audit Committee (Bonus Included)	Risk Management Committee**
1. Dr. Krisorn Jittorntrum	750,000	535,000	15,000
2. Mr. Premchai Karnasuta	580,000		
3. Mrs. Nijaporn Charanachitta	580,000		
4. Mr. Pathai Chakornbundit	580,000		10,000
5. Mr. Tawatchai Suthiprapha	580,000		
6. Mr. William Lee Zentgraf	580,000	415,000	
7. Mr. Peeti Karnasuta	580,000		10,000
8. Mr. Thoranis Karnasuta*	580,000		10,000
9. Mr. Sai Wah Simon Suen	580,000	415,000	
Total	5,390,000	1,365,000	45,000

Notes: *Mr. Thoranis Karnasuta was appointed to be the Risk Management Committee Member in accordance to the resolution of the Board of Director's Meeting No 8(1)/9/2019 from September 16, 2019.

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

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

- The 20 members of the Board of Management received, in total, remuneration amounting to Baht 135,079,497 for the full discharge of their respective duties.
- The 19 members of the Board of Directors (not including Executive Vice President (Finance) and Vice President (Account)) received remuneration amounting to Baht 129,998,497 in total for their respective duties.

(2) Other remuneration (If any)

Other Remuneration of Board of Management

■ Provident Fund

The Company has provided a provident fund at the rate of 2 percent of the salary. In 2019 (as of December 31, 2019), the 19 members of the Board of Management received provident fund contributions amounting to Baht 1,955,580 in total.

Human Resources

- Total Number of Employees as of December 31, 2019 was 32,156 persons

- Number of Employees by Major Categories

Categorized by job classification:

- Engineers	=	2,266	Persons
- Accountants	=	265	Persons
- Administrators	=	367	Persons
- General Employees	=	29,258	Persons
Total	=	32,156	Persons

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

1) Buildings	=	6,530	Persons
2) Industrial Plants	=	5,774	Persons
3) Pipelines and Utility Works	=	1,875	Persons
4) Highways, Railways, High Speed Rails, Viaducts, Track Works, MRT Systems, Bridges and Expressways	=	11,233	Persons
5) Airports, Ports, Jetties, River Protection, Dredging & Reclamation, Marine Works	=	2,615	Persons
6) Dams, Tunnels, and Power Plants	=	1,568	Persons
7) Steel Structures	=	481	Persons
8) Telecommunications	=	203	Persons
9) Mining and Miscellaneous	=	1,115	Persons
10) Head Office and Foreigner	=	661	Persons
Total	=	32,156	Persons

- Changes in employee numbers in the last three years

- Total number of employees as of December 31, 2017	=	32,142	Persons
- Total number of employees as of December 31, 2018	=	32,531	Persons
- Total number of employees as of December 31, 2019	=	32,156	Persons

- Major labor disputes during the past three years

- None

- Employee benefits for the year 2019

- Baht 8,374,827,973

Employee Skills Development Policy

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

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

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

The Company provides a range of training and development opportunities to all levels of employees within both Operation and Supporting Departments. There are forty-two courses. The training programmes required by all levels are:

1. Executive Level

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

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

The program provided develops the knowledge and skills listed below:

- 1.1 Smart Negotiation
- 1.2 Hazard Risk Assessment and management in Construction
- 1.3 Construction Management in Action for Project Engineer
- 1.4 Developing of New Programs for PM/PE
- 1.5 Train the Trainer
- 1.6 Assistant Senior Vice President Development Program
- 1.7 Safety Officer in Management Level

2. Supervisor Level

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

The program provided develops the knowledge and skills listed below:

- 2.1 Leadership and Teamwork
- 2.2 Managing Project
- 2.3 Coordination and Public Relations for Construction Business
- 2.4 Train the Trainer
- 2.5 Accountant Preparation Course
- 2.6 Accountant Seminars
- 2.7 Store Supervisor Seminars
- 2.8 Soil Protection System for Building Work
- 2.9 Bridge Construction Engineering
- 2.10 Search&planning and Trackwork Material
- 2.11 Steel Structure Work I
- 2.12 Steel Structure Work II
- 2.13 Steel Structure Work III
- 2.14 GHECO – ONE Power Plant Rebar Supervision and Management
- 2.15 Design and Construction of MRT Underground Tunnel
- 2.16 Precast Joint Designated
- 2.17 Special Transportation for Construction
- 2.18 Case Study of Suvarnabhumi Airport Expansion Project
- 2.19 Safe Crane Operation
- 2.20 Cash Flow Management
- 2.21 The Safety Officer in Supervising Level
- 2.22 The Safety Officer in Technician Level
- 2.23 Occupational Safety, Health and Environment Committee
- 2.24 New Engineers Development Programs

- 2.25 Coaching and Mentoring for Engineers
- 2.26 BIM Program: Basic Autodesk Revit of Architecture
- 2.27 BIM Program: Basic Autodesk Revit of Structure
- 2.28 BIM Program: Basic Autodesk Revit of MEP

3. Officer Level

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

The program provided develops the knowledge and skills listed below:

- 3.1 Developing Leadership Skills
- 3.2 Psychological Compatibility
- 3.3 Systematic Thinking
- 3.4 Store Supervisor Preparation Course
- 3.5 Basic First Aid
- 3.6 Safety Management in Construction.
- 3.7 Orientation

4. Semi-Skilled Worker Level

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

5. Skilled Worker Level

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

6. On the Job Training (OJT)

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

Moreover, the Company still provides the new-hired engineers with New Engineer Development Program (NDP), the intense course that brings out potential, and lifts up the knowledge, and skills particularly required for working. The program provides the new-hired with intensive content in various dimensions as Leadership Mindset, People Management, Plan and Manage Technical Construction Operation, Analyze Contract, Manage Document process systematically, and Safety & Quality Management.

Number of Staff to Trained 2019

Level	People	Hours	Training Man Hours
1. Executive Level	269	7,800	29
2. Supervisor Level	2,361	52,364	22
3. Officer Level	573	8,286	14
4. Semi-Skilled Worked Level	12,856	77,136	6
5. Skilled Worked Level	9,041	81,129	9
6. On the Job Training	8,913	10,193	1

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

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

1. Fairness

The equality of treatment to stakeholders.

2. Transparency

The accuracy and clearness of the information the Company discloses.

3. Integrity

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

4. Responsibility

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

5. Accountability

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

The handbook shall be annually reviewed by the Board of Directors in accordance with current situations. The latest review in 2019 was catered in line with the Securities and Exchange Commission (SEC) and social and economic situation and was approved by the Board of Directors. Its partial part was disclosed in the Annual Report and full part on the Company website (www.itd.co.th).

For the latest 2019 review, it is assessed by the relevant organization and regulator as follows:

- The Thai Investor Association rated “95.5 Percent” of the Quality Evaluation of the Company’s 2019 Annual General Meeting of Shareholders.
- The results of Thai Institute of Directors (IOD) rated “Very Good” on the Corporate Governance of the year 2019

1. Good Corporate Governance Policy

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

1. Rights of shareholders

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

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

2. Equitable treatment of shareholders

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

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

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

3. Role of stakeholders

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

3.1 Shareholders

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

3.2 Staffs

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

3.3 Clients

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

3.4 Partners and Creditors

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

3.5 Competitors

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

3.6 Public

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

4. Disclosure and transparency

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

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

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

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

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

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

5. Responsibilities of the Board

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

5.1 Role and Responsibilities of the Board in Leadership Awareness

- 5.1.1 The Board demonstrates a thorough understanding of its leadership role, assumes its responsibilities in overseeing the Company, and strengthens good governance, including defining objectives, determining means to attain objectives, together with monitoring, evaluating and reporting on performance.
- 5.1.2 To achieve sustainable value creation, the Board exercises its leadership role and pursues the following governance outcomes: competitiveness and performance with a long-term perspective, ethical and responsible business, good corporate citizenship and corporate resilience.
- 5.1.3 The Board ensures that all directors and executives perform their responsibilities in compliance with their fiduciary duties and that the Company operates in accordance with applicable law, standards and the resolutions of the shareholders' meetings.
- 5.1.4 The Board demonstrates a thorough understanding of the division of Board and Management responsibilities. The Board clearly defines the roles and responsibilities of sub-committees and managements, also monitors their proper performance of their duties.

5.2 Define Objectives that Promote Sustainable Value Creation

- 5.2.1 The Board shall define objectives in order to promote sustainable value creation, and governance outcomes with primary concerns on corporate sustainability of company, stakeholders and the public.
- 5.2.2 The Board shall ensure that the Company's objectives, goals, strategies, annual plans are consistent with the main corporate objectives, while utilizing innovation and technology effectively.

5.3 Strengthen Board Effectiveness

- 5.3.1 The Board is responsible for determining and reviewing the Board structure in terms of composition, and the proportion of independent directors mainly for accelerating the Company's objectives achievement.
- 5.3.2 The Board is responsible for holding the Board of Directors' meeting at least once a quarter in order to review the operational result and other matters may concern. In each, the Company shall regularly send all attendees an invitation letter attached with meeting handbook in seven days prior to the day scheduled for the meeting to begin, making sure they shall be able to prepare themselves before each meeting begins.

In addition, a quorum shall be constituted by two-third of total directors. The frequency of the Board of Directors who attended the meeting shall be disclosed on form 56-1 and Annual Report.
- 5.3.3 The Board shall recruit and appoint the qualified person as the Chairman, and ensure that the Board composition and operation must enable the Board to exercise its independent decisions on any corporate affairs.
- 5.3.4 The Board shall ensure that the director selection and nomination procedure shall be made through clear and transparent processes aiming to obtain the ideal and qualified directors.

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

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

2. Sub-Committees

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

a) Board of Directors

On December 31, 2019, the Board of Directors consisted of nine directors as listed below

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

Authority and Responsibility

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

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

b) Board of Management

As at December 31, 2019 the Board of Management of the Company consists of twenty persons as listed below:

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

Authority and Responsibility

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

c) Audit Committee

As at December 31, 2019, the Audit Committee consisted of three persons as listed below (this position carries a 3-year term from 2017-2020):

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

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

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

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

Authority and Responsibility

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

7. To prepare, and to disclose in the Company's Annual Report, the Audit Committee's reports which must be signed by the Audit Committee's chairman and consist of at least the following information:
 - 7.1 An opinion on the accuracy, completeness and creditability of the Company's financial report,
 - 7.2 An opinion on the adequacy of the Company's internal control system,
 - 7.3 An opinion on the compliance with the law on securities and the Stock Exchange of Thailand, the Exchange's regulations and the laws relating to the Company's business,
 - 7.4 An opinion on the appropriateness of the Independent Auditor,
 - 7.5 An opinion on the transactions that may lead to conflicts of interests,
 - 7.6 The number of the Audit Committee meetings and the attendance of such meetings by each committee member,
 - 7.7 An opinion or overview comment received from the Audit Committee on its performance of duties in accordance with the charter, and
 - 7.8 Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
8. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

d) Risk Management Committee

As on December 31, 2019, the Risk Management Committee consisted of eight members as listed below (this position carries a 3-year term from 2019 – 2022):

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

*Notes: *Mr. Thoranis Karnasuta, was appointed according to the resolution of the Board of Director's Meeting No. 8(1)/9/2019 dated September 16, 2019.*

Risk Management Policy

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

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

Authority and Responsibility

1. To review the Company's risk management policy and framework which covers all the major risks (Key Risks); namely financial risk, investment risk, operational risk and corporate reputation risk, before proposing them to the Board of Directors for approval.
2. To formulate a framework and risk management strategies in compliance with the Company's risk management policy. The Committee would assess, monitor and control risk at the appropriate level.
3. To monitor and ensure that risk management activities are in line with the Company's policy and framework approved by the Board of Directors' meeting.
4. To set risk measurement criteria and limits at the acceptable levels.

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5. To set appropriate risk management measures for different situations.
 6. To review the sufficiency and effectiveness of risk management policy and system.
 7. To report regularly to the Board of Directors about the management, operation, risk status, changes and areas for improvement to keep risk management in line with the Company's policy and strategy.
 8. To appoint a risk management working group if necessary and support the risk management working group in terms of personnel, budget and other necessary resources under the scope of responsibilities of the working group.

3. Selection and Nomination of Directors and Chief Executives

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

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

4. Corporate Governance of Subsidiaries and Associated Companies

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

The detail of this point is disclosed in The Report of Corporate Governance for Listed Companies, item 5.3.6 Corporate Governance of Subsidiaries and Associated Companies.

5. Internal Information Control

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

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

6. Auditor's Remuneration

Auditor's remuneration for the financial year ended on December 31, 2019

1. Audit Fee:

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

- The external auditor, amounting to 18,218,000 Baht
- The audit firm of the auditor, connected person/enterprise of the auditor and his/her firm in the amount of - Baht.

2. Non-Audit Fee

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

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

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

1. Rights of shareholders

2. Equitable treatment of shareholders

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

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

3. Role of stakeholders

In 2019, the Company has been in contact with all interested shareholders and members of the public as follows:

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

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

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

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

Since the employees' skills were very important to the Company's performance, the Company has continued developing the potential of all staff in order to increase their competencies and skills necessary for work and for success, as well as to encourage safety at work and occupational health. In the year 2019, the Company provided 42 courses as shown on section of Management Structure under Employee Skill Development Policy.

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

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

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

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

4. Disclosure and transparency

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

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

5. The Board Recognition of Role and Responsibility

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

In the Board meeting no. 5/12/2019 on December 16, 2019, the vision, mission, and direction was revised in order to align with the Company objectives. With its importance, the revision, purposing to set the strategy for running the business according to the Company objectives was also adopted by Management Division.

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

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

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

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

5.2 Business Goals and Objectives Setting

In the Board meeting No.5/12/2019 held on December 16, 2019, the vision, mission, strategy and duty were revised for 2020 in co-operation with the Management Division to set the short-term, mid-term, long-term planning objectives in accordance with Company's primary direction for the proper implementation of innovation and technology based on Company's current state.

The Company's operation goal

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

Hence, the Corporate Objectives were concluded and listed as below

1. To be the leading contractor in building, civil and structural works nationally and internationally
2. To operate our construction projects for optimum profit
3. To operate our business with Quality, Environment and Occupational Health and Safety standard in order to lift up the level of the Company and staffs into international standard (ISO9001/ ISO 14001/ ISO 45001)
4. To provide a reasonable profit to the shareholders of the Company

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

5.3 Contributions for the Board of Directors

5.3.1 Structure of the Board of Directors

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

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

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

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

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

The Chairman:

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

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

5.3.2 The Board of Directors' Meeting

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

In 2019, there were a total 5 Board of Directors' meetings. In each, the agenda prepared shall be clearly divided into the agenda for acknowledgement, certification, and approval. The Company regularly sent all attendants the invitation letter attached with meeting documents seven days prior to date scheduled for the meeting, making sure they were able to prepare themselves before each meeting. The portion of meeting attendance is 95.55 percent as depicted in Management Structure.

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

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

5.3.3 Selection and Nomination of Directors

(1) Independent Directors

Rules and Regulations in selection of Independent Directors

Independent Director's Qualification

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

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

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

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

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

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

date of having any business relationship with the Company, its Parent Company, its Subsidiaries, its Affiliates, or a Major Shareholder or Controlling Person of the Company.

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

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

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

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

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

Nomination Process

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

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

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

The Company announced on December 25, 2018 to February 8, 2019 that a person who was nominated by the Shareholders as a candidate to be appointed as a Director would be considered for nomination at the 2019 Annual General Meeting of Shareholders. For Shareholders to be eligible to nominate a person as a Director they could, individually or as a group, hold not less than five percent of the total number of the Company's ordinary shares. The incumbent Board of Directors' approved candidates for any vacant or new directorship could then be nominated to the shareholders at the Shareholders' Meeting, for approval by a majority. In the meeting, there was not any name listed to be nominated.

5.3.4 Determination of Remuneration for Directors

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

Kindly see the details disclosed in Management Structure.

5.3.5 Responsibilities and Time Management

There were five Board of Directors' Meetings held in 2019 in the year ending December 31, 2019. All the Board of Directors attended not less than 95.55 percent of the meetings for the whole year.

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

5.3.6 Corporate Governance of Subsidiaries and Associated Companies

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

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

5.3.7 Self-Assessment of the Directors and Subsidiaries

5.3.7.1 The Board of Directors

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

The Company Secretary is responsible for the assessment, to distribute and collect the forms, to calculate the score, to summarize and to report to the Board of Directors. The form distributed is qualified under the guidance of Stock Exchange of Thailand and is used to assess both individual and collective each member's work performance in whole year. In 2019, the Company conducted the Board of Directors' performance assessment at the Board of Directors' Meeting No. 5/12/2019 held on December 16, 2019. The assessment was calculated in percentage form of the full marks of each item as follows:

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

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

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

5.4 Ensure Effective CEO and Human Resources Management

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

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

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

- | | |
|--------------------------------------|--|
| a). Mrs. Nijaporn Charanachitta | - Director Certification Program (DCP) 56/2005 |
| b). Mr. Pathai Chakornbundit | - Director Certification Program (DCP) 56/2005 |
| c). Mr. Tawatchai Suthiprapha | - Director Accreditation Program (DAP) 48/2005
- Finance for Non Finance Director
- Finance Instruments for Directors (FID) 2/2012 |
| d). Mr. Chatichai Chutima | - Director Accreditation Program (DAP) 67/2007
- Successful Formulation & Executive of Strategy 12/2011
- Director Certification Program (DCP) 204/2015
- CFO Getting Together 2018 |
| e). Mr. Woravudh Hiranyapaisarnsakul | - Company Secretary Program 29/2009
- Effective Minute Taking 13/2009 |

5.4.1 Structure of Remuneration of Directors

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

5.4.2 Human Resources Management and Development

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

5.5 The Corporate Innovative Management

5.5.1 The innovation promoting that creates value for the Company

In the Board meeting no. 5/12/2019 on December 16, 2019, the vision, mission, and direction was revised in order to align with the Company objectives. One of the key objectives was to increase capability in making profits by Integrating IT system with the budgets and resources management. The Company currently integrated ERP: SAP system to support and make the operation more effective. Furthermore, the Company also promoted the Company's units to be the supporting facilities in order to develop and make the innovation for construction. The supporting facilities are as Italian-Thai Industrial Complex in Wihan Daeng, Saraburi Province, Pratunam Pra-In Plant Maintenance Center, or Pathum Thani Precast Concrete Factory.

5.6 Strengthen Effective Risk Management and Internal Control

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

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

5.6.1 Audit Committee Appointment

The Board of Directors appointed the Audit Committee as the subcommittee to assist Company concerning corporate governance practice and the effectiveness of internal control systems. The Audit Committee comprises three members who are all Independent Directors. The Vice President of the Internal Audit Division was the Secretary of the Audit Committee.

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

The Audit Committee held five meetings during the year 2019. Agendas were sent to the Committee members at least seven days in prior to make sure they knew what to expect at the meeting. Normally, the meetings lasted two to three hours. Importantly, the Committee has free access to all types of information that could be used to contribute on this operational procedure. After the meeting was adjourned, the conclusions were implemented, monitored and directly reported in Annual Report.

Moreover, the Audit Committee held the private meeting with auditors on December 16, 2019 without the involvement of the management division.

5.6.2 Risk Management Committee Appointment

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

In every year, the Risk Management Committee held the meetings to oversee, review, and monitor some particular construction projects by inviting the Management and persons concerned to participate the meetings. Moreover, the report by Risk Management Committee for each year shall be disclosed on the Annual Report.

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

5.6.3 Conflict of Interest

The Company has followed the policy concerning information usage, for instance, the internal information disclosure, the limitation of information access in ERP: SAP system, or limitation of information disclosure. This concern is also including with the disclosure of changes in securities and derivatives holding report (Form 59) of themselves and their spouse to SEC.

The Board of Directors acknowledge rules and requirements relating to conflicts of interest between related business entities. Where such conflicts have arisen they are shown in the table Related Party Transactions and in all cases have been addressed in accordance with the Stock Exchange regulations, such that prices and conditions of procurement are the same as would apply in normal third party “arm’s length” transactions. The Related Party Transactions Table provided details of the parties concerned, contract value and reason/necessity for the relationship in the Annual Report and the Annual Registration Statement (Form 56-1).

5.6.4 The Anti-Corruption Policy

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

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

5.7 Disclosure and Transparency of the Company

The Board of Directors deeply concerned on the information disclosure with transparency in all kind of information, both in Thai and English, for instance, the financial statement, management discussion and analysis, and other significant corporate information that might impact on asset value and corporate performance. The Company mainly used the channels that facilitate the shareholders, investors and others to access to the corporate information easily, widely and conveniently, for example, SETLink, and the Company’s website (www.itd.co.th).

5.7.1 Financial Reports and Other Significant Corporate Information

The Company certified the report on responsibility for financial reports depicting in parallel with independent auditors report disclosed in Annual report in every year. Moreover, the Company still applied the proper accounting policy in accordance with Thai Financial Reporting Standards, and ensured that the financial reports shall be made with careful and reasonable consideration.

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

5.7.2 Information Disclosure by the Company

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

- SETLink and SEC online submission
- Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
- Company’s website (www.itd.co.th),
- Company’s Facebook Fanpage (www.facebook.com/itdho/)
- Company’s email (cccs@itd.co.th)
- Company visit and analysts meetings
- Company’s information by post, for instance, the notification of Annual General Meeting of Shareholders.

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

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

5.7.4 The Corporate Sustainability report

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

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

5.7.5 Investor Relations

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

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

5.7.6 Information disclosure with effective use of information technology

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

Company's Website

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

Company's Facebook Fanpage

- Corporate Social Responsibility Activities, and other Corporate news

SETLink, and SEC online submission

- The financial information, for instance, financial statement, and Management Discussion and Analysis
- Significant Corporate Information, for instance, the resolution of the Board of Directors 'meeting, the resolution of shareholders' meeting or the contract signing
- the changes in securities and derivatives holding report (Form 59)

Company's intranet

- Corporate information, and news
- Construction Project information

5.8. The Participation Supporting and Communication with the Shareholders

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

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

5.8.1 Equitable Treatment of Minor Shareholders

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

co.th. In response, the Corporate Governance Department will directly co-operate with the Independent Directors to resolve any complaints as soon as possible.

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

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

- Name, address and telephone number of proposing shareholder for the Company to acquire any further information as along with evidence indicating status of the cumulative holding of shares, such as share certificates or official declaration from a broker.
- Purpose and proposal in detail, including other useful information, for the Board's consideration, such as issues and reason for concern, relevant supporting facts and data, and expected benefit for the Company.
- In case of nomination of persons to be appointed as Directors at the Annual General Meeting of Shareholders, the shareholders are requested to attach curriculum vitae, working experience and contact address for the Audit Committee to consider and further pass the matter to the Board of Directors for final decision.

For the Annual General Meeting of Shareholders in 2019, the Company gave the shareholders an opportunity to propose the agenda or enquiry and to nominate persons to be appointed as Directors at the meeting. The principle and announcement were officially posted on the Company's website and to the Stock Exchange of Thailand's website during December 25, 2018 to February 8, 2019, but there was no proposal received from the shareholders.

5.8.2 Itinerary for 2019 Annual General Meeting of Shareholders

The 2019 Annual General Meeting of Shareholders was held on Thursday, April 25, 2019 at 2.00 p.m., at Convention Center building, 3rd floor, Rama Garden Hotel, 9/9 Vibhavadi Rangsit Road, Khwaeng Talat Bang Khen, Khet Lak Si, Bangkok.

5.8.3 The Meeting Announcement

In 2019, the Company completed preparation of the meeting agenda and invitation notice on March 23, 2019. The supporting documents, proxy, guidelines for proxy, conduct of the Annual General Meeting, and rules of procedure for Annual General Meetings were also prepared.

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

The Company delivered the meeting invitation notice with details of the agenda together with supporting documents ten days in advance and announced the meeting on the Company's website. The Company also announced the meeting in the newspapers three days in advance. The shareholders therefore had reasonable time to thoroughly study such documents.

Additionally, the shareholders could make enquiries about the meeting agenda before the meeting to Corporate Services Department on telephone +66 (0) 2716-1600 extension 3800-4, or www.itd.co.th or by e-mail at cccs@itd.co.th.

5.8.4 The Procedure of the 2019 Annual General Meeting of Shareholders

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

In 2019 Shareholders' Meeting, there were nine Directors in attendance as follows:

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

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

As the meeting started, a total of 434 shareholders and proxies (as holding 1,768,845,118 shares, or equivalent to 33.50% of total) were present, consisting of 235 shareholders attending the meeting in person (holding 1,036,917,169 shares, or equivalent to 19.64% of total), and 199 shareholders by proxy (holding 731,927,949 shares, equivalent to 13.86% of total).

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

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

For the 2019 Annual General Meeting of Shareholders, the Company fully facilitated the shareholders to ensure that all shareholders shall be treated by inclusive and equitable manner in order to be capable to exercise their rights in all periods; before, between, and after the meeting. The facilitations mentioned were including with the on-time delivering of meeting notification, the easily accessible place for holding the meeting, the sufficient officers to assist the shareholders, the usage of computer system to process the votes and results on each agenda item, and the disclosure of meeting resolution through accessible channel.

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

5.8.6 The Proxy Form

The proxy form, for those shareholders who could not attend the meeting in person, can be given to the Independent Directors, Audit Committee, Directors and/or any persons to be an authorized proxy holder. The proxy (form B), attached to the meeting invitation, encouraged its use so that the absent shareholders still can direct their vote by assigning at least one Independent Director to be the proxy holder. Proxy form B and form C (particularly for the use of foreign shareholders)

and the meeting guidelines are posted on, and available to download from, the Company's website (www.itd.co.th) 30 days prior to date the meeting is scheduled to be held.

5.8.7 Resolution of the Meeting Disclosure

5.8.7.1 Resolution of the Meeting

After the meeting adjourned, the Company instantly disclosed the resolution of the Shareholders' Meeting with clarity in all details, and submitted it to the Stock Exchange of Thailand through SETLink to inform investors on April 26, 2019 at 8.36 a.m. This disclosure is in compliance with the regulations that the meeting resolution must be notified within the meeting date or by 9.00 am of the following business day at the latest.

5.8.7.2 Minutes of the Meeting

The Company prepared the Minutes of the Shareholders' Meeting with clarity in details, for example, the directors and management who attended the meeting, the attendance proportion of directors, the procedure of vote casting, the results in each agenda item, and inquiries made in the whole meeting. The Company also submitted the minute to the Stock Exchange of Thailand through SETLink, and uploaded to the Company's website (www.itd.co.th) to inform investors on May 8, 2019 or within fourteen days after the meeting date. Moreover, the Company submitted the minutes to the Department of Business Development, Ministry of Commerce (DBD e-Filing) on May 17, 2019 or within thirty days after the meeting date.

Recognition of other good corporate governances

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

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

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

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

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

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

Notes: *Mr. Thoranis Karnasuta, was appointed according to the resolution of the Board of Director's Meeting No. 8(1)/9/2019 dated September 16, 2019.

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

Corporate Social Responsibility Vision

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

Corporate Social Responsibility Policy

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

1. Good corporate governance

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

2. Fair business operation

The Company believes that its business operation must be fair to instill confidence in the customers which will be profitable to the Company for its long-term operations and creditability. Thus, the Company shall run its business ethically and legitimately.

3. Respect of human rights and fair treatment of labor

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

4. Consumer responsibility

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

5. Participation in social development

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

6. Environmental conservation

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

Policy on Occupational Safety, Health, and Working Environment

By maintaining quality and standards of construction the Company is able to deliver quality products and services at a fair price. The Company recognizes the importance of occupational safety, health and the working environment by having committees appointed for effective management. Effective since 2015, the committees can be divided into three levels as follows:

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

The Company announced the Policy on Occupational Health and Safety which is part of the Italian-Thai corporate governance topic of Business Ethics by specifying and announcing the policy as follows:

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

In addition, the Company has also improved the working environment. With an annual survey of the risk in the workplace environment, including the improvement of that environment by providing improved the facilities for the employees to have a better quality of life, such as the 5S activity, Big Cleaning Day and the construction of more toilets etc.

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

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

TBL Component	Internal Aspect	External Aspect	CSR Standards	Main Issue
Economics success	<ul style="list-style-type: none"> - Profit / project costs - Higher ratio of work - Share / investor's attention - Anti-corruption 	<ul style="list-style-type: none"> - Fair price - Reliability/quality - Dividend paying - Anti-corruption and fair trading competition 	CG (SET)	<ul style="list-style-type: none"> - Business growth and fair trading competition
Social responsibility	<ul style="list-style-type: none"> - Employees' safety - Preventive care - Welfare and fair benefit - Reducing resistance from the community 	<ul style="list-style-type: none"> - Safety of community and society - Human rights - Skilled local laborers employment for income distribution 	CG (SET)	<ul style="list-style-type: none"> - Safety first / Zero Accident - Human rights
Environmental responsibility	<ul style="list-style-type: none"> - Resource efficiency - Positive work environment - Energy efficiency 	<ul style="list-style-type: none"> - Environmental care and resource efficiency - Environmental control (water, dust, air, noise, etc.) - Energy management, energy efficiency, and renewable energy management 	CG (SET)	<ul style="list-style-type: none"> - Raw materials management - Material replacement - Environmental impact control - Energy and renewable management

The Company's Social Responsibility Disclosure

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

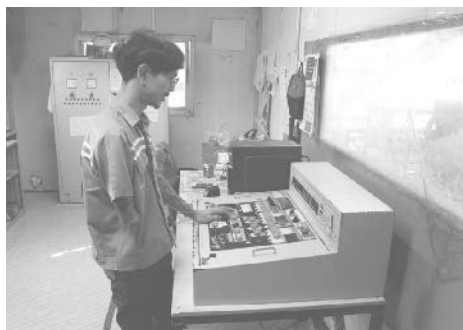
According to the Corporate Social Responsibility reporting process, the Company takes into account all stakeholders, therefore the emphasis both on corporate social responsibility in its business process (CSR-in-process) and on corporate social responsibility after the operation (CSR-after-process) is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

Corporate Social Responsibility in its business process (CSR-in-process)

1. Human Rights and Fair Treatment in workplace

The Company has a policy to support employees' livelihood as a community of understanding and contentment. We treat all employees equally without discrimination either in the matters of origin, race, gender, age, skin color, religion, or physical condition. We also emphasize on human resource development from recruitment to improvement of skills, to name a few.

- The Company employs the disable who can still work in all over the country so that they have the opportunity to make a living by themselves and use their potential to improve their quality of life. This is not only beneficial to the Company to have workforce but to encourage and engrave the confidence in themselves.



2. Environment Maintenance

In operating business, the Company awares that there may cause adverse effects on the environment. We takes preventative measures accordingly, including development of operational processes, to reduce the effect thereby and to rehabilitate environment as to incorporate value and sustainability.

The Company is also aware of the PM 2.5 dust exceeding the standard safe measurement resulting in medium to low level air quality that has been causing health effects in the past 1-2 years. Therefore, the Company has implemented measures to reduce dust diffusion from construction sites and areas surrounding the projects and other Business Units by sprinkling water onto the sandstone and the road surface including cleaning the area of the Company's construction sites.

- One Bangkok Mixed-use (Substructure) Project Sathorn Road, Bangkok



- MRT Orange Line (East Section) Project: Contract 3 (Hua Mak - Khlong Ban Ma Section) Rama 9 Road, Bangkok



- The Gold Line Mass Transit Feeder System Project (Krung Thonburi-Klong San), Bangkok



- Chulabhorn Hospital Project Lak Si District, Bangkok



- Thai Oil Jetty Project, Chonburi



Construction processes may have affected the environment in the aspects of air pollution, noise and waste disposal, to name a few. Therefore, the Company has various measures to reduce the impact on communities and society, for example by measuring the sound levels during pile driving or Garbage Classification and preventing dangerous materials from falling into the sea.

- The Company has measured the noise level in the community area of Thai Oil Project by measuring sound using the International Organization for Standardization (ISO1996) method which requires twice yearly, for 5 days each during appropriate times beginning at 7:00 am and ending before 6:00 pm



- The Company avoids waste disposal by incineration in the construction areas, such as Thai Oil Project, instead it classifies waste into 2 types: general waste and waste that needs to be managed further.



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



- The Company participated in the volunteer development activity on the Vibhavadi Highway 31, Din Daeng - Don Mueang Rangsit Road for more effective draining of water to prevent flooding during the rainy season.



3. Innovation and Practice of technologies and procedure for environmental and social corporate responsibility activities

- The Company has invented and developed production and procedures for business use. Nevertheless, we have distributed those technologies and knowledge for academic and public uses through many of our activities and conferences.

- Thai Geotechnical Conference participation and exhibition



Corporate Social Responsibility – after-process-activities

1. Community or social development

Creating the engagement between businesses, communities and societies that are affected by the Company's operations, including locations both near and far from the Company's operations, to develop and encourage the strength of communities and society with the following projects:

- **“Kaya Upakorn” (Body Tool) Project** – the Company funded the “Kaya Upakorn” (Body Tool) project for the Thai with Disability Association. The fund is for those disabled who could not afford prostheses and children who need them. The association is in Pak Kred, Nontaburi.



- **Suam Suk San (Pleasant Toilet) Project** – the Company has funded the Suam Suk San (Pleasant Toilet) for children to provide a new toilet, renovate and clean toilets, and improve sanitation for good hygiene at Khlong Phra U-dom School, Lad Loom Keaw, Pathumthani.



Social Aspects

The Company aims to establish activities corresponding with social values after the process of the construction work. We also place importance in community contact to support the livelihood and community development.

- The Company, together with Honda Automobile (Thailand) Company Limited, has given out sanitary masks and helmets to an elementary school, Khaisri Pramote Anusorn school, for commuting safety.



- The Company gave pollution protection masks to the Huamak Police Station, Bangkok, for public distribution.



- The Company handed out pollution protection masks to the public in the Lum Salee junction area, Bangkok.



- The Company support Bang Shan Police Station with pollution protection for Songkran festival.



- Annual Scholarship grant on the Children's Day in the "Khe-Ha Din Daeng Children's Day", Bangkok



- Annual Scholarship grant on the Children's Day in the "Wiharn Daeng Children's Day", Saraburi



- Charity donation to Phya Thai Babies Home Orphanage, Bangkok



Environmental Aspect

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

- Big Cleaning Days on the Mab Ta Put beach, Nong Fab, Rayong, at least twice a year.



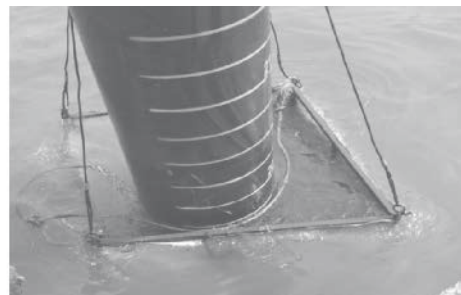
- The Company, in collaboration of the Hong Sa Power Plant and the Hong Sa Authority, organized a project to plant trees of various breeds.



- The Company participated the “1 Province 1 Chaloem Phra Kiat Road” project to celebrate the coronation in 2019 by providing Yellow Star trees, the Rama X’s symbol, to plant along the 12-kilometer road and improve the roadside.



- The Company developed the procedures to decrease the negative affects on the environment and wildlife. We carefully establish practice guidelines such as chemical, oil and leftover disposal, and marine piling to reduce underwater disruption.



- Donation of discarded batteries and tiles for use to Buka Samakkhee Dharma Temple, Si Kew, Nakhon Ratchasima



Religion, Tradition and Culture Aspect

- Together with the Hong Sa Power Plant and the Hong Sa authority annually organized the ordination ceremony and dharma camp. The Company organized a dharma activity at the Patthana Jit Chaloom Phra Kiat center, Phanita Ram temple on July 19-22, 2019



- The Company organized an ordination ceremony for royal merit at the Phanita Ram temple, Cha Chergn Sao, on October 11-20, 2019



- Hong Sa Power Plant and the Hong Sa authority organized a local traditional merit making



- Together with MRTA, PMCS2 and SriBoonRueng School, Bangkok, celebrated the Buddhist Lent candle procession



- The Gold Line Mass Transit Feeder System Project, Phase I (Krung Thonburi - Klong San) organized a cleaning session and developed the scenery in the Sawettachat Worawiharn Temple area, Bangkok



- **Pordee Pordee School Project** Ban Hua Rin Child Development Center, Mae Suay, Chiang Rai



The “Pordee Pordee School; Sharing Smile to Children, Community and Victims” is a prototype project. The Company has been supporting the project since 2014.

In April 2019 the Company supported the Child Development Center Mae Prik 1 with:

- Donation of a developmental playground for children’s outdoor activities in order to boost their physical, emotional, mental and social development.
- Renovation of the corridor roof to prevent rain penetration.
- Installation of 8 security cameras at the classroom, teacher’s room, canteen and around the school for students and teachers safety, including protecting valuable school assets.
- Renovation of the School gate for more comfortable use and safety.
- Renovation of the School landscape to provide a tidy enjoyable environment.

Such projects are part of the continuous activity provided by the Corporate Social Responsibility Campaign of educational support, as one of the CSR projects of the Company demonstrating social responsibility in a long term.



Board of Directors and Board of Management

Experience of Board of Directors and Board of Management

1 Dr. Krisorn Jittorntrum

Education:

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

Awards:

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

Chairman of the Board of Directors:

Chairman of Audit Committee:

Chairman of the Risk Management Committee:

Independent Director:

Italian-Thai Development PCL.

Associate Professor:

Faculty of Sciences, Chiang Mai University

Director:

Information Technology Service Centre, Chiang Mai University
Chairman of Working Group on Law and Digital Signature:
Consulting Committee of Electronic Commerce Project
ASEAN Coordinating Committee on Electronic Commerce

President of Strategic Plan for the Development of Upper North

Region Study (1998-2008):

Office of the National Economic and Social Development Board

Advisor to the Minister:

Ministry of Labor

Director:

Asia Pacific Potash Corporation Co., Ltd.

Age: 67 years old

Director Position:

Date of the first appointment: March 26, 1999

Date of the latest appointment: April 25, 2018

2 Mr. Premchai Karnasuta

Education:

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

President:

Italian-Thai Development PCL.

Chairman of the Board of Directors:

First Dhaka Elevated Expressway Co., Ltd.

Director:

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

Age: 66 years old

Director Position:

Date of the first appointment: March 24, 1994

Date of the latest appointment: April 27, 2017

Bangkok Steel Wire Co., Ltd.

Thai Maruken Co., Ltd.

Momaz Logistics

Myanmar Italian-Thai Power 1 Co., Ltd.

Myanmar ITD Co., Ltd.

Nahathai Co., Ltd.

Nha Pralan Crushing Plant Co., Ltd.

Nipa Lodge Co., Ltd.

Nishio Rentall (Thailand) Co., Ltd.

Palang Ngan Sakol Co., Ltd.

Palangthai Kaona Co., Ltd.

Palit Palangngan Co., Ltd.

Pan African Mining Corp.,

Panoot Co., Ltd.

Phannin Co., Ltd.

Praram 9 Square Co., Ltd.

Bangkok Steel Wire Co., Ltd.
 Bhaka Bhumi Development Co., Ltd.
 Bhanuwong Co., Ltd.
 C.P.K. International Co., Ltd.
 C.P.K. Plantation Co., Ltd.
 Chantaburi Country Club Co., Ltd.
 Dithee Co., Ltd.
 Eastern High-Speed Rail Linking Three Airports Co., Ltd.
 Italian-Thai Development (Myanmar) Co., Ltd.
 Italian-Thai Hongsa Co., Ltd.
 Italian-Thai International Co., Ltd.
 Italian-Thai Land Co., Ltd.
 Italian-Thai Power Co., Ltd.
 ItalThai Marine Co., Ltd.
 ItalThai Trevi Co., Ltd.
 ITD Bangladesh Co., Ltd.
 Kanika Co., Ltd.
 Lao Metal Industry Co., Ltd.
 Lasalle Co., Ltd.
 MCRP Construction Ltd.
 MCRP Holding Corporation Co., Ltd.
 Metropolitan Water and Services Co., Ltd.

Praram 9 Square Hotel Co., Ltd.
 PT. Thailindo Bara Pratama Co., Ltd.
 Saraburi Coal Co., Ltd.
 Saraburi Construction Technology Co., Ltd.
 Sarithorn Co., Ltd.
 Siam Concrete Brick and Products Co., Ltd.
 Siam Fiber Optics Co., Ltd.
 Siam Machinery and Equipment Co., Ltd.
 Siam Pacific Holding Co., Ltd.
 Sin Rae Muang Thai Co., Ltd.
 Sino Lao Aluminum Corporation Co., Ltd.
 Southern Industry Co., Ltd.
 Takolkiat Co., Ltd.
 Tayakee Co., Ltd.
 Thai Mozambique Logistica SA.
 Thai Nippon Steel Engineering & Construction Corp. Co., Ltd.
 Thai Pride Cement Co., Ltd.
 Tongkrai Co., Ltd.
 Tridayuk Co., Ltd.
 Wildemere Co., Ltd.
 ITD-EGC Joint Venture

3 Mrs. Nijaporn Charanachitta

Education:

M.B.A. (Finance) University of Wisconsin (Madison), USA
 Bachelor of Arts, Chulalongkorn University, Thailand
 - Director Certification Program (DCP) 56/2005

Chairman of the Board of Directors:

Amari Co., Ltd.
 Amari Estate Phuket Co., Ltd.
 Amari Hotel & Resort Co., Ltd.
 Amari Hua Hin Co., Ltd.
 Chao Phraya Development Corporation Co., Ltd.

Director and Senior Executive Vice President:

Italian-Thai Development PCL.

Director and Member of the Nomination and Compensation Committee:

Charoeng Thai Wire & Cable PCL.

Director:

Italian-Thai Development PCL.
 Siam Steel Syndicate PCL.
 TTCL PCL.
 Amari Pattaya Co., Ltd.
 APPC Holding Co., Ltd.
 APPC Hong Kong Co., Ltd.
 Aquathai Co., Ltd.
 Asia Industrial and Port Corporation Co., Ltd.
 Asia Logistics Development Co., Ltd.
 Asia Pacific Potash Corporation Co., Ltd.
 Asia Thai Mi Co., Ltd.
 Asia Thai Mining Co., Ltd.
 Asian Rail Co., Ltd.
 Asian Steel Product Co., Ltd.
 ATO Asia Turn-out Co., Ltd.
 Bangkok Steel Wire Co., Ltd.

Age: 69 years old

Director Position:

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

ItalThai Real Estate Co., Ltd.
 OHTL PCL.
 Oriental Residence Bangkok Co., Ltd.
 Sakdi Sin Prasit Co., Ltd.

ItalThai Marine Co., Ltd.
 ItalThai Trevi Co., Ltd.
 ITD Bangladesh Co., Ltd.
 ITD Myanmar International Co., Ltd.
 Myanmar Italian-Thai Power 1 Co., Ltd.
 Nha Pralan Crushing Plant Co., Ltd.
 Nishio Rentall (Thailand) Co., Ltd.
 Ozo Kata Co., Ltd.
 Ozo Pattaya Co., Ltd.
 Palang Ngan Sakol Co., Ltd.
 Palangthai Kaona Co., Ltd.
 Palit Palangan Co., Ltd.
 Pan African Mining Corporation Co., Ltd.
 Praram 9 Square Co., Ltd.
 PT. Thai Lindo Bara Pratama Co., Ltd.
 Sankyu Thai Co., Ltd.

Bhaka Bhumi Development Co., Ltd.
 C.P.K. International Co., Ltd.
 C.P.K. Plantation Co., Ltd.
 Chantaburi Country Club Co., Ltd.
 Dawei Development Corporation Co., Ltd.
 First Dhaka Elevated Expressway Co., Ltd.
 Future Property Investment Co., Ltd.
 Italian-Thai Development (Myanmar) Co., Ltd.
 Italian-Thai Hongsa Co., Ltd.
 Italian-Thai International Co., Ltd.
 Italian-Thai Land Co., Ltd.
 Italian-Thai Power Co., Ltd.
 ItalThai Holding Co., Ltd.

Saraburi Coal Co., Ltd.
 Saraburi Coal International Co., Ltd.
 Saraburi Construction Technology Co., Ltd.
 Sarithorn Co., Ltd.
 Siam Concrete Brick and Product Co., Ltd.
 Siam Machinery & Equipment Co., Ltd.
 Sin Rae Muang Thai Co., Ltd.
 Sino Lao Aluminum Co., Ltd.
 Southern Industry Co., Ltd.
 Sumarta Mining Development
 Thai Maruken Co., Ltd.
 Thai Pride Cement Co., Ltd.

4 Mr. Pathai Chakornbundit

Education:

Bachelor of Engineering, Chulalongkorn University, Thailand
 - Director Certificate Program (DCP) 56/2005

Director and Senior Executive Vice President:

Vice President of Risk Management Committee:

Italian-Thai Development PCL.

Director:

Italian-Thai Development PCL.
 APPC holding Co., Ltd.
 Aquathai Co., Ltd.
 Asia Industrial and Port Corporation Co., Ltd.
 Asia Logistics Development Co., Ltd.
 Asia Pacific Potash Corporation Co., Ltd.
 Bangkok Steel Wire Co., Ltd.
 Bhaka Bhumi Development Co., Ltd.
 First Dhaka Elevated Expressway Co., Ltd.
 Italian - Thai International SDN.BHD.
 Italian-Thai Development (Myanmar) Co., Ltd.
 Italian-Thai Hongsa Co., Ltd.
 ItalThai Marine Co., Ltd.

Age: 78 years old

Director Position:

Date of the first appointment: March 21, 2003
 Date of the latest appointment: April 25, 2018

ItalThai Trevi Co., Ltd.
 Myanmar Italian-Thai Power 1 Co., Ltd.
 Myanmar ITD Co., Ltd.
 Palangthai Kaona Co., Ltd.
 Palit Palangan Co., Ltd.
 PT Thailindo Bara Pratama Co., Ltd.
 Sarithorn Co., Ltd.
 Sin Rae Muang Thai Co., Ltd.
 Thai Maruken Co., Ltd.
 Thai Nippon Steel Engineering & Construction Co., Ltd.
 Thai Pride Cement Co., Ltd.
 IOT Joint Venture
 ITD-EGC Joint Venture

5 Mr. Tawatchai Suthiprapha

Education:

Bachelor of Engineering, Chulalongkorn University, Thailand
 - Director Accreditation Program (DAP) 48/2005
 - Finance for Non Finance Director
 - Sharing Forum on Financial Instrument for Directors

Director and Senior Executive Vice President:

Italian-Thai Development PCL.

Director:

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

Age: 77 years old

Director Position:

Date of the first appointment: March 24, 2005
 Date of the latest appointment: April 25, 2018

Saraburi Construction Technology Co., Ltd.
 Sarithorn Co., Ltd.
 Siam Steel Tower Co., Ltd.
 Thai Maruken Co., Ltd.
 Thai Pride Cement Co., Ltd.
 ITD - ETF - MVM Joint Venture
 ITD - SMCC Joint Venture

6	Mr. William Lee Zentgraf Education: A.B. (cum laude) Harvard College, USA Independent Director and Audit Committee: Italian-Thai Development PCL. Director: OHTL PCL.	Age: 80 years old Director Position: Date of the first appointment: March 24, 2005 Date of the latest appointment: April 25, 2019
7	Mr. Sai Wah Simon Suen Education: Master of Bussiness Management, Chaminade University of Honolulu, Hawaii, USA Bachelor of Bussiness Management, The University of Hawaii, Hawaii, USA Independent Director and Audit Committee: Italian-Thai Development PCL. Independent Director, Audit Committee and Chairman of Nomination and Remuneration Committee: Charoong Thai Wire & Cable PCL.	Age: 60 years old Director Position: Date of the first appointment: June 15, 2018 Date of the latest appointment: April 25, 2019
8	Mr. Virat Kongmaneerat Education: Bachelor of Engineering King Mongkut's University of Technology Thonburi, Thailand Executive Vice President: Italian-Thai Development PCL. Director: Thai Mozambique Ligistiga S.A.	Age: 66 years old
9	Mr. Anan Amarapala Education: Bachelor of Engineering, Chulalongkorn University, Thailand Executive Vice President: Italian-Thai Development PCL. Director: Asia Logistics Development Co., Ltd.	Age: 74 years old Asia Industrial and Port Corporation Co., Ltd.
10	Mr. Sumate Surabotsopon Education: Master of Engineering, King Mongkut's University of Technology Thonburi, Thailand Executive Vice President: Italian-Thai Development PCL. Director: First Dhaka Elevated Expressway Co., Ltd.	Age: 56 years old ITD Bangladesh Co., Ltd.
11	Mr. Thoranis Karnasuta Education: Bachelor of Industrial Engineering University of California, Berkeley, USA Director: Italian-Thai Development PCL. Siam Steel Syndicate PCL. Amari Co., Ltd. Executive Vice President, and Assistant to the President: Risk Management Committee: Italian-Thai Development PCL.	Age: 30 years old Director Position: Date of the first appointment: April 30, 2014 Date of the latest appointment: April 27, 2017 Italhai Real Estate Co., Ltd. LNG Plus International Co., Ltd. Thai Mozambique Logistica S.A.

<p>12 Mr. Peeti Karnasuta</p> <p>Education: Applied Economics, University of Saint Andrews, UK</p> <p>Director and Executive Vice President:</p> <p>Risk Management Committee: Italian-Thai Development PCL.</p> <p>Director: Italian-Thai Development PCL. Asia Thai Mining Co., Ltd. International Shipping Corporation Co., Ltd. Italian-Thai Power Co., Ltd. ITD Madagascar S.A Co., Ltd.</p> <p>Executive Director: Auo Siam Marine Co., Ltd.</p> <p>Managing Director: Amari Hotel & Resort Co., Ltd. Construction Concrete Co., Ltd.</p>	<p>Age: 39 years old</p> <p>Director Position: Date of the first appointment: March 24, 2008 Date of the latest appointment: April 25, 2019</p> <p>Myanmar Italian-Thai Power 1 Co., Ltd. Pan African Mining Corporation Pan Sakao Coal SA Saraburi Coal Co., Ltd.</p> <p>Intrinsic Resources Co., Ltd.</p>
<p>13 Ms. Prachaya Karnasuta</p> <p>Education: Master of Business Administration Hawaii Pacific University, USA</p> <p>Executive Vice President and Assistant to Director and Senior Executive Vice President: Italian-Thai Development PCL.</p> <p>Director: LNG Plus International Co., Ltd. Ao Po Grand Marina & Residence Co., Ltd. Ao Po Grand Marina Co., Ltd.</p>	<p>Age: 37 years old</p> <p>MSI Thailand Co., Ltd. Oriental Residence Bangkok Co., Ltd.</p>
<p>14 Mr. Piyachai Karnasuta</p> <p>Education: MBA of Civil Engineering, Waseda University, Japan</p> <p>Chairman of the Board of Directors: Italian-Thai Vietnam Development Co., Ltd. ITD Cementation India Co., Ltd.</p> <p>Executive Vice President: Italian-Thai Development PCL.</p> <p>Director: Italian-Thai Power Co., Ltd. Myanmar Italian-Thai Power 1 Co., Ltd. Siam Machinery & Equipment Co., Ltd.</p>	<p>Age: 45 years old</p> <p>ITD Construction SDN.BHD</p>
<p>15 Mr. Chatichai Chutima</p> <p>Education: Master of Economics from Ohio University, USA - Director Certification Program (DCP) 204/2015 - Director Accreditation Program (DAP) 67/2007 - Successful Formulation & Executive of Strategy 12/2001</p> <p>Executive Vice President (Finance) and Chief Financial Officer:</p> <p>Risk Management Committee: Italian-Thai Development PCL.</p> <p>Director: Siam Steel Syndicate PCL. ITD Bangladesh Co., Ltd.</p>	<p>Age: 60 years old</p> <p>Siam Pacific Electric Wire & Cable Co., Ltd.</p>

16	Mr. Sompop Pinijchai Education: M.B.A. of Finance, National Institute of Development Administration, Thailand Executive Vice President and Risk Management Committee: Italian-Thai Development PCL. Director: ItalThai Marine Co., Ltd.	Age: 63 years old
17	Mr. Woravudh Hiranyapaisarnsakul Education: MBA, Thammasart University, Thailand - Company Secretary Program 29/2009 - Effective Minute Taking 13/2009 Executive Vice President and Company Secretary: Italian-Thai Development PCL. Director and Secretary of Risk Management Committee: Italian-Thai Development PCL. Managing Director: Asia Pacific Potash Corporation Co., Ltd. * Please refer to the attachment for the Company Secretary's Qualification	Age: 59 years old
18	Mr. Prasit Ratanaramig Education: Bachelor of Engineering, Chulalongkorn University, Thailand Executive Vice President: Italian-Thai Development PCL.	Age: 69 years old
19	Mr. Kriengsak Kovadhana Education: Master of Engineering, LAMAR University, USA Executive Vice President: Italian-Thai Development PCL.	Age: 61 years old
20	Mr. Sakchai Puetpaiboon Education: Bachelor of Engineering, Prince of Songkla University, Thailand Executive Vice President: Italian-Thai Development PCL.	Age: 63 years old
21	Mr. Prasart Kosarussawadee Education: Bachelor of Engineering, Chulalongkorn University, Thailand Executive Vice President: Italian-Thai Development PCL. Director: Siam Steel Syndicate PCL. PT Thai Indo Bara Pratama Co., Ltd.	Age: 70 years old Thai Pride Cement Co., Ltd.
22	Mr. Wichien Roongrujirat Education: Master of Engineering, Asian Institute of Technology, Thailand Senior Vice President: Italian-Thai Development PCL.	Age: 61 years old
23	Mr. Prasert Sanor Education: MBA, Ramkhamhaeng University, Thailand Senior Vice President: Italian-Thai Development PCL.	Age: 56 years old

24 **Ms. Kanchana Charoenyot**

Age: 58 years old

Education:

Master of Business Administration (Finance and Banking)
Ramkhamhaeng University, Thailand

Senior Vice President (Accounting) and Chief Accountant:

Italian-Thai Development PCL.

Authority and Responsibility of the Company Secretary

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

1. Preparing and keeping the following documents:
 - a) A register of Directors
 - b) Notices calling for the Directors' Meetings, minutes of Board of Directors' Meetings, and the Annual Reports
 - c) Notices calling for Shareholders' Meetings and minutes of Shareholders' Meetings
2. Keeping a report on activities reported by the Directors or the Management, and submitting a copy of report according to Section 89/14 to the Chairman of the Board and Audit Committee Chairman for acknowledgement within seven days from the date the report is received.
3. Performing other duties as prescribed by the Capital Market Supervisory Board

Qualification of the Company Secretary

1. To have a comprehensive knowledge and understanding of the Company's business, including the roles and duties related to the work of the Company's secretary, for instance, duties of the Board and the Company, having sound knowledge of related laws and regulations, including the continuous pursuit of knowledge, and the follow-up of data and information for the development of work implementation.
2. The performance of duties in accordance with laws, rules and the Company's regulations, with responsibility, caution, integrity and determination, including lending support for the Company's operations, based on the Company's principles of good corporate governance and code of ethics, so that the Company may fulfill its goal.
3. To strictly adhere to virtue and morality, as well as take into account the interests of all groups of stakeholders, while not acting in a way that will cause damage to the Company's reputation and good image.
4. Not to promote self-interest through the Company's business opportunities, and to strictly maintain the Company's confidential details.
5. Have good human relations and an ability to coordinate with other work units or agencies both inside and outside the Company.

Number of Shares held by ITD Directors and Directors' Remuneration as of January 31, 2020

Name	Position	Number of Share as of January 31, 2019	Number of Share as of January 31, 2020	Change during the Year	Remuneration (Unit: Baht)
1. Dr. Krisorn Jittorntrum	Chairman of the Board of Directors	- 0 -	- 0 -	- 0 -	750,000 (1)
	Independent Director				
	Chairman of the Audit Committee				535,000 (2)
	Chairman of Risk Management Committee				15,000 (3)
2. Mr. Premchai Karnasuta	Director	663,223,626	628,213,626	(35,010,000)	580,000 (1)
3. Mrs. Nijaporn Charanachitta	Director	350,815,140	350,815,140	- 0 -	580,000 (1)
4. Mr. Pathai Chakornbundit	Director	69,540	69,540	- 0 -	580,000 (1)
	Vice Chairman of Risk Management Committee				10,000 (3)
5. Mr. Tawatchai Suthiprapha	Director	- 0 -	- 0 -	- 0 -	580,000 (1)
6. Mr. William Lee Zentgraf	Independent Director	- 0 -	- 0 -	- 0 -	580,000 (1)
	Audit Committee Member				415,000 (2)
7. Mr. Peeti Karnasuta	Director	463	463	- 0 -	580,000 (1)
	Risk Management Committee				10,000 (3)
8. Mr. Thoranis Karnasuta	Director	28,210,960	28,210,960	- 0 -	580,000 (1)
	Risk Management Committee				10,000 (3)
9. Mr. Sai Wah Simon Suen	Independent Director	- 0 -	- 0 -	- 0 -	580,000 (1)
	Audit Committee Member				415,000 (2)

Notes:

(1) the Board of Directors' Remuneration

(2) Audit Committees' Remuneration plus with bonus

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

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

The Annual Meeting of Audit Committee No.7/3/2020 was held on March 16, 2020 by presence of three members of Audit Committee. The Board of Directors has evaluated the sufficiency of the Company's Internal Control Systems by using the format of assessment of internal control of the Securities and Exchange Commission and enquiring information from the management comprising:

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

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

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

Related Party Transactions

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2019 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
1. Siam Steel Syndicate PCL. (Steel Bar Production)	<ul style="list-style-type: none"> - Related company - The Company holds 1.15% of the total outstanding shares of Siam Steel Syndicate Public Co., Ltd. - The Directors of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, and Mr. Peeti Karnasuta) and related persons of the Directors hold 89.27% of the total outstanding shares of Siam Steel Syndicate PCL. - The Directors of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, and Mr. Thoranis Karnasuta) are the Directors of Siam Steel Syndicate PCL. 	<ul style="list-style-type: none"> - Revenue from office rental, common area services and utilities, and sale of billet, scrap-iron, and construction services - Accounts receivable - Cost of construction services - Accounts payable 	<p>65.19</p> <p>6.85</p> <p>1,390.66</p> <p>304.09</p>	<ul style="list-style-type: none"> - Siam Steel Syndicate PCL. provided the office space, and common area services with 3-year rental contract. (The contract will be terminated on October 31, 2021). - The Company sold the scrap iron, provided the office spaces, and obtained the common area maintenance fee with 30-60 days of credit term. - The Company purchased the products from Siam Steel Syndicate PCL. 	<ul style="list-style-type: none"> - Ordinary business support transactions - Rental price and the common area maintenance fee are in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties. - Ordinary business transactions - Utility charges' price is the actual cost. - The transaction price is in accordance with the market-based pricing and on arm's length basis that the Company does with other third parties. - Ordinary business transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis that the Company does with other third parties.
2. ItalThai Industrial Co., Ltd. (Machines & Parts Trading)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta) and related persons of the Directors hold 8.37% of the total outstanding shares of ItalThai Industrial Co., Ltd. - The Directors and the Managements of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, Mr. Peeti Karnasuta, Ms. Prachaya Karnasuta, Mr. Thoranis Karnasuta, and Mr. Piyachai Karnasuta) and related persons of the Directors indirectly hold the 89.71% of the total paid-up shares of ItalThai Industrial Co., Ltd. via ItalThai Holding Company Co., Ltd. 	<ul style="list-style-type: none"> - Cost of machines, spare part, and maintenance expenses - Accounts payable 	<p>317.95</p> <p>73.71</p>	<ul style="list-style-type: none"> - The Company purchased machines, parts and maintenance services from ItalThai Industrial Co., Ltd. with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transactions - Spare parts, machines and maintenance expenses are in accordance with the market-based pricing and on arm's length basis that the Company does with other third parties.
<u>Transaction with Subsidiaries</u>					
- Dawei Development Co., Ltd.	- The Company purchased the machines, spare parts and maintenance services	- Accounts payable	3.60	- Dawei Development Co., Ltd and ItalianThai Hongsa Co., Ltd. purchased the machines, spare parts and maintenance services from ItalThai Industrial Co., Ltd. with 30-60 days of credit term.	- Ordinary business support transactions
- Italian-Thai Hongsa Co., Ltd.	- The Company purchased the machines, spare parts and maintenance services	<ul style="list-style-type: none"> - Accounts payable - Cost of spare parts and maintenance expenses 	<p>10.48</p> <p>11.93</p>		- Spare parts, machines and other expenses are in accordance with the market-based pricing on arm's length basis that Italian-Thai Hongsa Co., Ltd. does with other third parties.

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2019 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
3. ItalThai Engineering Co., Ltd. (Construction and Installation of Gas and Air Conditioning Systems)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, Mr. Peeti Karnasuta, Ms. Prachaya Karnasuta, Mr.Thoranis Karnasuta, and Mr. Piyachai Karnasuta) and related persons of the Directors indirectly hold 95.53% of the total outstanding shares of ItalThai Engineering Co., Ltd. via ItalThai Holding Company Co., Ltd. and Sak Di Sin Prasit Co., Ltd. 	<ul style="list-style-type: none"> - Accounts payable - Cost of the construction services - Accounts receivable 	<ul style="list-style-type: none"> 544.84 920.19 31.27 	<ul style="list-style-type: none"> - The Company hired ItalThai Engineering Co., Ltd. to install the electric and communication systems and the construction. - The Company constructed the High Voltage Station Project, Patthalung Province (Civil works). 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis that the Company did with other third parties. - Ordinary business transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
4. Auo-Po Grand Marina Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Director of the Company (Mr. Premchai Karnasuta) indirectly holds 90% of the total outstanding shares of Auo-Po Grand Co., Ltd. via 3B Holding Co., Ltd. - The Director of the Company (Mr. Premchai Karnasuta) is the Director of Auo-Po Grand Marina Co., Ltd. 	<ul style="list-style-type: none"> - Accounts receivable 	<ul style="list-style-type: none"> 62.53 	<ul style="list-style-type: none"> - The Company provided the jetty and Yacht Club construction services at Auo-Po, Phuket Province. (Provision for losses in excess of 12 months in the amount of Baht 38.66 million) 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties. - Auo-Po Grand Marina Co., Ltd. has a repayment plan and gradually paid debt upon its financial capabilities. [remark: It is in the process of following up the debt repayment plan]
5. Pan African Mining Corp. (Holding Company)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta) indirectly hold 90% of the total outstanding shares of Pan African Mining Corp via Asia Thai Mining Co., Ltd. - The Directors of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, and Mr. Peeti Karnasuta) are the Directors of Pan African Mining Corp. 	<ul style="list-style-type: none"> - Accounts receivable 	<ul style="list-style-type: none"> 103.57 	<ul style="list-style-type: none"> - The Company provided the project management services for SAKOA Coal Mine Project in Madagascar with 30-60 days of credit term. - Provision for losses in the amount of Baht 103.57 million 	<ul style="list-style-type: none"> - Ordinary business support transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
6. Asia Thai Mining Co.,Ltd. (Holding Company & Coal Mine)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta) indirectly hold 90% of the total outstanding shares of Asia Thai Mining Co., Ltd. via Palang Ngan Sakol Co., Ltd. and Saraburi Coal Co., Ltd. - The Directors of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, and Mr. Peeti Karnasuta) are the Directors of Asia Thai Mining Co., Ltd. 	<ul style="list-style-type: none"> - Sales cost - Accounts payable 	<ul style="list-style-type: none"> 288.76 55.59 	<ul style="list-style-type: none"> - Thai Pride Cement Co.,Ltd purchased the coal from Asia Thai Mining Co., Ltd. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis that Thai Pride Cement Co., Ltd. does with other third parties.

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2019 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
7. PAM SAKOA COAL SA. (Coal Mine)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta) indirectly hold 89.73% of the total outstanding shares of PAM SAKOA COAL SA via Asia Thai Mining Co., Ltd. - The Director of the Company (Mr. Peeti Karnasuta) is the Director of PAM SAKOA COAL SA. 	<ul style="list-style-type: none"> - Accounts receivable - Short term loan and advance payment 	<ul style="list-style-type: none"> 54.48 13.85 	<ul style="list-style-type: none"> - ITD Madagascar provided the consultancy service for coal mining project of PAM SAKOA COAL SA in Madagascar. (Provision for losses in the amount of Baht 54.48 million) - Advance payment for Import duty of Machinery and expenses for Mining Coal Project. (Provision for losses in the amount of Baht 13.85 million) 	<ul style="list-style-type: none"> - Ordinary business support transactions - The service fee was in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties. - Providing or receiving financial assistance - The amount is the import fee on behalf of the project owner (PAMS) to ITD Madagascar and in a precess of TAX benefits approval. Once the Government issued BOI to PAMS, PAMS would regain the paid-up tax and advance. Then, it would return the regained tax ITD Madagascar.
8. LNG Plus International Co., Ltd. (Manufacture and distribution of electricity)	<ul style="list-style-type: none"> - Related company - The Directors and the Managements of the Company (Mr. Premchai Karnasuta, Ms. Prachaya Karnasuta and Mr. Thoranis Karnasuta) hold 0.0008% of the total outstanding shares of LNG Plus International Co., Ltd. - The Directors and the Managements of the Company (Mr. Premchai Karnasuta, Mr. Peeti Karnasuta, Mr. Thoranis Karnasuta and Ms. Prachaya Karnasuta) indirectly hold 60% of the total outstanding shares of LNG Plus International Co., Ltd. via 3B Holding Co., Ltd. - The Director of the Company (Mr. Thoranis Karnasuta) is the Director of LNG Plus International Co., Ltd. 	<ul style="list-style-type: none"> - Accounts payable - Accounts payable 	<ul style="list-style-type: none"> 4.89 20.00 	<ul style="list-style-type: none"> - The Company purchased the Electricity for Dawei Industrial Estate Project. - The Compensation for breach a contract of Dawei Project with 30-60 days of credit term. 	<ul style="list-style-type: none"> - The transaction price is based on Take or Pay Agreement.
9. Construction Concrete Co., Ltd. (Concrete Trading) Transaction with Subsidiaries Thai Pride Cement Co., Ltd. (Manufacture and distribution of cement)	<ul style="list-style-type: none"> - Related company - The Director of the Company (Mr. Peeti Karnasuta) holds 99.99% of the total outstanding shares of Construction Concrete Co., Ltd. - The Director of the Company (Mr. Peeti Karnasuta) is the Director of Construction Concrete Co., Ltd. 	<ul style="list-style-type: none"> - Cost of construction services - Accounts payable - Accounts receivable 	<ul style="list-style-type: none"> 149.31 37.24 33.14 	<ul style="list-style-type: none"> - The Company purchased concrete from Construction Concrete Co., Ltd. with 60 days of credit term. - Thai Pride Cement Co., Ltd. sold the cement powder to Construction Concrete Co., Ltd. with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis that the Company does with other third parties. - Ordinary business transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis that Thai Pride Cement Co., Ltd. does with other third parties.
10. Charoong Thai Wire and Cable PCL. (CTW) (Wire and Cable Manufacture and Distributor)	<ul style="list-style-type: none"> - Related company - The Company holds 12.90% of the total outstanding shares of CTW. - The Directors of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta and Mr. Sai Wah Simon Suen) are the Directors of CTW. 	<ul style="list-style-type: none"> - Cost of construction services - Accounts payable - Revenue from construction service 	<ul style="list-style-type: none"> 126.29 177.61 6.62 	<ul style="list-style-type: none"> - The Company purchased the raw material from Charoong Thai Wire and Cable PCL. with 30-60 days of credit term. - The Company provided the construction for area adjustment with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis that the Company does with other third parties. - Ordinary business transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2019 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
11. Nishi-O Rent All (Thailand) Co., Ltd. (Machine rental for construction) (Former name : Thai Rent All Co., Ltd.)	<ul style="list-style-type: none"> - Related company - The Company holds 15% of the total outstanding shares of Nishi-O Rent All (Thailand) Co., Ltd. - The Directors of the Company (Mr. Premchai Karnasuta and Mrs.Nijaporn Charanachitta) are the Directors of Nishi-O Rent All (Thailand) Co., Ltd. 	<ul style="list-style-type: none"> - Cost of construction services - Accounts payable 	<p>151.8</p> <p>154.02</p>	<ul style="list-style-type: none"> - The Company rented the machines from Nishi-O Rent All (Thailand) Co., Ltd. with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties.
12. Praram 9 Square Co., Ltd. (Department Store Development)	<ul style="list-style-type: none"> - Related company - The Company holds 6.32% of the total outstanding shares of Praram 9 Square Co., Ltd. - The Directors of the Company (Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta) are the Directors of Praram 9 Square Co., Ltd. 	<ul style="list-style-type: none"> - Accounts receivable 	<p>34.15</p>	<ul style="list-style-type: none"> - The Company provided the construction services for steel reinforcement to G Tower, the Grand Rama 9 project with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
13. Amari Pattaya Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, Mr. Peeti Karnasuta, and Mr. William Lee Zentgraf) and related persons of the Directors indirectly hold 77.21% of the total outstanding shares of Amari Pattaya Co., Ltd. via Amari Co., Ltd. and Baan Rao Holding Co., Ltd. - The Director of the Company (Mrs. Nijaporn Charanachitta) is the Director of Amari Pattaya Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from construction - Accounts receivable 	<p>12.83</p> <p>13.82</p>	<ul style="list-style-type: none"> - The Company provided the construction service to Amari Orchid Pattaya with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
14. Ozo Pattaya Co., Ltd. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Director of the Company (Mrs. Nijaporn Charanachitta) and related persons of the Directors indirectly hold 46.76% of the total outstanding shares of Ozo Pattaya Co., Ltd. via Sak Di Sin Prasit Co., Ltd. - The Director of the Company (Mrs. Nijaporn Charanachitta) is the Director of Ozo Pattaya Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from services - Accounts receivable 	<p>197.21</p> <p>32.27</p>	<ul style="list-style-type: none"> - The Company provided the construction service to Ozo Pattaya hotel with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
15. C.P.K. Plantation Co., Ltd. (Manufacturing and Distributing winter fruits and vegetables)	<ul style="list-style-type: none"> - Related company - The Directors of the Company (Mr. Premchai Karnasuta, Mrs.Nijaporn Charanachitta, Mr. Peeti Karnasuta and Mr.Thoranis Karnasuta) and related persons of the Directors held the amount of 48.75 from the total outstanding shares of C.P.K. Plantation Co., Ltd. - The Directors of the Company (Mr. Premchai Karnasuta and Mrs.Nijaporn Charanachitta) are the Director of C.P.K. Plantation Co., Ltd. 	<ul style="list-style-type: none"> - Product costs 	<p>4.02</p>	<ul style="list-style-type: none"> - The Company purchased products from C.P.K. Plantation Co., Ltd. for new year gifts with 30-60 days of credit term 	<ul style="list-style-type: none"> - Ordinary business support transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties.

Company	Description of Relations	Transactions	The Value of Transactions ending Dec 31, 2019 (Million Baht)	Details of Transactions	Necessity and Reasonableness of Connected Transactions
16. OHTL PCL. (Hotel and Resort)	<ul style="list-style-type: none"> - Related company - The Directors and Managements of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, Ms. Prachaya Karnasuta and Mr. Piyachai Karnasuta) and related persons of the Directors and Managements hold 30.45% of the total paid-up shares of OHTL PCL. - The Directors of the Company (Mrs. Nijaporn Charanachitta and Mr. William Lee Zentgraf) are the Directors of OHTL PCL. 	<ul style="list-style-type: none"> - Amount received in advance for construction work (Accounts payable) - Revenue from services - Accounts receivable 	4.31 191.91 25.15	<ul style="list-style-type: none"> - The Company provided the construction and renovation service to Mandarin Oriental, Bangkok in residential rooms, restaurant and conventions with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the cost plus margi pricing and on arm's length basis by similarity to any transactions done with other third parties.
17. Ms. Prachaya Karnasuta	<ul style="list-style-type: none"> - The Managements of the Company (Mr. Premchai Karnasuta's daughter) 	<ul style="list-style-type: none"> - Revenue from construction - Accounts receivable 	25.87 30.42	<ul style="list-style-type: none"> - The Company provided the construction servcie to Ms. Prachaya Karnasuta's house with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties.
18. Siam Machinery and Equipment Co., Ltd. (Construction Equipment Manufacturing)	<ul style="list-style-type: none"> - Related company - The Directors and Management of the Company (Mr. Premchai Karnasuta, Mrs. Nijaporn Charanachitta, and Mr. Piyachai Karnasuta) and related persons of the Directors and Management hold 85.71% of the total paid-up shares of Siam Machinery and Equipment Co., Ltd. - The Directors of the Company (Mr. Premchai Karnasuta and Mrs. Nijaporn Charanachitta) are the Director of Siam Machinery and Equipment Co., Ltd. 	<ul style="list-style-type: none"> - Revenue from selling scrap materials - Cost of construction services - Accounts payable 	8.86 5.67 4.41	<ul style="list-style-type: none"> - The Company sold the scrap metal with 30-60 days of credit term. - The Company hired Siam Machinery and Equipment Co., Ltd. to be casting Galvanezeo Grouting Hole 2 Wing with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transactions - The transaction price is in accordance with the cost plus margin pricing and on arm's length basis by similarity to any transactions done with other third parties. - Ordinary business transactions - The transaction price is in accordance with the market-based pricing and on arm's length basis by similarity to any transactions done with other third parties.
19. Group of Mrs. Pilaijit Roengpittaya	<ul style="list-style-type: none"> - Related person (Mr. Premchai Karnasuta's and Mrs. Nijaporn Charanachitta's sister) 	<ul style="list-style-type: none"> - Land lease fee - Outstanding dues 	6.36 58.89	<ul style="list-style-type: none"> - ItalThai Marine Co., Ltd. leased land from the group of Mrs. Pilaijit Roengpittaya with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transactions - The leasing fee is in accordance with the market-based pricing and on arm's length basis by similarity to any transactions ItalThai Marine Co., Ltd. done with other third parties.
<u>Transaction with Subsidiaries</u>					
- ItalThai Marine Co., Ltd. (Ship Building and Repair)					
20. Partnership of Mrs. Preeya Karnasuta	<ul style="list-style-type: none"> - Related person (Mr. Piyachai Karnasuta's mother) 	<ul style="list-style-type: none"> - Land lease fee - Outstanding dues 	3.89 14.92	<ul style="list-style-type: none"> - ItalThai Marine Co., Ltd. leased land from the Partnership of Mrs. Preeya Karnasuta with 30-60 days of credit term. 	<ul style="list-style-type: none"> - Ordinary business support transactions - The leasing fee is in accordance with the market-based pricing and on arm's length basis by similarity to any transactions ItalThai Marine Co., Ltd. done with other third parties.
<u>Transaction with Subsidiaries</u>					
- ItalThai Marine Co., Ltd. (Ship Building and Repair)					

Summary of Financial Information

(1) Financial Statement of The Company Only

Description	Unit : Year	2019	2018*	2017*
Total Assets	Million Baht	85,677	79,561	69,186
Share Capital	Million Baht	5,280	5,280	5,280
Shareholder's Equity	Million Baht	13,679	14,099	14,139
Revenues from Construction Work, Sales and Services	Million Baht	44,880	42,310	37,913
Gross Profit	Million Baht	3,824	3,220	2,744
Net Profit after Tax	Million Baht	51	153	101
EBITDA	Million Baht	4,423	3,854	2,879
EPS	Baht	0.01	0.03	0.02
Book Value	Baht	2.59	2.67	2.68
Par Value	Baht	1	1	1
DPS	Baht	0.00	0.01	0.00
DPS x 100 EPS	%	0.00	49.83	0.00

(2) Financial Statements of Consolidated

as of 31 st December	Unit : Year	2019	2018*	2017*
Total Assets	Million Baht	103,790	98,015	87,829
Total Liabilities	Million Baht	88,108	81,544	73,057
Total Shareholder's Equity	Million Baht	15,682	16,470	14,773
Revenues from Construction Work, Sales and Services	Million Baht	62,221	60,644	55,096
Total Revenues	Million Baht	63,007	61,730	56,079
Gross Profit	Million Baht	6,518	6,561	6,573
Net Profit (Loss)**	Million Baht	(37)	306	413
EBITDA	Million Baht	6,668	6,792	5,886

(3) Financial Ratios and Reslts of Operation of the Company and its Subsidiaries for 3 years

	Unit	2019		2018*		2017*	
		Consolidated	Separate	Consolidated	Separate F/S	Consolidated	Separate F/S
		F/S	F/S	F/S		F/S	
Current Ratio							
Current Ratio	Times	0.92	0.88	1.07	1.11	1.06	1.09
Quick Ratio	Times	0.36	0.38	0.33	0.35	0.33	0.36
A/R Turnover	Times	3.94	3.07	4.76	3.64	4.89	3.74
Collection Period	Days	91.30	117.40	75.66	98.84	73.58	96.26
Inventory Turnover	Times	11.13	12.97	12.58	14.59	15.00	18.50
Return on Sales	Days	32.35	27.76	28.63	24.68	23.99	19.46
A/P Turnover	Times	3.26	2.83	3.96	3.72	3.53	3.91
Payment Period	Days	110.54	127.24	90.82	96.73	101.84	92.16
Cash Cycle	Days	13.11	17.92	13.47	26.79	(4.27)	23.55
Profitability Ratio							
Gross Profit	%	10.48	8.52	10.82	7.61	11.90	7.24
Net Profit	%	(0.06)	0.11	0.50	0.35	0.73	0.26
Return on Equity	%	(0.23)	0.37	1.96	1.08	2.84	0.71
Efficiency Ratio							
Return on Assets	%	(0.04)	0.06	0.33	0.21	0.50	0.16
Return on Fixed Assets	%	12.67	12.91	15.57	16.34	14.71	14.66
Assets Turnover	Times	0.62	0.58	0.66	0.58	0.68	0.60
Financial Ratio Analysis							
Debt to Equity	Times	5.62	5.26	4.95	4.64	4.95	3.89
Interest Coverage	Times	3.08	5.32	2.06	2.21	1.72	1.47
Dividend Payout Ratio	%	0.00	0.00	24.88	49.83	0.00	0.00
Debt to Equity (Under Terms and Conditions of Bond Issuer and Bond Holders)***	Times	2.53	2.54	2.58	2.54	2.47	2.07
Data per Share and Growth Ratio of Business							
Growth Ratio							
Total Assets	%	5.89	7.69	11.60	3.07	12.43	3.07
Total Liabilities	%	8.05	9.98	11.62	4.40	14.53	4.40
Revenues from Construction Services	%	2.60	6.08	9.79	(15.74)	16.73	(15.74)
Cost of Services	%	2.99	5.03	11.13	(14.51)	13.70	(14.51)
Net Earning	%	(112.22)	(66.74)	(25.94)	(48.21)	477.64	(48.21)
Data per Share							
Book Value	Baht	2.97	2.59	3.12	2.67	2.80	2.68
EPS	Baht	(0.01)	0.01	0.06	0.03	0.02	0.02
Dividend per Share	Baht	0.00	0.00	0.01	0.01	0.00	0.00

Note: * Restated

** Net income (loss) in the portion of the Company's shareholders

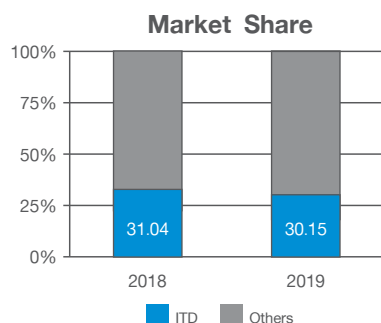
*** the Debt to Equity (Under Terms and Conditions of Bond Issuer and Bond Holders) of 2019 was calculated base on the amended definition which approved by Bond Holders meeting.

Management's Discussion and Analysis of Results of Operations and Financial Condition at December 31, 2019

1. Overview

1) Results of operation and factors of major changes

Market share 30.15% in 2019



As of December 31, 2019, backlog for construction and concession Baht 260,161 million, the backlog for construction Baht 112,225 million was in public sector 70.25% and in Thailand 71.11%

ITD is considered to be a large civil engineering and construction firm on the Stock Exchange of Thailand as measured by total revenues of construction companies listed on the Stock Exchange of Thailand (SET). The Company's market share of the total construction industry revenues was 30.15% and 31.04% in year ended 2019 and the year ended 2018, respectively. In 2019, the total revenue of the Company was Baht 63,007 million which was mainly the revenue from construction services and the allocation of loss under the portion of the Company's shareholders in the amount of Baht 37 million.

As at December 31, 2019 the Company's backlog for construction and concession was Baht 260,161 million, compared to Baht 297,489 million in December 31, 2018. In addition to the Company's backlog at December 31, 2019, as at February 14, 2020 the Company has signed new contracts valued at Baht 6,137 million and has been awarded, but has yet to sign, contracts for a further Baht 5,394 million. The Company's current backlog, therefore, has an accumulated value of Baht 271,692 million.

As at December 31, 2019, the backlog for construction (by Italian-Thai Development Public Company Limited, joint ventures, consortium and subsidiaries with the Company's role) was Baht 112,225 million, of which over 70.25% comprised public sector infrastructure development and 71.11% comprised work in Thailand.

In 2019, the Company signed new large construction contracts which will increase the future revenues such as:

- The Elevate Highway at Highway Route No.35 Project (Section3) Baht 2,328 million
- The Medical and Rehabilitation Building for Police Project Baht 1,921 million
- The Site Preparation and Utilities for EECi@Wangchan Valley Project Baht 1,395 million
- The Structure and Architecture Works for Terminal 21, Rama 3 Project Baht 1,215 million
- The Signaling and Telecommunications for the Double Track Railway Project, Map Kabao – Thano Chira Junction Section Project 1,051 million

2) Economic and industry conditions to operation

The GDP of Thai economy in 2019 had been expanded to 2.4% and GDP of the construction industry increased to 2.0%. The Company had turnover more than Baht 60,000 million and expected the up-coming projects from public sector such as the 3rd Runway of Suvarnabhumi Airport, the hospital building project, the educational institution building project and the Leam Chabang phase 3 project will lift up the Company's turnover in case winning those projects.

3) Policy, strategy or option to business decisions

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

Strategy:

- Build credibility and trust of the Company through quality and On-time delivery work.
- Develop and innovate construction technology by using advanced techniques.
- Develop and enhance the management of the organization while continually modernizing its human resources.

The Company also aims at supporting and developing projects such as

- The Dawei SEZ project in Myanmar
- The Potash project in Udon Thani
- The Port and Railway Construction Services project in the Republic of Mozambique
- The Bauxite Mining and Production of Alumina project in Lao PDR

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

4) Explanation by business segments

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

	Consolidated F/S													
	For the years ended 31 December													
	Thailand		India		Bangladesh		Other countries		Total		Eliminate		Grand total	
(Unit: Million Baht)	2562	2561	2562	2561	2562	2561	2562	2561	2562	2561	2562	2561	2562	2561
Revenue from construction work	37,960	36,410	12,800	13,883	5,537	4,653	427	1,098	56,724	56,044	(1,265)	(1,280)	55,459	54,764
Revenue from sale and service	5,907	4,748	-	-	-	-	2,448	2,379	8,355	7,127	(1,592)	(1,247)	6,763	5,880
Total	43,867	41,158	12,800	13,883	5,537	4,653	2,875	3,477	65,079	63,171	(2,857)	(2,527)	62,222	60,644

In 2019, the Company had the revenues from construction work and revenues from sale and service totally Baht 62,222 million. The major revenues were the revenues from construction work Baht 55,459 million and the revenues from sale and service Baht 5,763 million mainly from the increase of revenues from construction work under various projects in Thailand such as the Nong Faab, LNG Receiving Terminal project, the Bang Pakong Combined Cycle Power Plant project, the One Bangkok Mixed-Use (Substructure) project, the Track Doubling project: Map Kabao – Thanon Chira Junction C1 project, and the Overburden Excavation – Removal, and Coal Extraction at Mae Moh Mine Contract 9 project.

5) Auditor's opinion

In Note 8 to the financial statements, as at 31 December 2019, the consolidated financial statements include trade accounts receivable of an overseas subsidiary of Baht 238 million (net allowance for impairment of Baht 46 million) which is in the process of collection under a debt settlement plan. The Company's management believes that such amount can be realized and that the allowance for impairment recognized in the financial statements based on the discounted cash flows from the collection plan of such receivable is adequate and appropriate. The auditor is unable to assess the potential impact (if any) to such outstanding balances and cannot determine the effect to the consolidated financial statements.

The consolidated financial statements include trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 122 million and Baht 63 million, respectively, representing receivable from and work done for a customer presently facing liquidity constraints. The subsidiary's management has been negotiating/ discussing with the customer for debt collection and believes that such amount can be realized in full. The subsidiary company therefore does not set up allowance for impairment of receivable in the financial statements. The auditor is unable to assess the potential impact (if any) to such outstanding balances and cannot determine the effect to the consolidated financial statements.

In Note 15 to the financial statements, during the year, an overseas subsidiary increased its shares capital by issuing new common shares at par value to the Company and new investors totaling Baht 1,287 million. As a consequence of the restructuring of shareholders and the completeness of shares capital increase, the Company losses control, but still has significant influence over such subsidiary. The management therefore classified the retaining interest in such company as investment in associated company and recognizes the initial value of investment by using the book value of net assets at the date that the Company lost control from the change in shareholding interest. The subsidiary's management is in process of determining the fair value of the subsidiary's net assets to assess the possible impact from change in status of such investment which difference in fair value has to be recognized in the consolidated statement of profit or loss for the year. In addition, the subsidiary's management must determine whether such increase of shares capital is considered a share-based payment under TFRS 2 "Share-based Payments" or not. The Company is unable to assess the potential impact (if any) to the consolidated financial statements from such matter which outcome cannot presently be concluded.

In Note 15.3 to the financial statements, the consolidated financial statements for the year ended 31 December 2019 included investment in joint venture accounted for by the equity method of Baht 179 million in the consolidated statements of financial position and included share profit accounted for under the equity method of Baht 65 million in the consolidated statement of profit or loss. Such financial statements were based on the financial information compiled by the management of the joint venture which had not been audited by the auditor since the joint venture and its employer have disputed regarding the termination of construction contract and are in process of negotiation for the realizable value of assets and current obligation in liabilities and contingent liabilities. The Joint Venture's management is unable to assess the potential impact (if any) from the termination of such construction contract which outcome cannot presently be concluded.

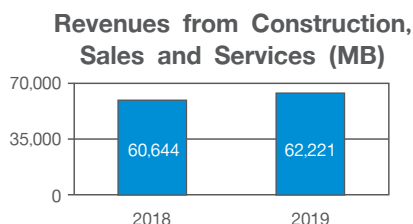
6) Extraordinary items

In 2019, the Company's employee benefits expenses – past service costs were Baht 311 million according to the Labor Protection Act required the Company pay compensation, if an employee work consecutively period of 20 years or more, employees has right to receives severance payment of 400 days of wages at the most recent rate. and the Company's allowance for doubtful accounts were Baht 94 million, a decrease of Baht 48 million from the previous year, of which in this period mainly from the contract-disputed debtor and the overdue debtors.

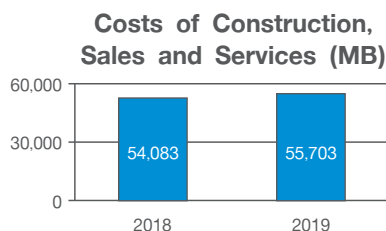
For more information of conducting business, please find them under topic of the policy and business overview and topic of the nature of business.

2. Operations Results and Profitability

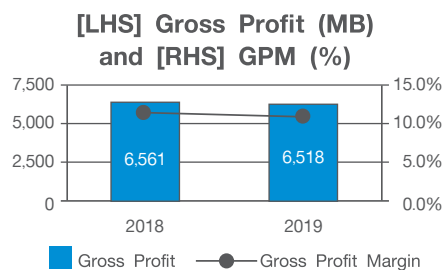
Revenues from construction work, sales and services Baht 62,221 million in 2019 increased 2.60% y-o-y



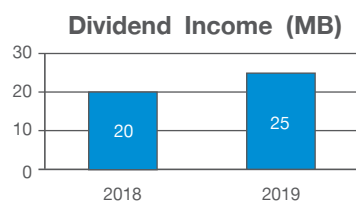
Costs of construction work, sales and services Baht 55,703 million in 2019 increased 2.99% y-o-y



Gross profit Baht 6,518 million and gross profit margin 10.48% in 2019



Dividend income Baht 25 million in 2019 increased 27.12% y-o-y



Revenues from construction Work, sale and services

In 2019 the Company's revenues from construction work, sales and services were Baht 62,221 million, an increase of Baht 1,578 million from the previous year partially from the increase of revenue from the progress of large projects such as the Nong Faab, LNG Receiving Terminal project, the Bang Pakong Combined Cycle Power Plant project, the One Bangkok Mixed-Use (Substructure) project, the Track Doubling project: Map Kabao – Thanon Chira Junction C1 project, and the Overburden Excavation – Removal, and Coal Extraction at Mae Moh Mine Contract 9 project.

Costs of construction work, sale and service

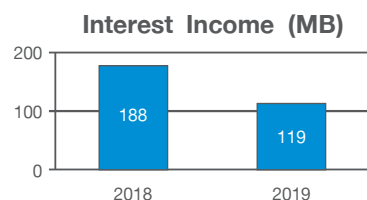
In 2019 the Company's costs of construction work, sales and services were Baht 55,703 million, an increase of Baht 1,620 million from the previous year in way of the increase of the revenues from construction work.

In 2019 the Company's gross profit was Baht 6,518 million, a similar when compare to the previous year for which the gross profit was Baht 6,561 million. While the Company's gross profit margin in 2019 was 10.48%, a similar when compared to the previous year for which the gross profit margin was 10.62%.

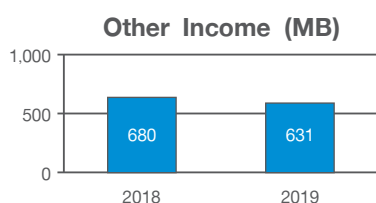
Dividend Income

In 2019 the Company's dividend income was Baht 25 million, an increase of Baht 5 million from the previous year mainly from the increase of dividend income from the investments in the Stock Exchange of Thailand.

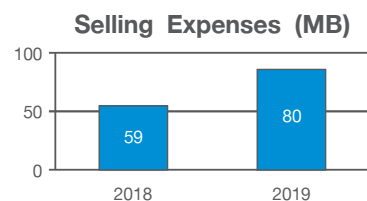
Interest Income Baht 119 million in 2019 decreased 36.36% y-o-y



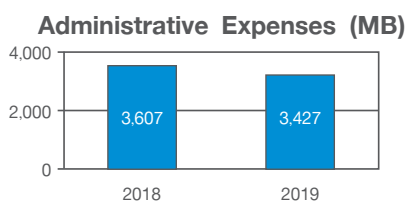
Other income Baht 631 million in 2019 decreased 7.23% y-o-y



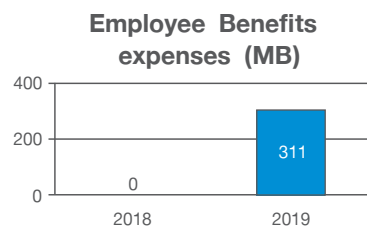
Selling expenses Baht 80 million in 2019 increased 34.35% y-o-y



Administrative expenses Baht 3,424 million in 2019 decreased 5.07% y-o-y



Employee benefits expenses Baht 311 million in 2019 increased 100% y-o-y



Interest Income

In 2019 the Company's interest income was Baht 119 million, a decrease of Baht 68 million from the previous year because in this period there is no interest income on penalty charge to the delayed payment customer.

Other income

In 2019 the Company's other income were Baht 631 million, a decrease of Baht 49 million from the previous year according to the decrease of other income of subsidiaries.

Selling Expenses

In 2019 the Company's selling expenses were Baht 80 million, an increase of Baht 20 million from the previous year according to the sale promotion of subsidiaries.

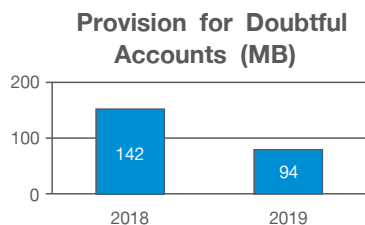
Administrative Expenses

In 2019 the Company's administrative expenses were Baht 3,424 million, a decrease of Baht 183 million from the previous year partially from the decrease of administrative expenses of the oversea subsidiary.

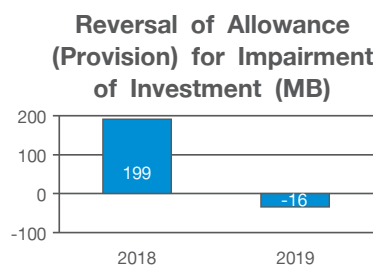
Employee Benefits Expenses – Past Service Costs

In 2019 the Company's employee benefits expenses – past service costs were Baht 311 million according to the Labor Protection Act required the Company pay compensation, if an employee work consecutively period of 20 years or more, employees has right to receives severance payment of 400 days of wages at the most recent rate.

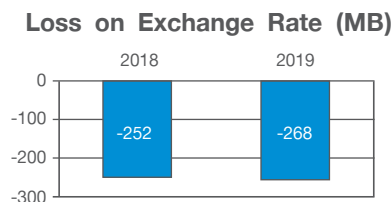
Provision for doubtful accounts Baht 94 million in 2019 decreased 33.96% y-o-y



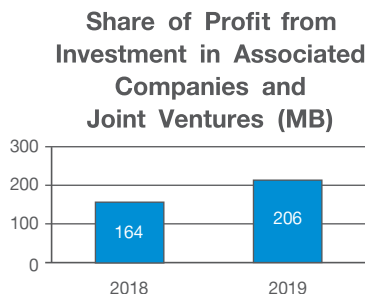
Provision for impairment of investments Baht 16 million in 2019 provision increased 108.18% y-o-y



Loss on exchange rate Baht 268 million in 2019 loss increased 6.41% y-o-y



Share of profit from investment in associated companies Baht 206 million in 2019 increased 25.31% y-o-y



Provision for doubtful accounts

In 2019 the Company's provision for doubtful accounts were Baht 94 million, a decrease of Baht 48 million from the previous year. The provisions in this period were partially from the contract-disputed debtor and the overdue debtors.

Provision for Impairment of Investments

In 2019 the Company's provision for impairment of investments were Baht 16 million, an increase of provision Baht 215 million from previous year. The provisions in this period were from the provision of some invested entities by the Company had negative equity.

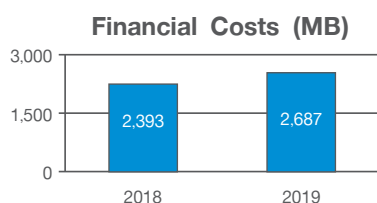
Loss on exchange rate

In 2019 the Company's loss on exchange rate was Baht 268 million, a decrease of Baht 16 million from the previous year. The loss in this period was partially from the depreciation of Indonesia Rupiah against Baht which the said depreciation rate less than the rate in previous year then loss was lower.

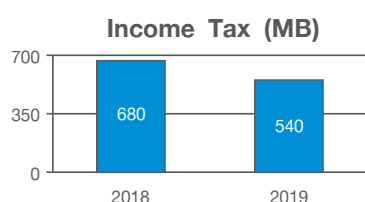
Share of profit from investment in associated companies and joint ventures

In 2019 the Company's share of profit from investment in associated companies were Baht 206 million, an increase of Baht 42 million from the previous year partially from the share of profit in the oversea joint ventures.

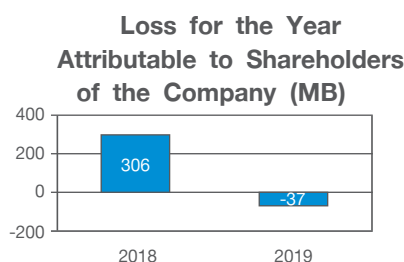
Financial Cost Baht 2,687 million in 2019 increased 12.29% y-o-y



Income tax expense Baht 540 million in 2019 decreased 20.57% y-o-y



Loss for the period attributable to equity holders of the Company Baht 37 million in 2019 loss increased 112.22% y-o-y



Financial Costs

In 2019 the Company's financial costs were Baht 2,687 million, an increase of Baht 294 million from the previous year according to the increase of interest expenses from project financing.

Income tax expense

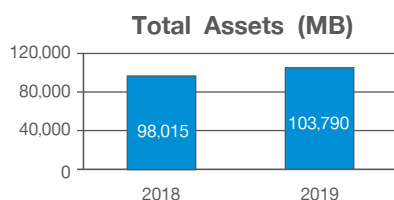
In 2019 the Company's income tax expense was Baht 540 million, a decrease of Baht 140 million from the previous year mainly from the decrease of the income tax in the oversea subsidiary.

Loss for the period attributable to shareholders of the Company

As a result of the foregoing, in 2019 the Company's loss for the period attributable to equity holders of the company were Baht 37 million, an increase of loss Baht 343 million from the previous year.

3. Assets Management Abilities

Total assets Baht 103,790 million at the year ended 2019 increased 5.89% y-o-y



Total assets

The Company's total assets were Baht 103,790 million in 2019, an increase of Baht 5,775 million from 2018, or by approximately 5.89% because, in 2019, the Company's current assets was Baht 53,391 million, an increase of Baht 1,491 million from 2018, or by approximately 2.87%. It was mainly from the increase of the trade accounts receivable and the retentions receivable. At the year ended 2019, the Company's non-current assets were Baht 50,399 million, an increase of Baht 4,284 million from 2018, or by approximately 9.29% according to the purchase of new equipment for operation.

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

The gross trade accounts receivable-unrelated parties as at December 31, 2019 was Baht 16,632 million. The Company already set up the allowance for doubtful account Baht 954 million and the net trade accounts receivable-unrelated parties was Baht 15,678 million, an increase of Baht 5,165 million from 2018, or approximately 49.14%. It was partially from the increase of the accounts receivable on the Setellite Building (B2, B1 & Ground Fl. Level), Aircraft Aprons and Sounth Tunnel Extension for Suvarnabhumi Airport Expansion project, the MRT Blue Line Extension project Contract 1: Underground Civil Works (Hua Lamphong-Sanam Chai Section), the MRT project in Bangkok (Red Line), Contract 2: Civil Works for Bang Sue – Rangsit and the Nong Faab LNG Receiving Terminal project.

For the receivable ages more than 12 months as at December 31, 2019 was Baht 2,706 million, an increase of Baht 1,525 million, or approximately 129.24% mainly because of not receiving payments for amounts billed in respect of a portion of construction work from a State Enterprise totaling Baht 825 million which had been held unpaid by the employer since the Company was not able to complete some parts of construction work following the milestones plan.

Receivable Ages (Unit: Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Less than 3 months	11,343,143	8,387,542	10,176,781	6,536,377
3 – 6 months	1,859,715	438,802	1,712,817	243,969
6 – 12 months	723,529	1,459,357	619,615	1,168,619
More than 12 months	2,705,646	1,180,290	1,727,334	260,046
Total	16,632,033	11,465,991	14,236,547	8,209,011
Less : Allowance for doubtful accounts	(954,365)	(953,801)	(432,270)	(326,274)
Net	15,677,668	10,512,190	13,804,277	7,882,737

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:

- At as 31 December 2019, the consolidated financial statements include trade account receivable of an overseas subsidiary of Baht 238 million (net of an allowance for impairment amount of Baht 46 million) which is in the process negotiating of the debt collection for new settlement plan. The subsidiary's management considered recognizing an additional allowance for impairment in value of such receivable increasing of Baht 11 million by using the discounted cash flows from the repayment plan of such receivable during the year 2019. The subsidiary's management believes that such allowance for impairment is adequate and suitable.
- As at 31 December 2019 and 2018, the consolidated and separate financial statements include trade accounts receivable from a State Enterprise for a construction project which has been negotiating with the employer to request for the extension of the completion dates as initial determined in the contract with the employer. The Company has not received payments for amounts billed in respect of a portion of construction work from a State Enterprise totaling Baht 825 million which has been held unpaid by the employer since the Company was not able to complete some parts of construction work following the milestones plan. However, the Company has completed such construction work and the remaining of construction work which has been inspected and accepted from the project consultant and the employer on 1 August 2019 in according to Substantial Completion certificate and also received Final Acceptance certificate on 25 September 2019. Therefore, the Company has additional billed for the remaining of construction work totaling Baht 2,585 million during the year 2019, which is in the process of negotiating for the payment of the construction work with the employer. On 9 April 2019, the project consultant of the employer agreed to the 2 main matters for which the Company negotiated for the extension of the completion dates that the consultant of employer agreed to the extension of completion dates to 2 August 2019. This issue was brought to the meeting of the Inspection Committee of the employer on 22 October 2019 who passes such approval to the Sub-Committee of Procurement of the employer on 17 February 2020 for proposing to the Board of Directors for further consideration. Nonetheless, the Inspection Committee of the employer will take all the remaining issues that the Company negotiate for the extension of the completion milestone and end date under the original contract for consideration at the same time. Although the consideration for the extension completion milestone and end date shall take long process for many consideration, the Company's management believes that the Company will receive approval and receive the full payment for the amounts billed that have been held from the employer.
- As at 31 December 2019, the consolidated financial statements include trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 122 million and Baht 63 million, respectively. For the service that provide to a customer which at the present work for the construction project has been suspense due to a customer facing liquidity constraints. The subsidiary's management has been negotiating/discussing with the customer's group management for debt collection and discuss about financial support from the Group company of receivable to be able to complete the project. However, the subsidiary's management believes that such amount can be realized in full amount. The subsidiary company therefore does not set up allowance for impairment of receivable in the financial statements.
- As at 31 December 2019, the consolidated and separate financial statements include a local trade accounts receivable of Baht 224 million (net of an allowances for doubtful account amount to Baht 112 million) which is under process of negotiation to claim the payment of construction work with the employer and is currently subject to award by an arbitration tribunal. However, the Company's management has assessed the opportunity for the receive payment of such balance and believes that it will be received in full amount.

The retentions receivable as at 31 December 2019 were Baht 3,900 million, an increase of Baht 715 million from the previous year or approximately 22.45% partially from the increase of retentions receivable of a overseas subsidiary.

2) Inventories and depletion or obsolete

As of December 31, 2019 the inventories and work in progress were Baht 4,940 million, a decrease of Baht 130 million from the previous year or approximately 2.57% partially from the decrease of raw material from the railway projects.

Costs of property development projects as of December 31, 2019 were Baht 451 million, an increase of Baht 32 million from the previous year or approximately 7.52% for the business development of subsidiaries.

In 2019, the Company's allowance for obsolete inventories were Baht 74 million, an increase of Baht 14 million from the previous year or approximately 22.74% mainly from idle spare parts.

3) Investment, goodwill and impairment (If any)

The investments in subsidiaries, associated companies and joint ventures as of December 31, 2019 were Baht 1,677 million, an increase of Baht 857 million from the previous year or approximately 104.63%- according to an overseas subsidiary increased its shares capital of BDT 3,531 million (equivalent to Baht 1,287 million) for the Company and new investors. After the payments for shares capital increase as stipulated, the structure of shareholding changed where the diluted proportion of the Company shareholding in such subsidiary from 99.99% to 51.00%. This also caused the change in the Company's influence in such subsidiary. The Company therefore changed the treatment of such investment in subsidiary to investment in associated company

Moreover, the Company made additional investment in 3 subsidiaries by swapping Debt to Equity totaling of Baht 2,313 million. The Company recognized allowance for impairment of such investments of Baht 1,971 million and also made additional investment in 5 subsidiaries totaling amount Baht 5,629 million, for repaying debt back to the Company. The Company considers recognizing allowance for impairment of such investments totaling Baht 478 million. The details of investments were in the Note to financial statements No. 2.3 and No.15.

The other long-term investments as of December 31, 2019 were Baht 952 million, an increase of Baht 42 million from the previous year or approximately 4.65% according to the investment in a company. The details of the other long-term investments were in the Note to financial statements no. 16.

The goodwill as of December 31, 2019 was Baht 855 million, a decrease of Baht 9 million from the previous year or approximately 0.98% according to the translation adjustments. Based on impairment test for goodwill by increasing discount rate for 0.5 percent, the Company does not have to recognize an impairment of goodwill in the consolidated financial statements for the year end 31 December 2019. The details were in the note to financial statements no. 24.

4) Other component of other assets and reasons of change

The fixed deposits less than one year as of December 31, 2019 were Baht 1,063 million, an increase of Baht 614 million from the previous year, or approximately 136.75% according to the increase of the short term deposits of subsidiaries and overseas joint ventures.

The restricted deposits with banks as of December 31, 2019 were Baht 245 million, an increase of Baht 82 million from the previous year, or approximately 50.36% according to a Project Office in India has deposited cash with bank of Baht 238 million as collateral for the issuance of performance bonds to the employer. The period of guarantee will be extended until further orders of the Court for the disputes.

Short – term loans and advances to related parties – net as of December 31, 2019 were Baht 420 million, an increase of Baht 149 million from the previous year, or approximately 54.99% because the Company had been changed investment in First Dhaka Elevated Expressway Company Limited from subsidiary to associated company. As a consequence, the Company derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position at the date which the Company losses control from the change in interest.

Advances for purchases of construction materials and sub-contractors as of December 31, 2019 were Baht 592 million, a decrease of Baht 183 million from the previous year, or approximately 23.57% partially from the decrease of the advances for purchases of construction materials in overseas branch as well as the decrease of advances for local sub-contractors.

The other current assets as of December 31, 2019 were Baht 528 million, a decrease of Baht 97 million from the previous year or approximately 15.53% partially from the reclassified accounting records from the other current assets to the accounts receivable.

The advances for purchases of machinery as of December 31, 2019 were Baht 183 million, a decrease of Baht 440 million from the previous year or approximately 70.58% mainly from the decrease of the advances for purchases of machinery in overseas project.

The deferred concession costs and costs of project under development as of December 31, 2019 were Baht 2,109 million, a decrease of Baht 2,485 million from the previous year or approximately 54.10% because the Company had been changed investment in First Dhaka Elevated Expressway Company Limited from subsidiary to associated company. As a consequence, the Company derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position at the date which the Company loses control from the change in interest.

The deferred tax assets as of December 31, 2019 were Baht 184 million, a decrease of Baht 73 million from the previous year, or approximately 28.49% according to the amortized tax from the allowance for doubtful accounts, the depreciation of assets and the employee benefits obligations. The details were in the Note to financial statements No. 34.

The other non-current assets as of December 31, 2019 were Baht 762 million, a decrease of Baht 151 million from the previous year of approximately 16.55% mainly from amortizing of the prepaid assets.

4. Liquidity and sufficiency of funds

1) Source and use of funds, and liquidity

Summary of cash flow statement

Activities (Expressed in thousand Baht)	2019	2018	2017
Net cash provided from (used in) operating activities	5,047,210	1,865,451	1,259,520
Net cash provided from (used in) investing activities	(3,714,206)	(5,968,786)	(2,787,135)
Net cash provided from (used in) financing activities	(2,705,425)	4,024,727	2,438,128
Translation adjustment on foreign currency financial statement	(14,665)	22,348	(64,890)
Cash and cash equivalents at beginning of year	3,377,793	3,434,053	2,588,430
Cash and cash equivalents at end of year	1,990,707	3,377,793	3,434,053

As shown in the table above, in 2019 the cash flow provided from operating activities was at Baht 5,047 million because the increase of operating activities, the decrease of operating assets such as the earning revenues not yet billed and the advances for purchases of construction materials and sub-contractors, as well as the increase of operating liabilities such as the trade accounts and other payable, and the receipts in excess of contracted work in progress.

In 2019, cash flow used in investing activities amounted to Baht 3,714 million mainly from the purchase of assets for construction and the costs of project under development.

The Company's net cash used in financing activities mainly for the repayment of long-term loans in project financing.

The Company's current ratios were about 0.92 times and 1.07 times at year ended 2019 and 2018, respectively, and quick ratios were 0.36 times and 0.33 times at year ended 2019 and 2018, respectively. In 2020, the Company had the current portion of debentures maturing Baht 3,798 million, an increase of Baht 2,298 million from the previous year, or approximately 153.23% which the Company plans to issue new debenture to redeem the said matured debentures.

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

2.1) Capital expenditure

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

2.2) Financial resources and commitments

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

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

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

At December 31, 2019 and 2018 the Company, on a consolidated basis, had Baht 7,336 million and Baht 7,754 million, respectively, outstanding in bank overdrafts and loans from financial institutions. On a stand-alone basis, the Company's corresponding amounts were Baht 4,127 million and Baht 4,467 million, respectively. This kind of project tied debt will normally be repaid as the projects progress, with full repayment being achieved at project completion.

Besides, the Company's Liabilities under trust receipt at December 31, 2019 and 2018, on a consolidated basis, were Baht 1,761 million and Baht 1,530 million respectively to import machines for construction project.

- Long-term debt : The Company's long-term debt consists of
 - 1) long-term foreign loans for investing in assets, project finance and working capital; and
 - 2) long-term Thai Baht loans for purchasing equipment and project financing and working capital.

The Company has used long-term loans for supporting the Company's long term projects. As of December 31, 2019 and 2018 the Company had outstanding long-term loans and debentures of Baht 37,414 million and Baht 35,865 million respectively.

- Share capital :

As of December 31, 2019, the Company's common shares were Baht 6,338 million while the share issued and fully paid-up were Baht 5,280 million.

3) Covenant

The Company committed to maintain the debt to equity ratio not excess than 3.0 times under the conditions of debentures and some banks on each consecutive half year and ended year on its consolidated financial statements. As at December 31, 2019 and 2018, the debt to equity ratio from the Company's consolidated financial statement for debentures were 2.53 times and 2.58 times, respectively and for some banks were 2.83 times and 2.58 times, respectively.

On 12 November 2019, the Company called for a meeting No. 1/2019 of debenture holders to consider the following matters;

- To consider waiving for the maintenance of the Debt to Equity ratio as stipulated in the Terms and Conditions of the debenture issuance to be effective from the fiscal year ended 2019 up to the end of fiscal year 2020. The Company has already received the approval from the five series of debenture holders.
- To consider the amendment of the definition of "Debt" and "Shareholders' Equity" under the Terms and Conditions used for calculation of Debt to Equity ratio. The Company has already received the approval from one series of debenture holder while the remaining four series of debenture holders did not constitute the quorum. The Company will have to call for another meeting for consideration of this condition again on 25 November 2019. At present, the Company has already received the approval from four series of debenture holder.

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

5. Contingent liabilities and off-balance sheets

Guarantees

As at December 31, 2019 and 2018, there were outstanding guarantees of approximately Baht 68,453 million and Baht 65,588 million, respectively, issued by financial institutions on behalf of the Company, subsidiaries and its joint ventures in respect of certain performance bonds required in the normal course of business of the Company, subsidiaries and its joint ventures.

As at December 31, 2019 and 2018, there were guarantees of approximately Baht 3,503 million and Baht 6,490 million, respectively, issued by the Company to financial institutions and its ventures to secure credit facilities granted by those financial institutions and ventures to subsidiaries, associated and related companies and joint ventures. The Company had issued guarantees in proportion to its shareholding, except for ItalThai Trevi Co., Ltd. ItalThai Marine Co., Ltd., Aquathai Co., Ltd., Sarithorn Co., Ltd., Asian Steel Product Co., Ltd., ITD Bangladesh Co., Ltd. and ITD Cementation India Limited., for which the Company issued full guarantees for the credit facilities. Such guarantees were necessary for regular operation of the Company, its subsidiaries and its joint ventures.

6. Factors to the future operation

The outbreak of Coronavirus Disease 2019 (COVID-19), the fluctuation of construction materials cost, the supply chain disruption, the possibility to change the interest rate, the changes in accounting standards and the labor cost as well as the changes in labor acts may influence to construction industry. By the way, the Company believes that the government will further support infrastructure development policy to stimulate the economy and investments which will push the construction business in the future.

Independent Auditors' Report and Consolidated Financial Statements of
Italian-thai Development Public Company Limited and Its Subsidiaries
For the Year Ended 31 December 2019

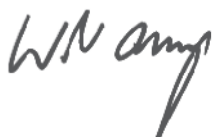
The Board of Director's Report on their Responsibilities for Financial Reports for the year 2019

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

The Financial Statements provide for the significant disclosure of additional substantial information as shown in the notes attached to the Financial Statements, as well as explanations and analysis for the benefit of the shareholders and general investors.

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

Based on the management structure and internal audit system as mentioned above, as well as the Audit Report produced by the certified public auditor, the Board of Directors is convinced that the Financial Statements for the Company and its subsidiaries as of December 31, 2019 reasonably represent an accurate statement of the financial status, business performance and cash flow of the Company in accordance with generally accepted accounting principles.



(Mr. Premchai Karnasuta)
President



(Mrs. Nijaporn Charanachitta)
Senior Executive Vice President

INDEPENDENT AUDITOR'S REPORT

Grant Thornton Limited
87/1 Capital Tower, All Seasons Place,
Unit S1101, S1102, 11th Floor,
Wireless Road, Lumpini,
Phatumwan, Bangkok,
Thailand 10330

To the Shareholders of Italian – Thai Development Public Company Limited

T + 66 2 205 8222
F + 66 2 654 3339

Qualified Opinion

I have audited the consolidated and separate financial statements of Italian – Thai Development Public Company Limited and its subsidiaries (the “Group”), which comprise the consolidated and separate statement of financial position as at 31 December 2019, the consolidated and separate statements of profit and loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described under the Basis for Qualified Opinion paragraph, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of Italian – Thai Development Public Company Limited and its subsidiaries as at 31 December 2019, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

The bases for my qualified opinion are as follows:

- As discussed in Note 8 to the financial statements, as at 31 December 2019, the consolidated financial statements include trade accounts receivable of an overseas subsidiary of Baht 238.46 million (net allowance for impairment of Baht 46.04 million) which is in the process of collection under a debt settlement plan. The Company’s management believes that such amount can be realized and that the allowance for impairment recognized in the financial statements based on the discounted cash flows from the collection plan of such receivable is adequate and appropriate. I am unable to assess the potential impact (if any) to such outstanding balances and cannot determine the effect to the consolidated financial statements.
- As discussed in Note 8 to the financial statements, as at 31 December 2019, the consolidated financial statements include trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 121.55 million and Baht 63.48 million, respectively, representing receivable from and work done for a customer presently facing liquidity constraints. The subsidiary’s management has been negotiating/ discussing with the customer for debt collection and believes that such amount can be realized in full. The subsidiary company therefore does not set up allowance for impairment of receivable in the financial statements. I am unable to assess the potential impact (if any) to such outstanding balances and cannot determine the effect to the consolidated financial statements.
- As discussed in Note 15 to the financial statements, during the year, an overseas subsidiary increased its shares capital by issuing new common shares at par value to the Company and new investors totaling Baht 1,286.68 million. As a consequence of the restructuring of shareholders and the completeness of shares capital increase, the Company loses control, but still has significant influence over such subsidiary. The management therefore classified the retaining interest in such company as investment in associated company and recognizes the initial value of investment by using the book value of net assets at the date that the Company lost control from the change in shareholding interest. The subsidiary’s management is in process of determining the fair value of the subsidiary’s net assets to assess the possible impact from change in status of such investment which difference in fair value has to be recognized in the consolidated statement of profit or loss for the year. In addition, the subsidiary’s management must determine whether such increase of shares capital is considered a share-based payment under TFRS 2 “Share-based Payments” or not. The Company is unable to assess the potential impact (if any) to the consolidated financial statements from such matter which outcome cannot presently be concluded.
- As discussed in Note 15.3 to the financial statements, the consolidated financial statements for the year ended 31 December 2019 included investment in joint venture accounted for by the equity method of Baht 179.33 million in the consolidated statements of financial position and included share profit accounted for under the equity method of Baht 64.97 million in the consolidated statement of profit or loss. Such financial statements were based on the financial information compiled by the management of the joint venture which had not been audited by the auditor since the joint venture and its employer have disputed regarding the termination of construction contract and are in process of negotiation for the realizable value of assets and current obligation in liabilities and contingent liabilities. The Joint Venture’s management is unable to assess the potential impact (if any) from the termination of such construction contract which outcome cannot presently be concluded.

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

Emphasis of Matter

I draw attention to the information discussed in detail in Note 47 to the financial statements, that the Company received a notice from a State Enterprise, the employer of a construction project, in January 2020 claiming for penalty charges for the delay of construction work from the key completion date and the end date of the construction contract. However, the Company opposed to the claims by submitting letters declaring the causes of the delays that need the Company to request for the extension of the completion dates as initial determined in the contract with the employer. Such declarations are concerned with many cases and events which impact the delay of construction work. The Company has obtained the consent from the project consultant of the employer agreeing the extension of some key dates and the end date affecting by some issues. However, there are still some pending cases and events which have not been concluded. I do not qualify my reporting opinion regarding this matter.

Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
Revenue recognition for construction contract <p>The Group and the Company have revenues from construction services for the year ended 31 December 2019 of Baht 55,458.59 million and Baht 41,696.65 million, respectively. Revenue recognition for construction services requires significant judgment and assumption to assess the appropriateness of the estimation of transaction relating to the revenue recognition in each contract.</p> <p>Revenues from construction services of the Group are recognized over time by measuring the progress of construction work by contract, by the percentage of cumulative costs incurred with total costs budget estimation until the completion of the project. The estimation of costs budget, including the provision for loss on construction project, requires significant judgment of the management which continuous reviewed throughout the construction periods and the estimates need to be adjusted as necessary. In addition, the revenues from contract modification which have not yet been determined for the corresponding change in price requires significant judgment of the management to estimates the change to transaction prices and amounts which the Group will be entitled to receive.</p> <p>Revenues from construction services are material and have a significant impact to accounting transactions which are related to the construction contract, including earned revenues not yet billed, receipts in excess of contracted work in progress and costs of construction.</p> <p>The Group and the Company disclosed accounting policies relating to revenue recognition, detail of revenues from construction services and balance of accounting transactions relating to revenue recognition in Notes 4, 12 and 38 to financial statements.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none">- Obtained an understanding the process and internal control for the preparation of reports and budgets estimation used for the determination of the percentages of completion of construction projects of the Group and the Company.- Sampling tested cost budgets estimation for construction projects by making inquiry of responsible executives and assessed the appropriateness of estimation.- Tested and assessed the reasonableness of changes in estimated costs during the year.- Verified the actual costs with supporting documents and assessed the reasonableness of estimated costs to complete the construction for selected projects.- Compared gross profit from the start of projects up to date to assess the appropriateness of estimated costs.- Evaluated the possible losses on construction projects from the review of actual costs incurred and assessed the reasonableness of the estimated costs to complete for the construction of selected projects.- Sampling tested contracts with changed orders during the year with supporting documents and assessed the reasonableness of consideration which the Group and the Company will be entitled to receive from the contract modification which prices have not yet been fixed.- Tested the bills for payment from customer during the year with construction contracts and customers' acceptance documents to determine the appropriateness of earned revenues not yet billed and receipts in excess of contracted work in progress.- Sampling visited sites for significant projects and, obtained understanding of the progress of projects work by discussion with responsible engineers and compared the percentages of physical completion of construction as determined by engineers, with percentages of completion based on accounting method to ensure that the revenues and costs recognition are made correspondingly.- Assessed the adequacy of the Group's and the Company's disclosure for revenues recognition.

Key audit matters	How the matter was addressed in the audit
<p>Impairment of trade and other accounts receivable</p> <p>The Group and the Company have trade and others accounts receivable, net of allowance for doubtful accounts, as at 31 December 2019 of Baht 16,924.00 million and Baht 16,525.03 million, respectively. The Group and the Company recognized allowance for doubtful accounts during the year of Baht 89.18 million and reversal of allowance for doubtful accounts of Baht 5.49 million, respectively. The estimation of allowance for doubtful accounts is to reflect realizable of receivables that may result from non-collection. Management is required to use judgment to assess the appropriateness of estimation and assumption, including the probability for collection based on circumstances, except for the matters discussed under the basis for qualified opinion.</p> <p>The Group and the Company disclosed balance of trade accounts receivable in Notes 8 and 9 to financial statements.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Obtained an understanding of the internal controls and procedures for the assessment of recoverable amount from the collection of trade and other accounts receivable to determine the appropriateness of management estimates for the realization. - Reviewed the status of receivables that have been long outstanding and developed expectation of allowance for doubtful accounts based on the circumstances for comparison with the allowance for doubtful accounts recognized by the Group and the Company. Considered the reason for the differences and the appropriateness of allowance for doubtful accounts. - Assessed the realizable values of receivables including subsequent collection testing together with the assessment of the cash flows projection of debtors to assess their ability to settle their accounts in the future. - Assessed the adequacy of the Group's and the Company's disclosure for trade accounts receivable and allowance for doubtful accounts.
<p>Investments in subsidiaries and goodwill, and investments in associated companies</p> <p><i>Investment in subsidiaries and goodwill</i></p> <p>As at 31 December 2019, the Company has investments in subsidiaries net of allowance for impairment of investment of Baht 11,895.42 million. The Company recognizes allowance for impairment of investment during the year of Baht 2,448.65 million. In addition, the Company has goodwill of Baht 855.07 million which arose from the acquisition of investments in Potash mining, cement business in Thailand and construction business in India.</p> <p><i>Investments in associated companies</i></p> <p>As at 31 December 2019, the Group and the Company have investments accounted by the equity method in the consolidated financial statements totaling of Baht 1,400.60 million, which has been recorded at cost of Baht 1,702.01 million in the separate financial statements</p> <p>In consideration of the recoverable amount of investments in subsidiaries and associated companies, including the impairment test of goodwill, management is required to use highly judgment for the assessment of appropriate estimates and significant assumptions relating to the subsidiaries and associated companies' ability to operate profitably, including their future cash flows projection and expenses from the continuing operations of such businesses and the use of the appropriate discount rate to discount cash flows projection used for the calculation of recoverable amount.</p> <p>The Group and the Company disclosed accounting policies and detail of investments in subsidiaries, associated companies and goodwill in Notes 3, 15 and 24 to financial statements.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Obtained an understanding of the process for assessment of recoverable amounts of investments in subsidiaries, associated companies and group of business units. - Considered the indication of impairment for investments in subsidiaries, associated companies, and goodwill of each business unit. - Considered the reasonableness of management's assumptions and procedures for calculation of cash flow projections including the tests of documents supporting the best estimates of management, especially the projected growth in revenues, gross margins and operating net income of subsidiaries and business units. - Tested the calculation and assess the appropriateness of discount rates used by management for the recoverable amounts from investments in subsidiaries and goodwill. - Assessed the appropriateness of the management estimates by reviewing the actual operating results to the estimates in the prior year. - Considered the key drivers as the sensitivity analysis and the impact to recoverable amounts of investments in subsidiaries, and goodwill. - Considered the recoverable amounts of investments in projects under development which the Company invested through the associated companies by assessing project feasibility study and considered developing the discount rate through analysis of the average costs of capital and others information with other comparable companies, then developing audit expectation testing the calculation of the recoverable amounts of investments in associated companies using the selected financial model. - Considered the adequacy of the Group's and Company's disclosures for investments in subsidiaries, associated companies, and goodwill.

Key audit matters	How the matter was addressed in the audit
<p>Investments in projects under development</p> <p>The Group and the Company have significant investments in projects with local and overseas Government Agencies which are in stages of project development. The total amount of the investments in the consolidated and separate financial statements as of 31 December 2019 are as follows:</p> <ul style="list-style-type: none"> • Development costs for concession right - Dawei project of Baht 7,804.17 million and Baht 5,205.96 million, respectively. • Potash mining right of Baht 2,293.49 million and deferred exploration and development costs of Baht 951.45 million. • Deferred concession costs and costs of project under development in Mozambique of Baht 2,108.93 million and Baht 1,921.19 million, respectively. <p>The assessment of the realizable value of the investments in such projects, requires management high judgment about the future project feasibility, forecasted cash flows and expenses from operations in such projects.</p> <p>The details of the investments in project under development are disclosed in Notes 17, 18, 19 and 25.</p>	<p>My audit procedures are summarized below:</p> <ul style="list-style-type: none"> - Obtained an understanding of the process for assessment of recoverable amounts of projects under development which the Group and the Company have invested. - Considered the feasibility of projects and assessed the progress of the projects in various sides which the Group's and the Company's executive management have periodically discussed with the project owners and Government Agencies along with the review of supporting evidences. - Considered the reasonableness of management's assumptions and procedures used for calculation of cash flows projection including the review of documents supporting the best estimates of management, especially the projected revenues, gross margins and operating profits from the projects which the Group and the Company invested. - Considered the discount rate through analysis of the average costs of capital and others information with other comparable companies along with testing the calculation of the recoverable amount of investments in projects under development using the selected financial model. - Considered the adequacy of the Group's and Company's disclosures for investments in projects under development.

Other Information

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

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

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

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

However, as described under the Basis for Qualified Opinion section with respect to the uncertainty in the collection of trade accounts receivable and earned revenues not yet billed of overseas subsidiaries and the matters which cannot be concluded regarding to the fair value of net assets of an overseas subsidiary and possible impact from termination of contract between the joint venture and the employer, my opinion is qualified. Therefore, should the management prepare other information based on financial statements that is different from such fact, other information will be materially misstated with respect to the value and other information in annual report which will impact from such matters.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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



Mr. Somkid Tiatragul

Certified Public Accountant

Registration No. 2785

Grant Thornton Limited

Bangkok

2 March 2020

STATEMENTS OF FINANCIAL POSITION

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

(Unit : Thousand Baht)		Consolidated F/S		Separate F/S	
		2019	2018	2019	2018
Notes					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		1,990,707	3,377,793	1,136,838	2,165,224
Fixed deposits less than one year		1,062,645	448,851	-	-
Restricted deposits with banks	6	244,687	162,738	242,528	4,186
Current portion of promissory notes receivable	7	50,000	50,000	50,000	50,000
Trade accounts receivable - unrelated parties - net	8	15,677,668	10,512,190	13,804,277	7,882,737
Trade and other accounts receivable - related parties - net	9	1,246,331	944,721	2,720,755	2,804,206
Current portion of finance lease receivable - subsidiary	10	-	-	5,993	6,202
Short - term loans and advances to related parties - net	11	419,811	270,869	1,295,459	1,421,567
Earned revenues not yet billed	12	19,782,963	23,402,870	15,439,524	19,909,976
Retentions receivable	12	3,900,000	3,184,872	2,825,775	2,485,486
Inventories and work in process - net	13	4,939,785	5,069,828	3,068,045	3,264,482
Costs of property development projects - net	14	450,711	419,169	-	-
Income tax withheld at sources		1,202,589	1,205,179	791,039	838,070
Refundable value added tax		1,302,543	1,450,256	22,306	149,260
Advances for purchases of construction materials and sub-contractors		592,327	775,012	415,696	584,770
Other current assets		528,054	625,136	188,665	241,856
Total current assets		53,390,821	51,899,484	42,006,900	41,808,022
NON - CURRENT ASSETS					
Finance lease receivable - subsidiary - net	10	-	-	30,913	32,746
Promissory notes receivable - net	7	385,939	435,939	385,939	435,939
Investments in subsidiaries, associated companies, and joint ventures - net	15	1,676,945	819,495	13,597,437	7,924,917
Other long - term investments - net	16	952,050	909,765	799,605	749,030
Development costs for concession right - Dawei project	17	7,804,169	7,738,424	5,205,964	5,205,964
Potash mining right	18	2,293,489	2,293,489	-	-
Deferred exploration and development costs	19	951,454	949,976	-	-
Long - term loans and advances to related parties - net	20	935,647	-	727,325	5,734,105
Land awaiting development - net	21	296,219	295,769	-	-
Investment properties	22	2,041,160	2,030,872	1,068,821	1,068,821
Advances for purchases of machinery		183,365	623,208	171,965	615,211
Property, plant and equipment - net	23	28,968,713	23,390,010	19,218,397	13,450,377
Goodwill	24	855,069	863,572	-	-
Deferred concession costs and costs of project under development	25	2,108,925	4,594,297	1,921,186	1,863,679
Deferred tax assets	34	184,386	257,850	-	-
Other non - current assets		761,548	912,585	542,584	672,169
Total non - current assets		50,399,078	46,115,251	43,670,136	37,752,958
TOTAL ASSETS		103,789,899	98,014,735	85,677,036	79,560,980

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

STATEMENTS OF FINANCIAL POSITION

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

(Unit : Thousand Baht)Notes		Consolidated F/S		Separate F/S	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans from financial institutions	26	7,335,669	7,754,242	4,126,577	4,466,748
Liabilities under trust receipt		1,760,858	1,529,608	1,747,776	1,501,483
Trade and other accounts payable - unrelated parties		18,398,174	12,253,748	14,497,291	8,947,044
Trade accounts payable - related parties	27	1,668,774	1,887,305	2,774,292	2,802,770
Receipts in excess of contracted work in progress	12	1,942,889	460,917	377,028	460,917
Customer advances under construction contracts					
due for revenue recognition within 1 year	12	6,410,487	7,147,688	6,053,811	6,111,757
Current portion of finance lease payables	28	649,150	712,878	585,403	636,371
Current portion of long - term loans	29	10,851,040	10,608,923	10,219,305	8,300,934
Current portion of debentures	30	3,798,000	1,499,818	3,798,000	1,499,818
Current portion of employee benefits obligation	31	701,276	523,580	620,633	453,581
Income tax payable		341,877	184,804	232,355	42,732
Value added tax payable		497,308	268,175	480,780	237,728
Accrued expenses		1,296,243	1,678,076	612,887	699,830
Retentions payable		1,052,357	941,256	971,970	866,102
Reserved for projects expenses	40	17,600	186,000	17,600	186,000
Other current liabilities		1,010,922	645,875	766,685	433,484
Total current liabilities		57,732,624	48,282,893	47,882,393	37,647,299
NON - CURRENT LIABILITIES					
Customer advances under construction contracts - net	12	4,894,654	6,782,648	3,591,215	6,047,219
Finance lease payables - net	28	920,808	1,066,665	842,879	976,903
Long - term loans - net	29	11,280,186	10,475,412	7,294,125	6,767,860
Debentures - net	30	11,484,368	13,281,231	11,484,368	13,281,231
Reserved for projects expenses - net	40	-	46,780	-	46,780
Employee benefits obligation - net	31	1,065,945	761,026	770,284	535,903
Deferred tax liabilities	34	710,166	743,337	132,407	158,889
Other non - current liabilities		18,986	104,415	-	-
Total non - current liabilities		30,375,113	33,261,514	24,115,278	27,814,785
TOTAL LIABILITIES		88,107,737	81,544,407	71,997,671	65,462,084

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

STATEMENTS OF FINANCIAL POSITION

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

(Unit : Thousand Baht)	Notes	Consolidated F/S		Separate F/S	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - ordinary share at Baht 1 par value					
Registered - 6,337,920,861 shares		6,337,921	6,337,921	6,337,921	6,337,921
Issued and fully paid - up - 5,279,868,944 shares (31 December 2018 : 5,279,840,848 shares)	35	5,279,869	5,279,841	5,279,869	5,279,841
Share premium		8,547,757	8,547,392	8,547,757	8,547,392
Retained earnings (deficit)					
Appropriated - legal reserve	42	529,293	526,753	502,693	500,153
Unappropriated		(494,028)	(266,601)	(17,704)	91,690
Other components of shareholders' equity		(727,816)	(283,394)	(633,250)	(320,180)
Equity attributable to the Company's shareholders		13,135,075	13,803,991	13,679,365	14,098,896
Non - controlling interests		2,547,087	2,666,337	-	-
Total shareholders' equity		15,682,162	16,470,328	13,679,365	14,098,896
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		103,789,899	98,014,735	85,677,036	79,560,980

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

(Unit : Thousand Baht)	Notes	Consolidated F/S		Separate F/S	
		2019	2018	2019	2018
REVENUES					
Revenues from construction work		55,458,594	54,763,846	41,696,646	40,239,972
Revenues from sales and services		6,762,833	5,880,049	3,183,357	2,069,630
Total revenues	12, 38, 39, 48	62,221,427	60,643,895	44,880,003	42,309,602
COSTS					
Costs of construction work		51,170,881	49,437,875	39,156,427	37,361,012
Costs of sales and services		4,532,181	4,645,427	1,899,635	1,728,095
Total costs	39, 44	55,703,062	54,083,302	41,056,062	39,089,107
Gross profit		6,518,365	6,560,593	3,823,941	3,220,495
Dividend income and share profit from joint ventures		25,201	19,825	180,353	197,038
Interest income	48	119,417	187,659	85,469	147,247
Gain on revaluation of investment properties	22	10,288	-	-	-
Other income	43	630,607	679,730	314,710	355,879
Profit before expenses		7,303,878	7,447,807	4,404,473	3,920,659
Selling expenses		(79,810)	(59,406)	-	-
Administrative expenses	44	(3,427,164)	(3,606,957)	(1,605,357)	(1,682,644)
Employee benefits expenses - Past service costs	31	(310,638)	-	(277,949)	-
Reversal of allowance (provision) for doubtful accounts		(93,711)	(141,890)	2,413,292	302,490
Loss on impairment of assets		-	(1,970)	-	-
Loss on exchange rate	48	(268,458)	(252,278)	(105,469)	(37,379)
Reversal of allowance (provision) for impairment of investment	48	(16,229)	198,518	(2,464,879)	(370,354)
Total expenses		(4,196,010)	(3,863,983)	(2,040,362)	(1,787,887)
Profit from operations		3,107,868	3,583,824	2,364,111	2,132,772
Share of profit from investment in associated companies and joint ventures	48	206,098	164,465	-	-
Profit before finance costs and income tax		3,313,966	3,748,289	2,364,111	2,132,772
Financial costs		(2,687,496)	(2,393,369)	(1,914,300)	(1,676,848)
Profit before income tax		626,470	1,354,920	449,811	455,924
Income tax	34, 48	(539,871)	(679,654)	(399,068)	(303,354)
Profit for the year		86,599	675,266	50,743	152,570

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

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

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

(Unit : Thousand Baht)	Notes	Consolidated F/S		Separate F/S	
		2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME (LOSS)					
Item not to be reclassified subsequently to profit or loss					
Actuarial loss - net of tax	31	(116,766)	(86,213)	(81,581)	(69,849)
Items to be reclassified subsequently to profit or loss					
Unrealised loss on changes in value of investments - net of tax		(119,802)	(121,097)	(113,170)	(114,210)
Translation adjustments for foreign currency financial statements		(554,402)	(244,959)	(199,900)	(8,542)
Total other comprehensive income (loss) for the year		(790,970)	(452,269)	(394,651)	(192,601)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(704,371)	222,997	(343,908)	(40,031)
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO :					
Shareholders of the Company		(37,343)	305,621	50,743	152,570
Non-controlling interests		123,942	369,645	-	-
		86,599	675,266	50,743	152,570
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR					
ATTRIBUTABLE TO :					
Shareholders of the Company		(593,293)	2,413	(343,908)	(40,031)
Non-controlling interests		(111,078)	220,584	-	-
		(704,371)	222,997	(343,908)	(40,031)
BASIC EARNINGS PER SHARE					
Profit (loss) (Baht per share)	37	(0.0071)	0.0579	0.0096	0.0289
Weighted average number of ordinary shares					
(Unit : Thousand shares)		5,279,869	5,279,841	5,279,869	5,279,841

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

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

		Equity attributable to the Company's shareholders										
		Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of shareholders' equity				Total equity attributable to the Company's shareholders	Non - controlling interests	Total
						Unrealised gain (loss) on changes in value of investments	Translation adjustments for foreign currency financial statements	Surplus (discount) on dilution of investment in subsidiary companies	Total			
				Legal Reserve	Unappropriated							
(Unit : Thousand Baht)	Notes											
Consolidated F/S												
Balance as at 1 January 2018		5,279,841	8,547,392	519,124	(485,844)	209,527	(643,789)	(200,444)	(634,706)	13,225,807	1,546,890	14,772,697
Dividend paid from subsidiaries		-	-	-	-	-	-	-	-	-	(59,968)	(59,968)
Subsidiary increase share capital during the year		-	-	-	-	-	-	-	-	-	1,534,807	1,534,807
Increase in non-controlling interests during the year		-	-	-	2,569	-	61,665	511,537	573,202	575,771	(575,976)	(205)
Transactions with shareholderes		-	-	-	2,569	-	61,665	511,537	573,202	575,771	898,863	1,474,634
Profit for the year		-	-	-	305,621	-	-	-	-	305,621	369,645	675,266
Other comprehensive income (loss) for the year		-	-	-	(81,318)	(121,097)	(100,793)	-	(221,890)	(303,208)	(149,061)	(452,269)
Total comprehensive income (loss) for the year		-	-	-	224,303	(121,097)	(100,793)	-	(221,890)	2,413	220,584	222,997
Appropriated for legal reserve	42	-	-	7,629	(7,629)	-	-	-	-	-	-	-
Balance as at 31 December 2018		5,279,841	8,547,392	526,753	(266,601)	88,430	(682,917)	311,093	(283,394)	13,803,991	2,666,337	16,470,328
Balance as at 1 January 2019		5,279,841	8,547,392	526,753	(266,601)	88,430	(682,917)	311,093	(283,394)	13,803,991	2,666,337	16,470,328
Exercising warrant	35	28	365	-	-	-	-	-	-	393	-	393
Dividend paid	36	-	-	-	(76,016)	-	-	-	-	(76,016)	-	(76,016)
Dividend paid from subsidiaries		-	-	-	-	-	-	-	-	-	(36,127)	(36,127)
Subsidiary increase share capital during the year		-	-	-	-	-	-	-	-	-	27,955	27,955
Transactions with shareholderes		28	365	-	(76,016)	-	-	-	-	(75,623)	(8,172)	(83,795)
Profit (loss) for the year		-	-	-	(37,343)	-	-	-	-	(37,343)	123,942	86,599
Other comprehensive income (loss) for the year		-	-	-	(111,528)	(119,802)	(324,620)	-	(444,422)	(555,950)	(235,020)	(790,970)
Total comprehensive income (loss) for the year		-	-	-	(148,871)	(119,802)	(324,620)	-	(444,422)	(593,293)	(111,078)	(704,371)
Appropriated for legal reserve	42	-	-	2,540	(2,540)	-	-	-	-	-	-	-
Balance as at 31 December 2019		5,279,869	8,547,757	529,293	(494,028)	(31,372)	(1,007,537)	311,093	(727,816)	13,135,075	2,547,087	15,682,162

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

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

		Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of shareholders' equity			Total
				Legal Reserve	Unappropriated	Unrealised gain (loss) on changes in value of investments	Translation adjustments for foreign currency financial statements	Total	
(Unit : Thousand Baht)	Notes								
Separate F/S									
Balance as at 1 January 2018		5,279,841	8,547,392	492,524	16,598	197,572	(395,000)	(197,428)	14,138,927
Profit for the year		-	-	-	152,570	-	-	-	152,570
Other comprehensive income (loss) for the year		-	-	-	(69,849)	(114,210)	(8,542)	(122,752)	(192,601)
Total comprehensive income (loss) for the year		-	-	-	82,721	(114,210)	(8,542)	(122,752)	(40,031)
Appropriated for legal reserve	42	-	-	7,629	(7,629)	-	-	-	-
Balance as at 31 December 2018		5,279,841	8,547,392	500,153	91,690	83,362	(403,542)	(320,180)	14,098,896
Balance as at 1 January 2019		5,279,841	8,547,392	500,153	91,690	83,362	(403,542)	(320,180)	14,098,896
Exercising warrant	35	28	365	-	-	-	-	-	393
Dividend paid	36	-	-	-	(76,016)	-	-	-	(76,016)
Transactions with shareholderes		28	365	-	(76,016)	-	-	-	(75,623)
Profit for the year		-	-	-	50,743	-	-	-	50,743
Other comprehensive income (loss) for the year		-	-	-	(81,581)	(113,170)	(199,900)	(313,070)	(394,651)
Total comprehensive loss for the year		-	-	-	(30,838)	(113,170)	(199,900)	(313,070)	(343,908)
Appropriated for legal reserve	42	-	-	2,540	(2,540)	-	-	-	-
Balance as at 31 December 2019		5,279,869	8,547,757	502,693	(17,704)	(29,808)	(603,442)	(633,250)	13,679,365

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

STATEMENTS OF CASH FLOWS

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

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before taxation	626,470	1,354,920	449,811	455,924
Adjustments :-				
Depreciation and amortisation	3,354,005	3,043,915	2,058,463	1,721,727
Unrealised loss on exchange rate	97,979	35,045	97,662	34,367
Dividend income and share profit from joint ventures	(25,201)	(19,825)	(180,353)	(197,038)
Share of profit from investments in associated companies and joint ventures	(206,098)	(164,465)	-	-
Provision (reversal of allowance) for doubtful accounts	93,711	141,890	(2,413,292)	(302,490)
Provision (reversal of allowance) on impairment of investments	16,229	(198,518)	2,464,879	370,354
Gain on revaluation of investment property	(10,288)	-	-	-
Loss on impairment of assets	-	1,970	-	-
Gain on disposal of assets	(62,733)	(17,481)	(29,284)	(39,961)
Provision (reversal of reserved) for projects expense	(88,981)	8,031	(88,981)	25,776
Provision for devaluation of inventories	2,458	3,535	-	-
Provision for liability	-	91,670	-	91,670
Provision for employee benefits obligation	400,420	88,953	358,882	58,429
Interest expenses	2,687,496	2,393,369	1,914,300	1,676,848
Income from operating activities before changes in operating assets and liabilities	6,885,467	6,763,009	4,632,087	3,895,606
Decrease (increase) in operating assets:-				
Promissory note receivable	50,000	-	50,000	-
Trade accounts receivable - unrelated parties	(5,417,847)	(2,273,750)	(6,118,574)	(1,433,454)
Trade and other accounts receivable - related parties	(168,410)	438,183	219,698	638,950
Loans and advances to related parties	(234,624)	485,459	5,183,114	147,023
Earned revenues not yet billed	3,619,907	(2,493,067)	4,470,452	(2,379,879)
Retentions receivable	(716,963)	(275,623)	(342,124)	(556,332)
Inventories and work in process	127,135	(1,541,873)	196,437	(1,169,113)
Costs of property development projects	(31,542)	12,705	-	-
Refundable value added tax	147,713	282,278	126,954	(23,791)
Advances for purchases of construction materials and sub - contractors	182,685	(163,501)	169,074	(101,878)
Other current assets	61,240	476,085	53,191	75,577
Other non - current assets	(6,432)	(552,222)	(27,444)	(533,157)
Increase (decrease) in operating liabilities:				
Trade and other accounts payable - unrelated parties	2,280,123	665,081	1,711,147	1,570,626
Trade accounts payable - related parties	(218,531)	314,649	(31,086)	923,242
Receipts in excess of contracted work in progress	1,481,972	(1,005,374)	(83,889)	(1,005,374)
Customer advances under construction contracts	(2,625,195)	1,293,956	(2,513,950)	2,026,656
Value added tax payable	229,133	(102,175)	243,052	(108,584)
Accrued expenses	(381,578)	352,564	(86,943)	181,851
Retentions payable	111,397	166,351	105,868	176,167
Other current liabilities	298,030	(104,940)	278,167	(70,507)
Employee benefits obligation	(76,139)	(90,894)	(72,331)	(63,806)
Provision for projects expenses	(126,199)	-	(126,199)	-
Other non - current liabilities	(85,456)	(3,291)	-	-
Cash received from operations	5,385,886	2,643,610	8,036,701	2,189,823
Income tax refund	769,738	726,494	716,284	644,144
Income tax payment	(1,108,414)	(1,504,653)	(884,226)	(1,100,480)
Net cash provided from operating activities	5,047,210	1,865,451	7,868,759	1,733,487

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

STATEMENTS OF CASH FLOWS (CONTINUED)

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

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Cash flows from (used in) investing activities				
Decrease (increase) in fixed deposits and restricted deposits with banks	(853,679)	(148,303)	(238,342)	137,532
Decrease (increase) in investments in subsidiaries, associated companies and joint ventures	124,089	31,000	(5,809,242)	(912,519)
Increase in investments in other company	(200,000)	-	(200,000)	-
Received from dividend and shares of profit from joint ventures	25,201	19,825	180,353	197,038
Payment for development costs for concession right - Dawei project	(65,745)	(86,669)	-	(75,794)
Payment for deferred exploration and development costs	(1,478)	(1,449)	-	-
Disposal of investment properties	-	96,235	-	96,235
Disposal of fixed assets	427,047	544,451	165,920	357,559
Purchases of fixed assets	(4,179,328)	(5,599,552)	(2,567,912)	(4,265,540)
Payment for deferred concession costs	(47,543)	(824,324)	(57,507)	(123,445)
Effect on change in proportion of investment in subsidiary to associated company	1,057,230	-	-	-
Net cash used in investing activities	(3,714,206)	(5,968,786)	(8,526,730)	(4,588,934)
Cash flows from financing activities				
Interest payment	(2,613,283)	(2,325,590)	(1,867,303)	(1,625,079)
Increase (decrease) in bank overdrafts and short - term loans from financial institutions	(418,573)	(737,339)	(340,171)	(882,055)
Increase (decrease) in liabilities under trust receipts	(234,657)	404,438	(216,901)	376,313
Decrease in finance lease payables	(802,387)	(892,126)	(706,026)	(752,338)
Increase in long - term loans	7,057,294	10,517,379	6,812,670	9,379,821
Payment of long - term loans	(6,102,524)	(4,636,874)	(4,364,746)	(3,522,868)
Proceeds of exercising warrant	393	-	393	-
Proceeds from issuance of debentures	1,992,500	1,050,000	1,992,500	1,050,000
Payment for debentures redemption	(1,500,000)	(830,000)	(1,500,000)	(830,000)
Dividend paid	(76,016)	-	(76,016)	-
Dividend paid from subsidiary companies	(36,127)	(59,968)	-	-
Received from share capital increment in subsidiaries	27,955	1,534,807	-	-
Net cash provided from (used in) financing activities	(2,705,425)	4,024,727	(265,600)	3,193,794
Translation adjustment on foreign currency financial statements	(14,665)	22,348	(104,815)	9,837
Net increase (decrease) in cash and cash equivalents	(1,387,086)	(56,260)	(1,028,386)	348,184
Cash and cash equivalents at beginning of the year	3,377,793	3,434,053	2,165,224	1,817,040
Cash and cash equivalents at end of the year	1,990,707	3,377,793	1,136,838	2,165,224
Supplemental cash flows information				
Non cash transactions:-				
Unrealised loss on changes in value of other long-term investments	(142,300)	(151,371)	(134,010)	(142,763)
Purchase assets under finance lease agreements	592,802	1,688,192	521,034	1,646,145
Accounts payable from purchases of assets	4,467,255	426,470	4,367,114	-
Swapping Debt to Equity of subsidiaries	-	-	2,312,742	-
Transferred investment property to settlement debt with trade accounts payable of indirect subsidiary	-	13,837	-	13,837
Debt settlement by promissory note	-	485,939	-	485,939
Transferred assets held for sale to fixed assets	-	165,716	-	165,716
Transferred land awaiting development to land used in operation	-	474,846	-	474,846
Transferred assets from changed in portion from investment in joint venture to subsidiary	-	89,905	-	89,905

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2019 AND 2018

1. GENERAL INFORMATION

Italian - Thai Development Public Company Limited (“the Company”) is incorporated and domiciled in Thailand. The Company and subsidiaries are principally engaged in the construction services and other services related to construction support, providing soil and coal extraction and removal services, real estate business, manufacturing and selling construction materials and products, including investments in other projects in Thailand and overseas. 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 prepared in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must conform to the official report in Thai.

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

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	
		2019	2018
<u>Overseas subsidiaries</u>			
PT.Thailindo Bara Pratama	Indonesia	99.99	99.99
ITD Cementation India Limited	India	46.64	46.64
ITD - Madagascar S.A.	Madagascar	99.98	99.98
ITD Construction SDN. BHD.	Malaysia	99.99	99.99
First Dhaka Elevated Expressway Co., Ltd.	Bangladesh	-	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
Italian - Thai Development (Myanmar) Co., Ltd.	Myanmar	-	99.90
<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	78.16	74.93
Palang Thai Kaowna Co., Ltd.	Thailand	99.99	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	64.52	60.00
ITD-ETF Joint venture	Thailand	100.00	100.00
Asian Rail Co., Ltd.	Thailand	99.97	-
ITD-ARC Joint venture	Thailand	10.00	-

Name of Entity	Country of incorporation	Percentage of share held by the Company	
		2019	2018
<u>Indirect overseas subsidiaries</u>			
Italian – Thai Development (BVI) Co., Ltd.	British Virgin Islands	-	99.99
Ayeyarwady Multitrade Co., Ltd.	Myanmar	99.99	99.99
ITD Cementation Projects India Limited	India	99.99	99.99
ITD Vertex Consortium SDN. BHD	Malaysia	70.00	70.00
Dawei Development Company Limited (BVI)	British Virgin Islands	-	75.00
Dawei Development Company Limited (Myanmar)	Myanmar	75.00	75.00
Future Prosperity Investment Company Limited	Republic of Mauritius	99.99	99.99
APPC Hong Kong Company Limited	Hong Kong	100.00	100.00
THAI INTERNATIONAL INDUSTRIAL ESTATE DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
THAI POWER DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
THAI TELECOM DEVELOPMENT PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
DAWEI TELECOM HOLDING PRIVATE COMPANY LIMITED	Singapore	100.00	100.00
DAWEI RESIDENCE HOLDING PTE LTD.	Singapore	50.00	50.00
DAWEI POWER HOLDING PTE LTD.	Singapore	100.00	100.00
DAWEI LNG TERMINAL HOLDING PTE LTD.	Singapore	50.00	50.00
MYANDAWEI INDUSTRIAL ESTATE HOLDING PTE LTD.	Singapore	50.00	50.00
DAWEI TELECOM COMPANY LIMITED	Myanmar	100.00	100.00
DAWEI RESIDENCE COMPANY LIMITED	Myanmar	50.00	50.00
DAWEI POWER COMPANY LIMITED	Myanmar	100.00	100.00
DAWEI LNG TERMINAL COMPANY LIMITED	Myanmar	50.00	50.00
MYANDAWEI INDUSTRIAL ESTATE COMPANY LIMITED	Myanmar	50.00	50.00
<u>Indirect local subsidiaries</u>			
Aquathai Co., Ltd.	Thailand	99.99	99.99
Sarithorn Co., Ltd.	Thailand	99.99	99.99
Southern Industries (1996) Co., Ltd.	Thailand	99.99	99.99
Asia Pacific Potash Corporation Limited	Thailand	90.00	90.00
Lasalle Company Limited	Thailand	99.30	99.30
Tongkrai Company Limited	Thailand	99.40	99.40
Tayakhee Company Limited	Thailand	99.40	99.40
Dithe Company Limited	Thailand	99.40	99.40
Panoot Company Limited	Thailand	99.40	99.40
Phannin Company Limited	Thailand	99.40	99.40
Takolkiat Company Limited	Thailand	99.40	99.40
Tridayuk Company Limited	Thailand	99.40	99.40
Bhantuwong Company Limited	Thailand	99.40	99.40
Nahathai Company Limited	Thailand	99.40	99.40
Kanika Company Limited	Thailand	99.40	99.40
Sin Rae Muang Thai Co., Ltd.	Thailand	99.99	99.99
Wildemere Co., Ltd.	Thailand	99.99	99.99
APPC Holding Co., Ltd.	Thailand	35.48	40.00
ITD-ARC Joint venture	Thailand	90.00	-

2.3 Significant changes during the year 2019 are as follows:

- The Company invested in Asian Rail Co., Ltd. which is engaged in construction services with an investment proportion of 99.97% and paid for share capital of Baht 0.25 million.
- The Company and Asian Rail Co., Ltd. have jointly invested in ITD - ARC Joint Venture which is principally engaged in the construction for State Railway of Thailand. The Company has investment proportion of 10% of the joint venture.
- The Company made additional payment for share capital of Thai Mozambique Logistica SA of Baht 2.02 million. There was no change in investment proportion.
- The Company made additional investment for share capital of ITD – Madagascar S.A. by swapping Debt to Equity of Baht 128.46 million with no change in investment proportion.
- The Company made additional investment for share capital of ITD Mozambique Limitada by swapping Debt to Equity of Baht 6.13 million with no change in investment proportion.

- The Company made additional investment for share capital of PT.Thailindo Bara Pratama by swapping Debt to Equity of Baht 2,178.15 million with no change in investment proportion.
- Two domestic joint ventures registered their liquidation.
- Two overseas subsidiaries registered their liquidation.
- An overseas subsidiary (First Dhaka Elevated Expressway Co., Ltd.) increased its shares capital of BDT 3,531.47 million (equivalent to Baht 1,286.68 million) for the Company and new investors. After the payments for shares capital increase as stipulated, the structure of shareholding changed where the diluted proportion of the Company shareholding in such subsidiary from 99.99% to 51.00%. This also caused the change in the Company's influence in such subsidiary. The Company therefore changed the treatment of such investment in subsidiary to investment in associated company as discussed more detail in Note 15 to the financial statements.
- The Company made additional payment for share capital of five subsidiaries for them to pay their debts to the Company. The investments proportion of such subsidiaries were changed as follow:

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

2.4 Significant changes during the year 2018 are as follows:

- An overseas 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 consolidate the financial statements of such subsidiary since it has not lost control from the change of shareholding structure in such subsidiary. In addition, such overseas 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 line 6 (CP-06) at Dhaka, Bangladesh.
- The Company made an 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 821.06 million for share capital of First Dhaka Elevated Expressway Co., Ltd.
- A domestic joint venture registered its liquidation.
- An overseas subsidiary registered its liquidation.

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

Goodwill arising on the acquisition of the business in overseas is treated as assets of the overseas entity, and they are translated at the closing rate.

- 2.6 Significant transactions and account balances with subsidiaries have been eliminated from the consolidated financial statements, except for intercompany profit in inventories at the end of the year, which has insignificant effect on the consolidated financial statements.
- 2.7 Non-controlling interests represent the portion of subsidiary companies' profit or loss and net assets that are not held by the Group and are presented separately in the consolidated statement of profit or loss and the statement of changes in shareholders' equity.
- 2.8 All subsidiaries have the same reporting date of 31 December, except the group companies in India and Myanmar which have a statutory reporting date of 31 March and 30 September, respectively. However, such companies prepared the financial information for consolidation with the financial statements of the Company for the year ended 31 December with the same accounting policies of the Group and for the same accounting transactions or accounting events.
- 2.9 Dilution gains (loss) arose on shares issued by subsidiaries and sold to third parties are recognized as surplus (discount) on dilution of investment in subsidiary companies, which is presented under shareholders' equity in the consolidated financial statements.
- 2.10 The Company's financial statements for the years ended 31 December 2019 and 2018 include the audited financial statements of 2 overseas project offices, 5 overseas branches, 9 overseas subsidiaries, and 3 overseas joint ventures with aggregate assets and revenues under consolidated financial statement in Baht equivalent as follows:-

(Unit : Million Baht)	2019		2018	
	Total assets	Total Revenues	Total assets	Total revenues
KOLDAM Project Office	1,181	-	1,009	1
West Bengal Project Office	7	-	8	-
Italian – Thai Development Public Co., Ltd. – Philippines Branch	56	-	51	-
Italian – Thai Development Public Co., Ltd. – Taiwan Branch	3	4	2	1
Italian – Thai Development Public Co., Ltd. – India Branch	640	-	660	249
Italian – Thai Development Public Co., Ltd. – Cambodia Branch	1	-	9	283

(Unit : Million Baht)	2019		2018	
	Total assets	Total Revenues	Total assets	Total revenues
Italian – Thai Development Public Co., Ltd. – Bangladesh Branch	6,493	4,527	5,712	4,376
ITD Cementation India Limited	12,887	12,164	12,384	13,120
PT. Thailindo Bara Pratama	502	315	544	260
ITD – Madagascar S.A.	22	99	30	3
First Dhaka Elevated Expressway Co., Ltd.	-	-	2,952	1
ITD Bangladesh Company Limited	936	-	2	-
Italian – Thai Development Vietnam Co.,Ltd	1	-	3	-
Italian – Thai Development (Myanmar) Co., Ltd.	-	11	2	-
ITD Mozambique Limitada	153	5	144	8
Thai Mozambique Logistica SA	195	2	209	-
ITD – Cemindia JV	78	37	67	24
ITD – ITD CEM JV	1,774	507	1,724	806
ITD – ITD CEM JV (Consortium)	39	-	44	-
Total	24,968	17,671	25,556	19,132

- 2.11 The consolidated and separate financial statements for the years 2019 and 2018, recognizes assets, liabilities, revenues and expenses of the joint operations which are classified as joint operations based on the Company's management consideration based on the economic contents of the joint venture agreements and concluded that the Company has rights to the assets, and obligations for the liabilities relating to the arrangements including revenues and expenses sharing relevant to such joint operation. The Company therefore, prepared and presented the financial statements of such joint operations proportionately based on the Company's interests.

Joint operations are as follows:

Name of Entity	Portion of joint operations (percent)		Type of businesses
	2019	2018	
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	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
ITD – SMCC Joint Venture	-	40.00	Construction the Chao Phraya River Crossing Bridge at Nonthaburi 1 Road Construction Project with the Department of Rural Roads under the Ministry of Transport, Thailand
Samsung – ITD Joint Venture	24.00	24.00	Construction the LPG expansion project at Khao Bo Ya, Chonburi Province with PTT Public Company Limited, Thailand
ITD – RT Joint Venture	70.00	70.00	Construction the double track train from Map Kabao – Thanon Chira junction, Contract No.3 tunnel works under the state railway of Thailand
SMCC – ITD Joint Venture	49.00	49.00	Construction of Dhaka Mass Transit Development project line 6 (CP-06) at Dhaka, Bangladesh with Dhaka Mass Transit Company Limited.

The consolidated and separate financial statements as at 31 December 2019 and 2018 and for the years then ended included assets, liabilities, revenues and expenses of such joint operations as follows:

(Unit : Million Baht)	2019				2018			
	Current assets	Non – current assets	Current liabilities	Non – current liabilities	Current assets	Non – current assets	Current liabilities	Non – current Liabilities
ITD – SQ Joint Venture	616	484	260	18	922	678	554	233
ITD – Unique Joint Venture	-	-	-	-	9	-	-	-
SQ – ITD Joint Venture	21	-	20	-	53	-	-	-
ITD – SMCC Joint Venture	-	-	-	-	22	-	1	-
Samsung – ITD Joint Venture	18	-	1	-	27	1	1	-
ITD – RT Joint Venture	795	30	432	268	709	34	271	431
SMCC – ITD Joint Venture	994	273	331	1,046	957	97	32	1,144

(Unit : Million Baht)	2019		2018	
	Revenues	Expenses	Revenues	Expenses
ITD – SQ Joint Venture	1,197	1,001	1,372	1,637
ITD – Unique Joint Venture	-	-	1	3
SQ – ITD Joint Venture	-	5	31	23
ITD – SMCC Joint Venture	-	5	-	-
Samsung – ITD Joint Venture	2	-	311	137
ITD – RT Joint Venture	253	218	39	28
SMCC – ITD Joint Venture	1,078	965	321	307

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

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

3.1 Amendments and interpretations to the Standards that are effective from 1 January 2019

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

Thai Financial Reporting Standard No.15 (TFRS 15) presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No.18 “Revenue” (“TAS 18”), Thai Accounting Standard No.11 “Construction Contracts” (“TAS 11”), and several revenue-related Interpretations.

The Group has initial applied TFRS15 Revenue from Contract with Customers and disclosed the details of accounting policies in note 4.

The Group has assessed the impact of initial adoption of this TFRS by using the cumulative effect method, taking into account the effect of initially adopt of this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material because the principle for recognition of revenues in accordance with TFRS 15 does not generally represent a change from the Group’s accounting practice. However, the change in such accounting policy has no material effect on the financial statements of the Group.

3.2 Amendments and interpretations to the Standards that are effective from 1 January 2020

Thai Financial Reporting Standard No.16 “Leases” (TFRS 16)

TFRS 16, that describes the new principles for the recognition of leases, replacing Thai Accounting Standard No.17 “Leases”, and several leases-related Interpretations. The new standard defines the requirements for leases will be recorded in the statement of financial position in the form of right-of-use asset and a lease liability except short-term leases agreement which period less than 12 months or low value of asset and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

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

The Group will adopt this new standard when they become effective, and the Group’s management assesses that it will impact to the financial statements. Therefore, the Group must recognize the right-of-use assets and lease liabilities for the assets currently treated as operating leases including that the Group must record the depreciation from the right-of-use assets and interest expense of lease liabilities instead of expenses from lease agreements. By using the modified retrospective approach and recognize the right-of-use assets and lease liabilities at the first adoption in which this method will have no effect to the retained earnings as at 1 January 2020 and no restatement to the comparative information.

Thai Financial Reporting Standards related to Financial instruments

Thai Financial Reporting Standard No.9 “Financial instruments” (TFRS 9) and group of Thai Financial Reporting standards related to financial instruments, present new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments which are currently effective.

The Group’s management has assessed the impact on the financial statements when adoption these new standards which are as follows:

• Classification

Financial assets

The Group shall renew classification of financial assets as measured at amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) on the basis of the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing classification of trading securities, available-for-sale securities, held-to-maturity debt securities, and general investment as specified by TAS 105

Financial Liabilities

The Group shall renew classification of all financial liabilities as measured at amortized cost. Except derivatives and financial liabilities, that designated as at fair value method, shall classify as financial liabilities as measured at fair value through profit or loss.

• Measurement at amortized cost

The Group shall measure financial assets and financial liabilities at amortized cost method. The interest revenues and interest expenses shall be calculated by using the effective interest method, replacing the current method that use the rate specified in the contract.

• Impairment – Financial assets and contract assets

The Group shall assess impairment of financial assets and contract assets by considering the lifetime expected credit losses on the financial instruments which no longer necessary for an indicator or credit event to have occurred and requires considerable judgment about how changes in economic factors affect expected credit losses, which will be determined on a probability-weighted basis. However, the new impairment model will apply only to financial assets measured at amortized cost and fair value through other comprehensive income (FVOCI).

- Hedge accounting

This standard adds the requirements related to hedge accounting to be aligned with risk management of the Group and establish more principle-based approach by introducing guidance for the hedging transactions, the hedging instruments, the qualification criteria for hedge accounting and accounting for related qualified hedging. There are 3 types of hedge accounting which are fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expect to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates. Judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time as the nature of revenues as follow:

Revenues from construction work

Revenue from construction work is recognized over time based on stage of completion for the cumulative costs incurred with total costs budget estimation until the completion of the project. The related costs are recognized in profit or loss when they are incurred.

The Group will set the provision for the total anticipated loss on construction projects in the accounts as soon as the possibility of loss is ascertained.

Revenues from other service related to construction work

Revenue from other service related to construction work is recognized overtime when the services are provided to customer and inspected by the project consultant of customer. The related costs are recognized in profit or loss when they incur.

Revenues from excavating service - soil and coal extraction and removal services

Revenues from excavating service - soil and coal extraction and removal services are recognized over time when the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognized in profit or loss when they are incurred.

Revenue from sales of construction materials and products

Revenue from sales of construction materials and products is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods. The Group is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur. Therefore, the Group will adjust recognized for estimated returns, which are estimated based on the historical data.

Revenue from sales of property development

Revenue from sales of property development is recognized when a customer obtains control of the property development, generally on delivery and transfer of ownership to the customers.

Interest income

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

Other Revenue

Other revenue is recognized based on an accrual basis.

Dividend income

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

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable and contract assets

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

The Group recognize contract assets if they had fulfilled their performance obligation before they receive the consideration from customers, by presenting them as “Earned revenues not yet billed” in the statement of financial position and they recognize contract liabilities for consideration received in respect of performance obligations that have not been fulfilled, by presenting them as “Receipts in excess of contract work in progress” in the statement of financial position.

Trade accounts receivable and contract assets are presented at the net realizable value. The Group provide allowances for doubtful accounts for the estimated losses that may occur in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging, and the likelihood of settlement of debt at the reporting period.

4.4 Inventories and work in process

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

Factory and office supplies are valued at the lower of first-in, first-out cost or net realisable value.

4.5 Contract cost assets

Contract cost assets are the costs to fulfil a contract to satisfy performance obligations in future that relate directly to a contract and the Group expects to recover these costs. However, the fulfilment costs are expended when incurred, if the expected amortization period is one year or less.

Contract cost assets are measured at cost less accumulated amortization and impairment losses. Amortization is charged to profit or loss base on systematic basis over the term of the contract it relates to, consistent with the related revenue recognition.

4.6 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.

4.7 Borrowing costs

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

4.8 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 "Unrealized gain/loss on changes in value of investments". When the securities are sold, the change is included in the statement of profit or loss.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are presented at cost net of allowance for impairment (if any).
- c) Investments in subsidiaries, associated 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 Group will record impairment losses (if any) for the investment in subsidiaries, associated companies, joint ventures and other investments in the statement of profit or loss when the carrying amount exceeds the recoverable amount.

4.9 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 the Company's operations.

Subsidiaries

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

When the Company ceases to have control, it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of the Company are accounted for as if the Company had directly disposed of the related assets or liabilities.

Associated companies

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

Joint arrangement

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

- *Joint ventures*

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

- *Joint operations*

The Company recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

4.10 Land awaiting developments

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

4.11 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, The Group state 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 Group recognized the difference between the net disposal proceeds and the carrying amount of the asset in the statement of profit or loss in the period when the asset is derecognized.

4.12 Property, plant and equipment, and depreciation

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

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

Buildings and factories	20 – 30 years
Machinery and equipment	3 – 25 years
Furniture, fixtures and office equipment	3 – 7 years
Vehicles	5 – 12 years
Site offices and temporary camps	5 – 12 years

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

4.13 Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the share of the identifiable net assets which the Company acquired. Goodwill is measured at cost less allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment loss on goodwill is not reversed.

4.14 Potash mining right

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

4.15 Deferred exploration and development expenses

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

4.16 Advances from customers under construction contracts

Advances received from customers is payment for expenses to fulfil the performance obligation which is contract liabilities in respect of performance obligation that have not been fulfilled and presenting as “Advances from customers under construction contracts”. Advances from customers under construction contracts will be deducted from the bill of work over the period as indicated in the construction agreement. Advances from customers under construction contracts spanning more than 1 year are classified as non-current liabilities.

4.17 Debentures

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

4.18 Lease – where The Group are the lessees

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

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

4.19 Leases – where the Group is 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.

Lease in terms of which the significant benefits and risk of ownership are under the control of the lessee, are classified as finance lease. The Group will recognize lease receivable at a net investment in lease. Revenues from finance lease will be recognized by the effective rate of return over the lease period.

4.20 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.

4.21 Impairment of asset

The Group assess whether there is an indication that any assets may be impaired. If any such indication exists, the Group 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.

4.22 Income tax

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

Current income tax

Current income tax is the expected tax payable or income tax benefit on the taxable profit for the period, using income tax rate enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years, which is different from profit or loss in the financial statements. The income tax in the consolidated and separate financial statements includes income tax of overseas entities which are calculated based on the cash collection, the revenues or the net profit based on tax rate, whichever is higher.

Deferred tax

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and if they are intended to be settled on a net basis or when tax assets and liabilities will be realized simultaneously.

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

4.23 Foreign currencies

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

4.24 Employee benefits

Short-term employment benefits

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

Post-employment benefits (Defined contribution plan)

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

Post-employment benefits (Defined benefit plan)

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under the labour law.

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

Actuarial gains or losses for the computation of post-employee benefits are 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 Group's expectation of the average long-term rate of return expected on investments of the fund during the estimated term of obligations. Plan assets are measured at fair value as at the reporting date.

4.25 Segment reporting

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

4.26 Dividend payment

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

4.27 Basic earnings per share

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

4.28 Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of outstanding 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.

4.29 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 comprehensive income.

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 swap are recorded as adjustments to the interest expense relating to the hedged financial obligations in the statement of comprehensive income.

4.30 Provision for liabilities and expenses, and contingent assets

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

4.31 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into 3 levels of a fair value hierarchy. The 3 levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable comparable for the asset or liability, either directly or indirectly
- Level 3: no observable inputs for the asset or liability.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

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

Critical accounting estimates, assumption and judgments are as follows:

5.1 Construction revenues

The consideration of performance obligation on the contracts with customers required management's judgment to identify the performance obligation on each contract. In addition, the revenues from contract modification which have not yet been determined for the corresponding change in price also requires the management's judgment to estimates the change to transaction prices and amount which the Group will be entitled to receive based on the reasonable consideration of all available information. In addition, the level of progress of performance under the obligation to complete the construction over time for each construction contract requires management assessment based on information available at the reporting date. In this process, management carries out significant judgments about milestones, actual work performed and the estimated costs to complete the work. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. Actual outcomes in terms of actual costs or revenues may be higher or lower than estimates at reporting date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

5.2 Claims income

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

5.3 Allowance for loss on construction projects

The Group reviews their construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognized immediately in the statement of profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

5.4 Impairment of receivables and contract assets

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

5.5 Allowance for obsolete, slow-moving and defective inventories

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

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

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

5.7 Allowance for impairment of investments

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

5.8 Impairment of goodwill

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

5.9 Impairment of project under development

The Group treats cost of projects under development as diminution when the management judges that there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of such cost of projects under development based on net realizable value. The determination of what is “significant” or “prolonged” and such devaluation requires management judgment.

5.10 Joint arrangements

Management applied judgment to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement.

5.11 Property, plant and equipment and intangible assets

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

5.12 Investment property

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

5.13 Allowances for impairment of assets

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

5.14 Post-employment benefits under defined benefit plans

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

5.15 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group’s future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in tax jurisdictions.

5.16 Contingent liabilities from litigation

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

6. RESTRICTED DEPOSITS WITH BANKS

During the year 2019, a Project Office in India has deposited cash with bank of Baht 238.49 million as collateral for the issuance of performance bonds to the employer. The period of guarantee will be extended until further orders of the Court for the disputes between the Project Office and the employer as discussed in Note 32.

7. PROMISSORY NOTES – NET

(Unit : Thousand Baht)	Consolidated and Separate F/S	
	31 December 2019	31 December 2018
Promissory Notes	435,939	485,939
Less : Current portion	(50,000)	(50,000)
Net	385,939	435,939

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

The Company has long-term loan from a local financial institution which has balance as at 31 December 2019 of Baht 435.94 million (31 December 2018 : 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 for the promissory notes from the debtor mentioned above.

8. TRADE ACCOUNTS RECEIVABLE – UNRELATED PARTIES – NET

The aging of outstanding trade accounts receivable balances as at 31 December 2019 and 2018 are as follows:

Receivable Ages (Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Less than 3 months	11,343,143	8,387,542	10,176,781	6,536,377
3 – 6 months	1,859,715	438,802	1,712,817	243,969
6 – 12 months	723,529	1,459,357	619,615	1,168,619
More than 12 months	2,705,646	1,180,290	1,727,334	260,046
Total	16,632,033	11,465,991	14,236,547	8,209,011
Less : Allowance for doubtful accounts	(954,365)	(953,801)	(432,270)	(326,274)
Net	15,677,668	10,512,190	13,804,277	7,882,737

The Company sets up 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 for the following receivables:

- At as 31 December 2019, the consolidated financial statements include trade account receivable of an overseas subsidiary of Baht 238.46 million (net of an allowances for impairment amount of Baht 46.04 million) (31 December 2018 : Baht 269.76 million) which is in the process negotiating of the debt collection for new settlement plan. The subsidiary's management considered recognizing an additional allowance for impairment in value of such receivable increasing of Baht 10.50 million by using the discounted cash flows from the repayment plan of such receivable during the year 2019. The subsidiary's management believes that such allowance for impairment is adequate and suitable.
- As at 31 December 2019 and 2018, the consolidated and separate financial statements include trade accounts receivable from a State Enterprise for a construction project which has been negotiating with the employer to request for the extension of the completion dates as initial determined in the contract with the employer. The Company has not received payments for amounts billed in respect of a portion of construction work from a State Enterprise totaling Baht 825.33 million (31 December 2018: Baht 825.33 million) which has been held unpaid by the employer since the Company was not able to complete some parts of construction work following the milestones plan. However, the Company has completed such construction work and the remaining of construction work which has been inspected and accepted from the project consultant and the employer on 1 August 2019 in according to Substantial Completion certificate and also received Final Acceptance certificate on 25 September 2019. Therefore, the Company has additional billed for the remaining of construction work totaling Baht 2,585.40 million during the year 2019, which is in the process of negotiating for the payment of the construction work with the employer.
- On 9 April 2019, the project consultant of the employer agreed to the 2 main matters for which the Company negotiated for the extension of the completion dates that the consultant of employer agreed to the extension of completion dates to 2 August 2019. This issue was brought to the meeting of the Inspection Committee of the employer on 22 October 2019 who passes such approval to the Sub-Committee of Procurement of the employer on 17 February 2020 for proposing to the Board of Directors for further consideration.
- Nonetheless, the Inspection Committee of the employer will take all the remaining issues that the Company negotiate for the extension of the completion milestone and end date under the original contract for consideration at the same time. Although the consideration for the extension completion milestone and end date shall take long process for many consideration, the Company's management believes that the Company will receive approval and receive the full payment for the amounts billed that have been held from the employer.
- As at 31 December 2019, the consolidated financial statements include trade accounts receivable and earned revenues not yet billed of an overseas subsidiary of Baht 121.55 million and Baht 63.48 million, respectively. For the service that provide to a customer which at the present work for the construction project has been suspense due to a customer facing liquidity constraints. The subsidiary's management has been negotiating/ discussing with the customer's group management for debt collection and discuss about financial support from the Group company of receivable to be able to complete the project. However, the subsidiary's management believes that such amount can be realized in full amount. The subsidiary company therefore does not set up allowance for impairment of receivable in the financial statements.
- As at 31 December 2019, the consolidated and separate financial statements include a local trade accounts receivable of Baht 224.18 million (net of an allowances for doubtful account amount to Baht 112.09 million) which is under process of negotiation to claim the payment of construction work with the employer and is currently subject to award by an arbitration tribunal. However, the Company's management has assessed the opportunity for the receive payment of such balance and believes that it will be received in full amount.

9. TRADE AND OTHER ACCOUNTS RECEIVABLE – RELATED PARTIES – NET

The outstanding balances as at 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Accounts receivable				
Subsidiaries	-	-	1,645,576	2,083,301
Associated companies and joint ventures	1,230,736	1,020,417	1,146,499	940,977
Related parties	436,295	624,458	346,126	512,039
Joint operations	4,244	5,368	4,244	5,368
Total	1,671,275	1,650,243	3,142,445	3,541,685
Less : Allowance for doubtful accounts	(566,553)	(734,464)	(563,299)	(766,421)
Trade accounts receivable – related parties – net	1,104,722	915,779	2,579,146	2,775,264
Other accounts receivable				
Joint operations	141,609	28,942	141,609	28,942
Trade and other accounts receivable – related parties – net	1,246,331	944,721	2,720,755	2,804,206

The ages of outstanding balances of accounts and other receivable – related parties as at 31 December 2019 and 2018 are as follows:

Outstanding Ages (Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Less than 3 months	540,812	537,194	861,102	1,056,812
3 – 6 months	29,482	13,244	152,625	163,297
6 – 12 months	55,692	62,112	426,330	426,939
More than 12 months	1,186,898	1,066,635	1,843,997	1,923,579
Total	1,812,884	1,679,185	3,284,054	3,570,627
Less: Allowance for doubtful accounts	(566,553)	(734,464)	(563,299)	(766,421)
Net	1,246,331	944,721	2,720,755	2,804,206

During the year 2019, the Company made additional investment in share capital of an overseas subsidiary by swapping Debt to Equity of Baht 22.09 million. The Company had previously recognized full allowance for doubtful accounts for such receivable. The Company, therefore reversed allowance for doubtful account for such receivable.

During the year 2018, the management of the Company and subsidiary had assessed the recoverability of trade account receivable related companies which the debt repayment from such debtors depends on the materialization of the project feasibility and financial support from the financial institution for project operation which the opportunity to recover such receivables to be remote. The management of the Company and subsidiary therefore, recognized full allowance for doubtful accounts in the consolidated and separated financial statements of Baht 162.94 million and Baht 103.57 million, respectively.

10. FINANCE LEASE RECEIVABLE – SUBSIDIARY – NET

(Unit : Thousand Baht)	Separate F/S	
	2019	2018
Not over 1 year	14,080	10,240
Over 1 year but not over 5 years	19,200	19,200
Over 5 years	24,000	27,840
Total	57,280	57,280
Less : Unearned finance income	(14,294)	(16,412)
Total	42,986	40,868
Less : Allowance for doubtful accounts	(6,080)	(1,920)
Total	36,906	38,948
Less : Current portion	(5,993)	(6,202)
Net	30,913	32,746

The above finance lease receivable is for machinery and equipment with a subsidiary with scheduled repayment terms of 15 years.

11. SHORT-TERM LOANS AND ADVANCES TO RELATED PARTIES – NET

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Subsidiaries	-	-	1,255,472	3,377,042
Associated companies and joint ventures	429,367	280,113	375,666	222,620
Related companies	14,386	15,481	-	-
Other joint venture partner	2,376	2,278	2,376	2,278
Total	446,129	297,872	1,633,514	3,601,940
Less : Allowance for doubtful accounts	(26,318)	(27,003)	(338,055)	(2,180,373)
Short-term loans and advances to related parties – net	419,811	270,869	1,295,459	1,421,567

Movements in the short-term loans and advances to subsidiaries and related parties for the year ended 31 December 2019 are as follows:

(Unit: Thousand Baht)	Consolidated F/S			
	1 January 2019	During the year		31 December 2019
		Increase	Decrease	
Associated company and joint venture	280,113	149,254	-	429,367
Related companies	15,481	-	1,095	14,386
Other joint venture partner	2,278	98	-	2,376
Total	297,872	149,352	1,095	446,129

(Unit: Thousand Baht)	Separate F/S			
	1 January 2019	During the year		31 December 2019
		Increase	Decrease	
Subsidiaries	3,377,042	-	2,121,570	1,255,472
Associated company and joint venture	222,620	153,046	-	375,666
Other joint venture partner	2,278	98	-	2,376
Total	3,601,940	153,144	2,121,570	1,633,514

During the year 2019, the Company made additional investment in the share capital of an overseas subsidiary by swapping Debt to Equity of Baht 2,178.14 million. The Company had previously recognized allowance for doubtful accounts of short-term loans and advances amount Baht 1,842.32 million. Therefore, the Company reversed allowances for doubtful accounts for such short-term loans and advances during the year and consider to recognize allowance for impairment of investments as discussed in Note 15 to financial statements.

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

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

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Contract assets				
Earned revenues not yet billed	19,782,963	23,402,870	15,439,524	19,909,976
Retentions receivable	3,900,000	3,184,872	2,825,775	2,485,486
Costs to fulfil a contract asset	183,997	324,161	183,997	324,161
Total of contract assets	23,866,960	26,911,903	18,449,296	22,719,623
Contract liabilities				
Receipts in excess of contracted work in progress	1,942,889	460,917	377,028	460,917
Customer advances under construction contracts due for revenue recognition within 1 year	6,410,487	7,147,688	6,053,811	6,111,757
Customer advances under construction contracts – net	4,894,654	6,782,648	3,591,215	6,047,219
Total of contract liabilities	13,428,030	14,391,253	10,022,054	12,619,893

12.1 Costs to fulfil contracts

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Costs to fulfil contracts	340,860	340,860	340,860	340,860
Less Accumulated amortization costs	(156,863)	(16,699)	(156,863)	(16,699)
Net	183,997	324,161	183,997	324,161

12.2 Revenue recognized in relation to contract balances

During the year 2019, the Group recognized revenues which was included in the contract liabilities balance at the being period of Baht 428.86 million (Separate F/S : Baht 428.86 million).

12.3 Revenue to be recognized for the remaining performance obligations

As at 31 December 2019, the Group is expected to be recognized revenue in the future in respect of performance obligations which are unsatisfied with customers for the significant contract and contract which has duration more than one-year totaling Baht 168,376.90 million (Separate F/S : Baht 93,870.18 million). The Group has entered into the subcontract agreement with subcontractor as discussed in Note 46 to financial statements.

13. INVENTORIES AND WORK IN PROCESS – NET

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Work in process	163,895	269,026	-	143,182
Materials and inventories	4,849,613	4,860,865	3,130,275	3,166,987
Total	5,013,508	5,129,891	3,130,275	3,310,169
Less : Allowance for obsolete inventories	(73,723)	(60,063)	(62,230)	(45,687)
Net	4,939,785	5,069,828	3,068,045	3,264,482

During the years 2019 and 2018, movements in allowance for obsolete inventories are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	60,063	87,795	45,687	68,684
Add : Additional allowance	17,283	13,700	16,820	13,700
Less : Reversal of allowance	(3,346)	(40,995)	-	(36,260)
Less : Translation adjustment	(277)	(437)	(277)	(437)
Balance as at 31 December	73,723	60,063	62,230	45,687

14. COSTS OF PROPERTY DEVELOPMENT PROJECTS – NET

(Unit : Thousand Baht)	Consolidated F/S	
	2019	2018
Land	244,540	332,909
Cost of property development projects	417,688	446,925
Utilities installation	57,753	69,084
Capitalized borrowing costs	9,862	5,127
Total	729,843	854,045
Less : Accumulated amounts transferred to cost of sales	(279,132)	(434,876)
Net	450,711	419,169

As at 31 December 2019 and 2018, the above land and constructions have been pledged as collaterals for overdraft, loan and credit facilities with local banks as discussed in Note 26.

During the years 2019 and 2018, the Company capitalized interest amounting to Baht 10.74 million and Baht 7.60 million, respectively, to the cost of property development project. The capitalization rates of interest are based on the borrowing costs as discussed in Note 26.

The changes in cost of property development projects for the years ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S	
	2019	2018
Balance as at 1 January	419,169	431,874
Add : Cost of property development	310,674	422,171
Less : Cost of sales	(279,132)	(434,876)
Balance as at 31 December	450,711	419,169

15. INVESTMENTS

15.1 Investments in subsidiaries – net

Movements in investments in subsidiaries for the years ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Separate F/S	
	2019	2018
Balance as at 1 January	7,226,954	6,878,187
Add : Additional investments during the year	5,828,658	919,121
Add : Swapping debt to equity during the year	2,312,742	-
Less : Decreased from loses control in subsidiary	(995,626)	-
Less : Decreased from liquidate entity	(814)	-
Less : Refunding investment during the year	(27,841)	-
Less : Allowance for impairment	(2,448,650)	(570,354)
Balance as at 31 December	11,895,423	7,226,954

Investments in subsidiaries as at 31 December 2019 and 2018 comprise investments as follows:

(Unit : Thousand Baht)	Nature of business	Paid-up Capital	Percentage of shareholding (%)		Separate F/S	
					Cost	
			2019	2018	2019	2018
Investments in subsidiaries						
Italian-Thai International Co., Ltd.	Holding company	4,580,000 (2018 : 400,000)	99.99	99.99	4,580,000	400,000
Less : Allowance for impairment					(552,584)	(400,000)
Net					4,027,416	-
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					(30,999)	(30,999)
Net					-	-
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products	126,000	99.80	99.80	124,296	124,296
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	422,000 (2018 : 10,000)	99.99	99.99	412,050	50
Less : Allowance for impairment					(35,489)	(50)
Net					376,561	-
Palang Thai Kaowna Co., Ltd.	Not yet operational	459,000 (2018 : 1,000)	99.99	99.94	458,650	650
Less : Allowance for impairment					(290,498)	(650)
Net					168,152	-
Palit Palang Ngan Co., Ltd.	Not yet operational	123,000 (2018 : 1,000)	78.16	74.93	95,440	50
Less : Allowance for impairment					(50)	(50)
Net					95,390	-
Italian Thai Power Co., Ltd.	Production and distribution of electricity	650,000	99.99	99.99	650,000	650,000
Less : Allowance for impairment					(650,000)	(650,000)
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	4,279,987 (2018 : 3,795,987)	64.52	60.00	2,761,592	2,277,592
ITD-ETF Joint venture	Construction services	-	100.00	100.00	-	27,841
Asian Rail Co., Ltd.	Construction services	250	99.97	-	250	-
ITD-ARC Joint Venture	Construction services	-	10.00	-	-	-

(Unit : Thousand Baht)	Nature of business	Paid-up Capital	Percentage of shareholding (%)		Separate F/S	
					Cost	
			2019	2018	2019	2018
<u>Overseas subsidiary companies</u>						
PT. Thailindo Bara Pratama	Coal mining contractor	1,038,674 Million IDR (2018 : 25,250)	99.99	99.99	2,286,218	108,071
Less : Allowance for impairment					(1,842,318)	-
Net					443,900	108,071
ITD Cementation India Limited	Construction services in India	172 Million INR	46.64	46.64	2,143,951	2,143,951
ITD–Madagascar S.A.	Mining business	3,567 Million MGA (2018 : 20)	99.98	99.98	227,988	99,527
Less : Allowance for impairment					(227,988)	(99,527)
Net					-	-
ITD Construction SDN.BHD.	Construction services in Malaysia	0.75 Million MYR	99.99	99.99	7,312	7,312
Less : Allowance for impairment					(7,312)	(7,312)
Net					-	-
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	- (2018 : 1,941) Million BDT	-	99.99	-	798,627
ITD Bangladesh Company Limited	Construction services in Bangladesh	4 Million BDT	99.99	99.99	1,546	1,546
Italian–Thai Development Vietnam Co., Ltd.	Not yet operational	6,000 Million VND	80.00	80.00	9,160	9,160
Less : Allowance for impairment					(9,160)	(9,160)
Net					-	-
ITD Mozambique Limitada	Construction services in the Republic of Mozambique	1,373,615 USD (2018 : 1,187,915)	99.00	99.00	46,121	39,986
Thai Mozambique Logistica SA.	Concession for constructing Port and Railway in the Republic of Mozambique	364,999 USD (2018 : 302,000)	60.00	60.00	12,036	10,018
Momaz Logistics	Not yet operational	-	-	100.00	-	-
Italian - Thai Development (Myanmar) Co., Ltd	Construction services in the Republic of the Union of Myanmar	- (2018 : 25,000 USD)	-	99.90	-	814
Total Investments in subsidiaries – net					11,895,423	7,226,954

- During the year 2019, an overseas subsidiary increased its share capital by BDT 3,531.47 million (equivalent to Baht 1,286.68 million) by issuing new common shares at par value to the Company and new investors. The Company has made an additional payment for share capital of BDT 543.74 million (equivalent to Baht 205.42 million). After the payment for share capital increased has been completed as stipulate in shareholders' agreement, it will be diluted the Company proportion of investment from 99.99% to 51.00%.

As a consequence of the restructuring of shareholders and organization in October 2019 to effect, the Company losses control, but still has significant influence over such subsidiary. The management therefore classified the retaining interest in such company as investment in associated company and derecognizes the assets and liabilities of the former subsidiary from the consolidated statements of financial position and recognizes the retained interest in such company by using the booked value of net assets at the date which the Company losses control.

The subsidiary's management is in process of determining the fair value of the subsidiary's net assets to assess the possible impact from changed in status of such investment which different in fair value has to be recognized in the statement of profit or loss for the year. In addition, the subsidiary has to determine whether such increased of shares capital to the new investors which is considered a share-based payment under TFRS 2 "Share-based Payments" or not, which outcome cannot presently be concluded.

- During the year 2019, the Company made additional investment in three subsidiaries by swapping Debt to Equity totalling of Baht 2,312.74 million. The Company recognized allowance for impairment of such investments of Baht 1,970.78 million.
- During the year 2019, the Company made additional investment in four subsidiaries totalling amount Baht 5,629.39 million, for repaying debt back to the Company. The Company considers recognizing allowance for impairment of such investments totaling Baht 477.87 million.
- During the year 2018, 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 allowance for impairment of such investment.

NON – CONTROLLING INTERESTS

Subsidiaries with material non-controlling interests are as follows:

Name (Unit: Million Baht)	Proportion of ownership interests held by the NCI (Percentage)		Comprehensive income (loss) allocated to NCI		Accumulated NCI	
	2019	2018	2019	2018	2019	2018
ItalThai Trevi Co., Ltd.	9.06	9.06	6	13	62	63
Asian Steel Product Co., Ltd.	30.10	30.10	11	6	52	45
Thai Maruken Co., Ltd.	49.04	49.04	34	13	236	211
ITD Cementation India Limited	53.36	53.36	(163)	200	2,302	2,480
ItalThai Marine Co., Ltd.	7.41	7.41	(2)	1	(33)	(31)

During the year 2019, subsidiaries paid dividends to the non-controlling-interests of Baht 36.13 million (2018 : Baht 59.97 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 Co., Ltd.		Asian Steel Product Co., Ltd.		Thai Maruken Co., Ltd.		ITD Cementation India Limited		ItalThai Marine Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	813	1,125	158	127	500	251	10,372	9,640	142	222
Non-current assets	493	491	57	55	1,254	602	2,515	2,744	30	57
Current liabilities	402	713	26	21	1,234	386	7,124	6,779	601	685
Non-current liabilities	214	210	16	10	39	36	1,449	957	17	10
Equity attributable to the Company's shareholder	627	630	121	106	245	220	2,012	2,168	(413)	(385)
Non-controlling interests	63	63	52	45	236	211	2,302	2,480	(33)	(31)
Revenue	1,334	1,482	177	154	740	506	12,301	13,120	378	360
Profit (loss) for attributable to the Company's shareholders	72	138	27	14	36	13	69	304	(23)	14
Profit (loss) for attributable to non- controlling interests	7	14	12	6	34	13	79	347	(2)	1
Profit (loss) for the year	79	152	39	20	70	26	148	651	(25)	15
Other comprehensive income (loss)	(10)	(2)	(1)	-	-	-	(211)	(128)	(4)	3
Total comprehensive income (loss) attributable to the Company's shareholder	(1)	-	-	-	-	-	(242)	(147)	4	-
Total comprehensive income (loss) attributable to non-controlling interests	(11)	(2)	(1)	-	-	-	(453)	(275)	-	3
Total comprehensive income (loss) for the year	68	150	38	20	70	26	(305)	376	(25)	18

(Unit : Million Baht)	For the year ended 31 December 2019				
	ItalThai Trevi Co., Ltd.	Asian Steel Product Co., Ltd.	Thai Maruken Co., Ltd.	ITD Cementation India Limited	ItalThai Marine Co., Ltd.
Net cash from (used in) operating activities	60	17	37	1,264	40
Net cash from (used in) investing activities	(128)	(9)	(40)	(393)	(2)
Net cash from (used in) financing activities	(110)	(15)	-	(863)	(39)
Net cash increase (decrease)	(178)	(7)	(3)	8	(1)

15.2 Investments in associated companies – net

Significant judgment and assumptions

Associated are those companies in which the Company has significant influence, but not control, over the financial and operating policies. The Company normally has share with voting right between 20 - 50 percentage of total voting right, excepted Siam Pacific Holding Co., Ltd., which the company holding 46.69 percentage and a subsidiary holding 4.30 percentage (totalling 50.99 percentage) because the Company has no control such company and classifies as associated investments.

Investments in associated companies are initially recorded at cost and adjusted thereafter to recognize profit or loss by the proportion of the Company in the associated companies.

Movements in investments in associated companies, which are accounted for using the equity method in the consolidated financial statements, for the year ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	602,020	633,637	697,963	697,963
Add (Less) : Share of profit (loss) from associated companies	604	(20,662)	-	-
Less : Dividend from associated companies	(1,877)	(2,971)	-	-
Add : Remaining interest from lost control in subsidiary	837,208	-	995,626	-
Add : increasing investment in associate	8,425	-	8,425	-
Less : Translation adjustment for foreign currency financial statements	(45,777)	(7,984)	-	-
Balance as at 31 December	1,400,603	602,020	1,702,014	697,963

A reconciliation of the condensed financial information for the carrying amounts of the investments in associated companies are as follows:

(Unit : Thousand Baht)	31 December 2019								Total
	ATO-Asia Turnouts Co., Ltd.	Siam Pacific Holding Co., Ltd.	Bangkok Steel Wire Co., Ltd.	Oriental Residence Bangkok Co., Ltd.	MCRP Construction Corporation, Philippines	Sino Lao Aluminum Corporation Limited	MCRP Holding	First Dhaka Elevated Expressway Co., Ltd.	
Total net assets of associated companies	91,660	56,653	514,948	(233,321)	-	683,469	-	1,839,610	2,953,019
Proportion of ownership interests held by the Company (%)	48.99	46.69	19.98	15.00	24.00	50.00*	24.00	51.00	-
Net assets by the Company's proportion	44,902	26,452	102,887	(34,998)	-	341,735	-	938,201	1,419,179
Other adjustment	-	2,525	868	34,998	-	57,211	-	(114,178)	(18,576)
Carrying amount of the investment in associated companies	44,902	28,977	103,755	-	-	398,946	-	824,023	1,400,603
Dividend received from associated company	-	-	1,877	-	-	-	-	-	1,877

(Unit : Thousand Baht)	31 December 2018								Total
	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 net assets of associated companies	64,709	56,828	497,591	(210,240)	-	807,080	-		1,215,968
Proportion of ownership interests held by the Company (%)	48.99	46.69	19.98	15.00	24.00	50.00*	24.00		-
Net assets by the Company's proportion	31,700	26,534	99,419	(31,536)	-	403,540	-		529,657
Other adjustment	-	2,525	868	31,536	-	37,434	-		72,363
Carrying amount of the investment in associated companies	31,700	29,059	100,287	-	-	440,974	-		602,020
Dividend received from associated company	-	-	2,971	-	-	-	-		2,971

* The Company had paid for share capital for its portion of 34% in accordance with agreement but a shareholder has not paid for its share capital in accordance with shareholder agreement. As a result, the Company's interest become 50% of share capital.

Unrecognized loss from associated companies

(Unit : Thousand Baht)	2019	2018
Unrecognized loss from associated companies	3,462	1,851
Cumulative share of losses of associated companies	34,998	31,536

Investments in associated companies as at 31 December 2019 and 2018, comprise investments in the following:

(Unit : Thousand Baht)	Nature of business	Paid-up Capital	Percentage of shareholding (%)		Consolidated F/S		Separate F/S	
					Equity		Cost	
			2019	2018	2019	2018	2019	2018
Investments in associated companies								
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	48.99	48.99	44,902	31,700	2,450	2,450
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	26,452	26,534	27,373	27,373
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire	313,000	19.98	19.98	103,755	100,287	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)
Sino Lao Aluminum Corporation Limited	Bauxite mine business in Laos	32 Million USD)	34.00	34.00	398,946	440,974	521,537	521,537
First Dhaka Elevated Expressway Co., Ltd.	Concession for constructing elevated expressway in Bangladesh	5,472 Million BDT	51.00	-	824,023	-	1,004,051	-
Total Investments in associated companies – net					1,398,078	599,495	1,702,014	697,693
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					1,400,603	602,020	1,702,014	697,963

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

(Unit : Million Baht)	For the years ended 31 December							
	Current assets		Non - current assets		Current liabilities		Non - current liabilities	
	2019	2018	2019	2018	2019	2018	2019	2018
ATO-Asia Turnouts Co., Ltd.	93	145	42	48	43	128	-	-
Bangkok Steel Wire Co., Ltd.	724	835	271	290	454	607	27	20
Oriental Residence Bangkok Co., Ltd.	2,188	2,124	1,137	1,235	2,623	2,590	935	979
Sino Lao Aluminum Corporation Limited	-	2	1,255	1,370	324	316	248	249
Siam Pacific Holding Co., Ltd.	-	-	62	63	-	-	6	6
First Dhaka Elevated Expressway Co., Ltd.	340	-	3,027	-	1,527	-	-	-
Total	3,345	3,106	5,794	3,006	4,971	3,641	1,216	1,254

(Unit : Million Baht)	For the years ended 31 December					
	Revenues		Profit (loss)		Other comprehensive income	
	2019	2018	2019	2018	2019	2018
ATO-Asia Turnouts Co., Ltd.	222	192	21	(7)	-	-
Bangkok Steel Wire Co., Ltd.	1,284	1,308	26	17	-	-
Oriental Residence Bangkok Co., Ltd.	336	357	330	(22)	-	-
Sino Lao Aluminum Corporation Limited	-	-	(40)	(56)	(22)	5
First Dhaka Elevated Expressway Co., Ltd.	3	-	(4)	-	(17)	-
Total	1,845	1,857	333	(68)	(39)	5

The significant projects under development which the Company invested through associated companies are as follow:

Dhaka Elevated Expressway Project

The Company invested through First Dhaka Elevated Expressway Co., Ltd. which has changed from investment in subsidiary to investment in associated company during the year 2019. The project information is as follow.

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 of Baht 41,192 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 44.20%.

Bauxite Mining and Alumina and Aluminum Production Project

The Company invested through Sino Lao Aluminum Corporation which it is located in Lao People's Democratic Republic. In the year 2009, This associated company obtained and signed the Concession Agreement with the Laos Government for bauxite mining and is in process for approval the ESIA Certificate of the project which the Company already comply with the regulation of Minerals law and submitted documentation to the Office of Natural Resources and Environment Policy and Planning, and Ministry of Natural Resources and Environment and waiting for approval from the Government Agencies. In addition, the associated company is in the process of negotiating with strategic partner and engage the consultant to prepare the Upgrading Bankable Feasibility Study to assess the project feasibility in order to the financing fund for project development.

15.3 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 year ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	217,475	126,524	-	-
Add : Share of profit from joint ventures	205,494	185,127	-	-
Less : Receipts for the share of profit from joint venture	(130,637)	(31,000)	-	-
Less : Transferred investment in joint ventures to subsidiary company	-	(66,804)	-	-
Add (less) : Translation adjustment on Foreign currency financial statements	(15,990)	3,628	-	-
Balance as at 31 December	276,342	217,475	-	-

Investments in joint ventures as at 31 December 2019 and 2018, comprise investments in the following entities :

(Unit : Thousand Baht)	Nature of business	Percentage of shareholding (%)		Consolidated F/S		Separate F/S	
				Equity		Cost	
		2019	2018	2019	2018	2019	2018
<u>Investments in joint ventures</u>							
ITD-EGC Joint Venture	Construction services in Republic of China	55.00	55.00	287,606		278,668	
Less : Allowance for impairment					299,430		289,977
Net				(278,668)	(289,977)	(278,668)	(289,977)
				8,938	9,453	-	-
IOT Joint Venture	Construction services	40.00	40.00	-	-	-	-
CMC/ITD/SONG DA Joint Venture	Construction services	30.00	30.00	179,332	125,388	-	-
ITD SINOHYDRO Joint Venture	Construction services	51.00	51.00	75,000	16,138	-	-
Total investments in joint venture – net				263,270	150,979	-	-
<u>Investments in joint ventures held by subsidiaries</u>							
CEC-ITD Cem-TPL Joint Venture	Construction services	18.66*	18.66*	13,072	66,496	-	-
Total investments in joint venture held by subsidiaries – net				13,072	66,496	-	-
Total investments in joint ventures - net				276,342	217,475	-	-
Total investments in subsidiaries, associated companies and joint venture – net				1,676,945	819,495	13,597,437	7,924,917

* The Company has investment in joint ventures held by this subsidiary of 40%. The Company held the proportion of investment in such subsidiary for 46.64%. Therefore, the proportion of the Company in the joint venture is 18.66%.

On 20 November 2019, CMC/ITD/SONGDA Joint Venture obtained the notice of termination letter from employer since the delay of work for construction project and the employer engaged new contractor to operate the project which is considered as a breach of contract. The Joint Venture therefore sent the termination letter to the employer from such matter.

At present, the Joint Venture and its employer appointed the Dispute Adjudication Board (DAB) to consider the dispute between counter parties. The Joint Venture is in process of gathering information relating to the value of work which has been submitted, construction material and equipment for the consideration process of DAB which outcome cannot presently be concluded.

The financial statements of such Joint Venture were based on the financial information compiled by the management of joint venture which had not been audited by the auditor. However, the management of the Company believes that there will be no significant variances had the financial statements of the Joint Venture been reviewed by their auditors.

A reconciliation of the condense financial information to the carrying amounts of the investments in joint ventures are as follows:

(Unit : Million Baht)	For the years ended 31 December									
	ITD – EGC Joint Venture		IOT Joint Venture		CMC/ITD/ SONGDA Joint Venture		ITD- SINOHYDRO Joint Venture		CEC-ITD CEM-TPL Joint Venture	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total net assets of joint venture	16	17	-	-	598	418	147	32	22	111
Proportion of ownership Interest (%)	55	55	40	40	30	30	51	51	18.66	18.66
Net assets by proportion	9	9	-	-	179	125	75	16	4	21
Other adjustment	-	-	-	-	-	-	-	-	9	45
Carrying amount of the investment (obligation)	9	9	-	-	179	125	75	16	13	66

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

(Unit : Million Baht)	For the years ended 31 December											
	ITD - EGC Joint Venture		IOT Joint Venture		ITD- SINOHYDRO Joint Venture		CMC/ITD/ SONGDA Joint Venture		CEC-ITD CEM-TPL Joint Venture		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cash and cash equivalents	11	11	-	-	116	54	97	559	738	444	962	1,068
Other current assets	5	6	-	-	834	555	1,634	1,536	636	687	3,109	2,784
Total current assets	16	17	-	-	950	609	1,731	2,095	1,374	1,131	4,071	3,852
Non-current assets	-	-	-	-	78	93	1,107	1,360	461	682	1,646	2,135
Other current liabilities (including trade payables and provision)	-	-	-	-	505	115	2,240	3,037	1,812	613	4,557	3,765
Total current liabilities	-	-	-	-	505	115	2,240	3,037	1,812	613	4,557	3,765
Non-current liabilities	-	-	-	-	376	555	-	-	1	1,089	377	1,644
Net assets	16	17	-	-	147	32	598	418	22	111	783	578

(Unit : Million Baht)	For the years ended 31 December									
	Revenues		Profit (loss)		Other comprehensive income (loss)		Depreciation and amortization		Tax	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
ITD – EGC Joint Venture	-	3	(3)	(1)	-	-	-	-	-	-
ITD – ETF Joint Venture	-	139	-	22	-	-	-	13	-	-
ITD – ETF MVM Joint Venture	-	-	-	(4)	-	-	-	-	-	-
IOT Joint Venture	-	-	-	-	-	-	-	-	-	-
CMC/ITD/SONGDA Joint Venture	3,165	4,116	217	266	-	-	309	324	44	30
ITD-SINOHYDRO Joint Venture	1,554	948	123	26	-	-	22	12	109	23
CEC – ITD CEM – TPL Joint Venture	2,121	2,338	135	113	-	-	222	205	85	63
Total	6,840	7,544	472	422	-	-	553	554	238	116

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 value can be determined.

16. OTHER LONG-TERM INVESTMENTS – NET

Movements in other long-term investments during the years ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	909,765	861,138	749,030	691,793
Add : Investment	200,000	-	200,000	-
Add : Reversal of allowance for impairment of investment	-	200,000	-	200,000
Less : Unrealized loss from changes in value of investments	(142,300)	(151,373)	(134,010)	(142,763)
Less : Allowance for impairment of investment	(15,415)	-	(15,415)	-
Balance as at 31 December	952,050	909,765	799,605	749,030

Other long-term investments as at 31 December 2019 and 2018 comprise investments as follows:

(Unit : Thousand Baht)	Nature of business	Percentage of Shareholding (%)		Consolidated F/S		Separate F/S	
		2019	2018	2019	2018	2019	2018
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
Less : Allowance for impairment				(14,900)	-	(14,900)	-
Net				9,100	24,000	9,100	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				(2,500)	(1,985)	(2,500)	(1,985)
Net				500	1,015	500	1,015
Nishio Rent All (Thailand) Co., Ltd.	Construction machinery Rental	15.00	15.00	7,500	7,500	7,500	7,500
Eastern Hing-Speed Rail Linking Three Airports	Joint investment	5.00	-	200,000	-	200,000	-
Praram 9 Square Co., Ltd.	Real estate development and rental	6.32	6.32	200,000	200,000	200,000	200,000
Total Investment in other non-listed companies – net				520,298	335,713	520,298	335,713
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				(31,548)	101,902	(31,548)	101,902
Net market value				277,167	410,617	277,167	410,617
TTCL Plc.	Construction services	0.07	0.07	400	400	400	400
Add : Unrealized gain from changes in value of investments				1,740	2,300	1,740	2,300
Net market value				2,140	2,700	2,140	2,700
Total Investment in other listed companies – net				279,307	413,317	279,307	413,317
Total Investments in other companies – net				799,605	749,030	799,605	749,030
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 (loss) from changes in value of investments				(1,959)	6,331	-	-
Net market value				17,219	25,509	-	-
Total investment held by subsidiaries – net				152,445	160,735	-	-
Total other long-term investments – net				952,050	909,765	799,605	749,030

During the year 2018, 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.

17. DEVELOPMENT COSTS FOR CONCESSION RIGHT – DAWEI PROJECT

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Concession right	175,619	81,477	-	-
Costs under development	7,628,550	7,656,947	5,205,964	5,205,964
Total	7,804,169	7,738,424	5,205,964	5,205,964

As at 31 December 2019 and 2018, the Company has costs for acquisition of the right to develop the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone (“DSEZ”) amounting to Baht 7,804.17 million and Baht 7,738.42 million, respectively.

This project has been supported by the governments of Thailand and the Republic of the Union of Myanmar who have established the Special Purpose Vehicle (“SPV”) to mutually manage the development policy of the industrial project. It was agreed that the Company has the right to reimburse such costs and other investments from new investors or to be granted the right to develop additional industrial estate land in accordance to the due diligence results as conducted by the advisory firm of the SPV under the Tripartite Memorandum and Supplemental Memorandum of Understanding to the Tripartite Memorandum as signed by and between the Company, SPV, and the Dawei SEZ Management Committee (“DSEZ MC”).

At present, the Company along with its partners were granted the DSEZ Initial Phase concessions as signed with the DSEZ MC on the 5th August 2015 to develop 27 square kilometers of industrial estate land and its related infrastructure and utilities. Wherein the Company and each partner of the respective DSEZ Initial Phase concessions will be jointly responsible for the Company’s previous investment through the due diligence process. The Company will also continue to maintain its right for reimbursement of its previous investments in the DSEZ outside the Initial Phase in accordance to the Memorandums as previously agreed and signed with the SPV and DSEZ MC. Furthermore, the Governments of Myanmar and Thailand have had official discussions supporting the future DSEZ Full Phase development in parallel with the current ongoing DSEZ Initial Phase. The progress of the project development are as follows:

1. Land Lease Agreements from the Government of the Republic of Union of Myanmar and Concession Right

Through the continuous support from both the Myanmar and Thai Governments, official meetings between the two parties have taken place to discuss on ways to drive the DSEZ Initial Phase successfully forward in a practical manner; including the Land Lease Agreement to be granted by the Myanmar Government to the Company. As such in May 2019, a Joint Task Force meeting of the DSEZ Initial Phase and 2-lane road connecting the DSEZ to the Myanmar-Thailand border took place between the two governments. Thereafter in October 2019, there was the 9th Myanmar-Thai Joint Coordinating Committee (“JCC”) meeting with the focus being on the continued cooperation and support of both governments to the DSEZ Initial Phase development. These results and progress update will be proposed as an agenda in the next Myanmar-Thai Joint Higher Level Committee (“JHC”) meeting for approval in order to ensure that all parties benefit from the DSEZ Initial Phase development in a long-term sustainable manner.

In August 2019, the Company received the official comments and response to its draft Land Lease Agreement for the DSEZ Initial Phase Industrial Estate from the DSEZ MC and preliminary discussions have been made to the latest agreement. Currently, the Land Lease Agreement for the DSEZ Initial Phase Industrial Estate is being reviewed by the DSEZ MC and the higher authorities of the Myanmar Government. The Company will make a payment of concession fee to the DSEZ MC in 8 installments; e.g. the first payment has already been made on the Concession Agreement signing date. The concession fee amount will be escalated at the annual rate of 5.55%. In September 2019, the Company made the concession fee payments for the 2nd – 5th installments for Land Lease Agreement for the Initial Industrial Estate totalling USD 3.07 million and the Company will also make similar concession fee payments for all remaining concessions Estate totalling USD 9.47 million.

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

In March 2018, the Myanmar Government approved in principle the terms and conditions of the loan offered by the Government of Thailand for construction of the 2-lane road connecting the DSEZ to the Thailand-Myanmar border. In May 2018, the Joint Task Force took place to discuss the engineering issues of the 2-lane road as well as the terms of loan offered by the Government of Thailand. Thereafter, it was agreed by both governments to select an engineering advisory firm to conclude the construction plan of the 2-lane road and related plan necessary for the construction tendering process and the loan document between the two governments. The selected engineering advisory firm was later engaged in February 2019.

Surveys were conducted along the 2-lane road by the engineering advisory firm along with the relevant Thai and Myanmar Authorities, namely the Neighboring Countries Economic Development Agency (“NEDA”) and the Myanmar Ministry of Construction respectively. Another Public Consultation Meeting also took place in August 2019 based on the already approved EIA of the 2-lane road. During the JCC Meeting in October 2019, the 2-lane road study conducted by the advisory firm including the engineering recommendations and related plan were presented and its Final Report is being reviewed by the Myanmar Government. Further discussions between both governments is expected to take place first at the Joint Task Force level in order to discuss the details of the loan agreement for the 2-lane road to be provided by the Thai Government. Its recommendations will then be proposed for further consideration at the next JCC and JHC meetings.

On 28 November 2019, there was the meeting on the Final Report Presentation for the 2-lane road amongst the advisory firm, NEDA, and the Myanmar Ministry of Construction in Nay Pyi Taw. Further discussions between both governments are expected to take place, first at the Joint Task Force level in order to discuss the details of the loan agreement for the 2-lane road to be provided by the Thai Government. Its recommendations will then be proposed for further consideration at the next JCC and JHC meetings.

18. 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 subsidiary company has the right to do potash exploration in Udon Thani Province in Northeast of Thailand, and has successfully identified two large potash resources at South Udon and North Udon. Such subsidiary has incurred exploration and development costs totalling Baht 951.45 million. Such project is under process of application for potash mining concessions from the government. The subsidiary company has complied with the requirement as stipulated in the Mining Act. and has submitted the documents for the mining license application to the Department of Primary Industries and Mines (DPIM).

The progress of the license application during the period are as follows:

In June 2018, DPIM submitted 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. In January 2019, the Office of the Council of State has already replied the legal clarifications to the DPIM and allow DPIM to proceed on the process of mining license approval to the subsidiary company in accordance with requirements of the Mineral Act. B.E. 2560 and adhere to the commitment of the concession contract made between the subsidiary company and the Government to proceed the consideration process for the concession application.

On 23 May 2019, the Compensation Committee had a meeting to determine the compensation to the beneficiaries in the mining concession area in accordance with the statutory rights under the new Mineral Act. The resolution is to determine the compensation by include the amount of special compensation for landlords as stipulated in the Environment Impact Assessment report (EIA) in according to the Enhancement and Conservation of National Environmental Quality Act. B.E. 2535 as the Compensation Fund within the ceiling amounts of Baht 1,200 million.

In August 2019, the Office of the Council of State provided the legal clarification to the DPIM regarding the authority of power of DPIM Director-General to define the prevailing conditions of the Mining Licenses under the Miner Act. B.E. 2560. Consequently, it was confirmed that the subsidiary company has completed all requirements for the Mining License's application. In September 2019, DPIM issued a letter to the Udon Thani Provincial Governor appointing the preliminary stakeholders-consultative committee to held the meeting for approval the prevailing conditions of the Mining Licenses.

Subsequently, on 9 January 2020, the Udon Thani Provincial Governor submitted the committee's minutes of meeting in approval of the prevailing conditions as proposed by the DPIM Director-General. Currently, the DPIM is working on the prevailing conditions of the Mining License which will be presented to the said committee for approval. Subsequently, DPIM will summarize the application documents of the subsidiary to the Minerals Committee for consideration and approval. The DPIM's Director-General will approve the mining licenses which is expected to be completed within middle of year 2020.

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

19. 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	
	2019	2018
<u>Exploration expenditures cost</u>		
Beginning balance	566,570	566,570
Increase during the year	-	-
Ending balance	566,570	566,570
<u>Mining license expenditures cost</u>		
Beginning balance	383,406	381,957
Increase during the year	1,478	1,449
Ending balance	384,884	383,406
Total deferred exploration and development costs	951,454	949,976

20. LONG - TERM LOANS AND ADVANCES TO RELATED PARTIES - NET

The outstanding balances as at 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Subsidiaries	-	-	1,085,474	6,667,554
Associate	935,647	-	-	-
Total	935,647	-	1,085,474	6,667,554
Less : Allowance for doubtful accounts	-	-	(358,149)	(933,449)
Net	935,647	-	727,325	5,734,105

Significant movements in the long - term loans and advances to related parties for the year ended 31 December 2019 are as follows:

(Unit : Thousand Baht)	Consolidated F/S			
	1 January 2019	During the year		31 December 2019
		Increase	Decrease	
Associate	-	935,647	-	935,647

(Unit : Thousand Baht)	Separate F/S			
	1 January 2019	During the year		31 December 2019
		Increase	Decrease	
Subsidiaries	6,667,554	195,210	5,777,290	1,085,474

During the year 2019, the Company made addition investment in the share capital of five subsidiaries of Baht 5,629.39 million for repaying long – term loans and advances to the Company of Baht 5,616.95 million. The Company has previously recognized allowance for doubtful accounts of long-term loans and advances totaling amount Baht 467.49 million, therefore, the Company reversed of allowances for doubtful accounts for such long – term loans and advances.

During the year 2019, the Company made additional investment in the share capital of two overseas subsidiaries by swapping Debt to Equity of Baht 115.80 million. The Company has previously recognized allowance for doubtful accounts of long-term loans and advances amount Baht 106.32 million. The Company, therefore, reversed allowances for doubtful accounts for such long-term loans and advances.

During the year 2019, an overseas subsidiary has been novated long-term loan from the financial institution amount of BDT 2,634.88 million (equivalent to Baht 935.65 million) from an associated company under the Deed of Novation. Such transaction has already been approved from the financial institution as lender. An overseas subsidiary company recognized the right to demand payment from an associated company under novation from the financial institution as long-term loans and advance to associated company.

During the year 2018, a local subsidiary repaid its long-term loans and advance to the Company amounted to Baht 520.62 million. The Company has 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 year.

21. LAND AWAITING DEVELOPMENT – NET

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Land awaiting development	295,769	770,615	-	474,846
Add : Purchase during the year	450	-	-	-
Less : Reclassify to fixed assets	-	(474,846)	-	(474,846)
Land awaiting development – net	296,219	295,769	-	-

As at 31 December 2019 and 2018, land awaiting of development of the Group of Baht 284.49 million and Baht 284.04 million, respectively, are the land for using in Map Ta Phut Jetty Project and Potash Mining Project in Udon Thani province.

During the year 2018, the Company classified certain units of land included as part of the land awaiting development for its own use to fixed assets. The net book value of such unit is Baht 474.85 million.

22. INVESTMENT PROPERTIES

As at 31 December 2019, investment properties presented at fair value consist of:

(Unit : Thousand Baht)	Consolidated F/S	Separate F/S
Land	1,737,558	765,219
Building	303,602	303,602
Total	2,041,160	1,068,821

Investment properties was subsequent measurement at fair value which assess by independent appraisers under the market approach.

Movements in investment properties for the years ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Net book value as at 1 January	2,030,872	2,113,270	1,068,821	1,151,219
Less : Disposal during the year	-	(82,398)	-	(82,398)
Add : Gain on revaluation of assets	10,288	-	-	-
Net book value as at 31 December	2,041,160	2,030,872	1,068,821	1,068,821

During the year 2018, the Company received the transfer condominium units for a total value of Baht 13.84 million for the repayment of the debt of an indirect subsidiary.

23. PROPERTY, PLANT AND EQUIPMENT – NET

(Unit : Thousand Baht)	Consolidated F/S					
	Land	Building and factories	Machinery, Office equipment, Furniture and vehicle	Site office and temporary camps	Machinery and equipment under installation	Total
Cost						
1 January 2018	1,331,922	6,484,978	33,792,199	1,224,621	1,100,699	43,934,419
Acquisitions / Transfer in	50,970	57,357	5,584,795	61,996	2,038,089	7,793,207
Transfer in from acquisition of interest in joint venture form joint partner	-	-	287,095	-	-	287,095
Disposals / Transfer out	-	(11,390)	(2,608,318)	(28,003)	(1,121,976)	(3,769,687)
Reclassify from land awaiting development	474,846	-	-	-	-	474,846
Translation adjustment	(2,514)	(13,467)	(530,168)	(222)	(31,549)	(577,920)
31 December 2018	1,855,224	6,517,478	36,525,603	1,258,392	1,985,263	48,141,960

	Consolidated F/S					
	Land	Building and factories	Machinery, Office equipment, Furniture and vehicle	Site office and temporary camps	Machinery and equipment under installation	Total
(Unit : Thousand Baht)						
Acquisitions / Transfer in	16,948	427,858	4,104,784	34,706	6,584,954	11,169,250
Disposals / Transfer out	(550)	-	(1,194,798)	(6,032)	(1,268,937)	(2,470,317)
Decreased from lost control in subsidiary	-	-	(306,832)	(11,723)	-	(318,555)
Translation adjustment	(2,348)	(13,647)	(608,235)	(7)	(10,169)	(634,406)
31 December 2019	1,869,274	6,931,689	38,520,522	1,275,336	7,291,111	55,887,932
Accumulated depreciation						
1 January 2018	-	4,518,194	18,779,529	887,072	-	24,184,795
Depreciation for the year	-	361,204	2,546,644	96,646	-	3,004,494
Depreciation from Transfer in from acquisition of interest in joint venture form joint partner	-	-	185,303	-	-	185,303
Accumulated depreciation for disposals	-	(152)	(2,270,018)	(62,544)	-	(2,332,714)
Accumulated depreciation from transfer in (transfer out)	-	-	23,000	(23,000)	-	-
Translation adjustment	-	(2,906)	(306,797)	(64)	-	(309,767)
31 December 2018	-	4,876,340	18,957,661	898,110	-	24,732,111
Depreciation for the year	-	253,091	2,815,400	119,750	-	3,188,241
Accumulated depreciation for disposals	-	-	(607,341)	(6,032)	-	(613,373)
Decreased from lost control in subsidiary	-	-	(83,799)	(7,782)	-	(91,581)
Translation adjustment	-	(3,196)	(312,815)	(7)	-	(316,018)
31 December 2019	-	5,126,235	20,769,106	1,004,039	-	26,899,380
Less Allowance for impairment						
31 December 2018	15,219	1,818	2,802	-	-	19,839
31 December 2019	15,219	1,818	2,802	-	-	19,839
Net book value						
31 December 2018	1,840,005	1,639,320	17,565,140	360,282	1,985,263	23,390,010
31 December 2019	1,854,055	1,803,636	17,748,614	271,297	7,291,111	28,968,713
Depreciation for the year 2018						3,004,494
Depreciation for the year 2019						3,188,241

	Separate F/S					
	Land	Building and factories	Machinery, Office equipment, Furniture and vehicle	Site office and Temporary Camps	Machinery and equipment under installation	Total
(Unit : Thousand Baht)						
Cost						
1 January 2018	1,112,688	4,720,024	17,239,248	1,064,353	731,487	24,867,800
Acquisitions / Transfer in	50,970	30,311	4,059,905	58,970	1,805,063	6,005,219
Disposals / Transfer out	-	-	(2,038,830)	(28,003)	(773,211)	(2,840,044)
Reclassify from Land awaiting development	474,846	-	-	-	-	474,846
Translation adjustment	-	-	(30,839)	(7)	(9,236)	(40,082)
31 December 2018	1,638,504	4,750,335	19,229,484	1,095,313	1,754,103	28,467,739
Acquisitions / Transfer in	16,948	416,776	2,266,902	31,948	6,046,701	8,779,275
Disposals / Transfer out	(550)	-	(699,630)	(6,032)	(715,526)	(1,421,738)
Translation adjustment	-	-	(133,069)	(7)	(2,472)	(135,548)
31 December 2019	1,654,902	5,167,111	20,663,687	1,121,222	7,082,806	35,689,728

	Separate F/S					
	Land	Building and factories	Machinery, Office equipment, Furniture and vehicle	Site office and Temporary Camps	Machinery and equipment under installation	Total
(Unit : Thousand Baht)						
Accumulated depreciation						
1 January 2018	-	3,549,978	10,981,186	848,524	-	15,379,688
Depreciation for the year	-	283,565	1,316,932	83,664	-	1,684,161
Accumulated depreciation for disposals	-	-	(1,962,366)	(62,544)	-	(2,024,910)
Accumulated depreciation from transfer in (transfer out)	-	-	23,000	(23,000)	-	-
Translation adjustment	-	-	(21,570)	(7)	-	(21,577)
31 December 2018	-	3,833,543	10,337,182	846,637	-	15,017,362
Depreciation for the year	-	178,576	1,615,198	107,660	-	1,901,434
Accumulated depreciation for disposals	-	-	(401,143)	(6,032)	-	(407,175)
Translation adjustment	-	(117)	(40,166)	(7)	-	(40,290)
31 December 2019	-	4,012,002	11,511,071	948,258	-	16,471,331
Net book value						
31 December 2018	1,638,504	916,792	8,892,302	248,676	1,754,103	13,450,377
31 December 2019	1,654,902	1,155,109	9,152,616	172,964	7,082,806	19,218,397
Depreciation for the year 2018						1,684,161
Depreciation for the year 2019						1,901,434

During the year 2018, the Company classified certain units of land included as part of the land awaiting development for its own use to fixed assets. The net book value of such unit is Baht 474.85 million.

During the year 2018, the Company received the transferred non-current asset which held for sale as machinery and equipment from a joint operation amount of Baht 165.72 million.

As at 31 December 2019 and 2018, certain building, machinery and equipment items of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 13,804.36 million and Baht 10,929.04 million, respectively (Separate F/S : Baht 10,748.97 million and Baht 8,095.81 million, respectively).

As at 31 December 2019 and 2018, the Group's machinery, equipment and vehicles with a total net book value of Baht 3,412.59 million and Baht 3,351.19 million, respectively, were acquired under finance leases/ hire purchase agreements (Separate F/S: Baht 3,149.50 million and Baht 3,090.27 million, respectively).

As at 31 December 2019 and 2018, the Company has assets under construction for precast and limestone production to support the project under development of Baht 122.44 million. The Company's management believes that these assets are not impaired.

As at 31 December 2019 and 2018, land and construction thereon, machinery and equipment of the subsidiaries company are under the guarantee as collaterals for loans from banks (Notes 26 and 29).

24. GOODWILL

As at 31 December 2019 and 2018, the outstanding balance of goodwill are as follows :

(Unit : Thousand Baht)	Consolidated F/S	
	2019	2018
Balance as at 1 January	880,245	958,785
Less : Translation adjustment for foreign currency financial statements	(8,503)	(78,540)
Balance as at 31 December	871,742	880,245
Less : Allowance for impairment	(16,673)	(16,673)
Net	855,069	863,572

Key assumptions used in the recoverable amount assessment include:

	Cement business	Construction business in India
Growth rate (%)	1	7
Discount rate (%)	8	19.75

The Group assesses recoverable value from Potash Mining Project by considering project feasibility and internal rate of return (IRR) with the discount rate of 8% which management considered appropriate. Based on this assessment, the recoverable value from the project is higher than the carrying amount of investment.

Growth rate

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

Discount rate

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

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

Based on impairment test for goodwill by increasing discount rate for 0.5 percent, the Company does not have to recognize an impairment of goodwill in the consolidated financial statements for the year end 31 December 2019.

25. DEFERRED CONCESSION COST AND COSTS OF PROJECT UNDER DEVELOPMENT

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Project under development				
– Mozambique	2,108,925	2,061,382	1,921,186	1,863,679
– Bangladesh	-	2,532,915	-	-
Total	2,108,925	4,594,297	1,921,186	1,863,679

Project under development – Mozambique

In the year 2013, An overseas subsidiary has signed the Concession agreement with the Ministry of Transportation and Communications, Government of the Republic of Mozambique. The subsidiary will hold 60% of project.

On 24 November 2017, an overseas subsidiary has been amendment of the Concession agreement as proposed by the financial advisor to confident a supporting bank to be bankable the contract. The project value of USD 4,500 million equivalents to Baht 148,500 million and project details 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 613 kilometers.
2. Construction of a Deep-Sea Port at Macuse with the starting port capacity, for exporting coal, of 40 million tons annually to the maximum capacity of 100 million tons annually.
3. Operation of the Heavy Haul Railway Lines and Macuse Deep Sea Port on the Concession Agreement of 30 years (including the Construction) and the Concession period could be extended for another 10 years.

The 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, an overseas subsidiary has selected Engineering Procurement and Construction (EPC Contractor) and already completed Environmental and Social Impact Assessment (ESIA) processes. In addition, an overseas subsidiary is under negotiation process to sign Take or Pay agreement (ToP) with Mines owner which has progress more than 60% and after signed ToP agreement, they will be prepare for Financial Close process.

Project under development – Bangladesh

During the year 2019, the Company has been changed investment in First Dhaka Elevated Expressway Company Limited from subsidiary to associated company. As a consequence, the Company derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position at the date which the Company losses control from the change in interest.

26. 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 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Bank overdrafts	1,138,596	1,590,879	1,531	122,913
Short – term loans from financial institutions	6,197,073	6,163,363	4,125,046	4,343,835
Total	7,335,669	7,754,242	4,126,577	4,466,748

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

(Unit : Million)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
THB	5,276	4,975	4,125	4,327
INR	2,183	2,521	-	-
USD	-	0.5	-	0.5

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.

Two subsidiary companies have loan agreements with commercial banks for credit facilities of Baht 133.10 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 gradually upon the redemption of the mortgages at 70% – 80% of selling price of the projects' assets as stipulated in the agreements. The payback period for the principals are within 36 – 60 months from agreements date.

As at 31 December 2019 and 2018, part of loans amounting to Baht 3,465.05 million and Baht 2,760.92 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 2019 and 2018, bank overdrafts and short – term credit facilities that have not been drawn down amounted to Baht 12,605.63 million and Baht 13,067.15 million, respectively.

27. TRADE ACCOUNTS PAYABLE – RELATED PARTIES

The outstanding balances as at 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Subsidiaries	-	-	1,188,594	986,426
Associated companies and joint ventures	185,418	285,176	173,897	260,647
Related companies	1,483,356	1,602,129	1,411,801	1,555,697
Total trade accounts payable – related parties	1,668,774	1,887,305	2,774,292	2,802,770

28. FINANCE LEASES PAYABLE – NET

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Not over one year	699,137	769,156	627,568	681,101
Over one year but not over five years	957,736	1,117,073	874,091	1,020,137
Total	1,656,873	1,886,229	1,501,659	1,701,238
Less : Deferred interest	(86,915)	(106,686)	(73,377)	(87,964)
	1,569,958	1,779,543	1,428,282	1,613,274
Less : Current portion	(649,150)	(712,878)	(585,403)	(636,371)
Net	920,808	1,066,665	842,879	976,903

The above finance leases payable are for machinery, equipment and vehicles leases with scheduled repayment terms of 2 - 5 years.

29. LONG - TERM LOANS - NET

As at 31 December 2019 and 2018, the outstanding balance of long - term loans are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Outstanding balances	22,131,226	21,084,335	17,513,430	15,068,794
Less : Current portion	(10,851,040)	(10,608,923)	(10,219,305)	(8,300,934)
Net	11,280,186	10,475,412	7,294,125	6,767,860

Movements in the long – term loans for the years ended 31 December 2019 and 2018 are summarised as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	21,084,335	15,236,546	15,068,794	9,209,727
Add : Additional borrowings	7,057,294	10,517,379	6,812,670	9,379,821
Less : Repayments	(6,102,524)	(4,636,874)	(4,364,746)	(3,522,868)
Add (less) : Translation adjustment for foreign currency financial statements	92,121	(32,716)	(3,288)	2,114
Balance as at 31 December	22,131,226	21,084,335	17,513,430	15,068,794

The outstanding balance of long - term loans as at 31 December 2019 and 2018 are as follows:

Loan	Credit amount (Million Baht)	Interest rate	Condition	Guarantee	Million Baht			
					Consolidated F/S		Separate F/S	
					2019	2018	2019	2018
Portion of the Company								
	20,944	MLR – 1.00% per annum	Repayment within 2019 and 2020 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract	17,513	15,069	17,513	15,069
		MLR – 1.25% per annum	Repayment within 2020 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract				
		MLR – 1.50% per annum	Repayment within 2019 – 2022 or upon completion of the project, whichever is earlier	Assignment on revenue from construction contract				
		MLR – 2.00% per annum	Repayment within 2028 or upon completion of the project, whichever is earlier	Assignment of collection from construction contract				
		Libor + 4.00% per annum	Repayment per contract	Machinery				
		Market rate per annum	Repayment within 2019 – 2020 upon completion of the project, whichever is earlier	Bank account opened for receive revenue from construction				
		4.00% per annum	Repayment per contract	-				
Portion of subsidiaries								
1	285	MLR – 1.00% , MLR - 1.70% and MLR- 3.05% per annum	Repayment within 2022 – 2024	Guarantee by machinery and equipment and by parent company	207	234	-	-
2	631	MLR per annum	Repayment per contract	Land and machinery	211	296	-	-
3	5,745	MLR – 1.50% per annum	Repayment within 2019 – 2026	Assignment on revenue from construction contract	3,264	3,758	-	-
4	5,600 Million BDT	Floating rate of Bank of Bangladesh plus 6.00% per annum	Repayment per contract	Guarantee by parent company	936	1,727	-	-
				Total	22,131	21,084	17,513	15,069
				Less : Current portion	(10,851)	(10,609)	(10,219)	(8,301)
				Net	11,280	10,475	7,294	6,768

30. DEBENTURES – NET

Debtenture (Unit : Thousand Baht)	Duration	Date of issue	Maturity date	Interest rate (% p.a.)	Consolidated and Separate F/S	
					2019	2018
1	5 years 1 day	21 September 2015	22 September 2020	4.95	3,498,098	3,495,478
2	5 years	8 June 2016	8 June 2021	4.40	3,497,739	3,496,165
3	3 years 2 days	15 September 2016	17 September 2019	4.00	-	199,896
4	2 years 1 month 29 days	27 February 2017	25 April 2019	4.20	-	249,922
5	5 years 3 days	26 June 2017	29 June 2022	4.70	5,992,815	5,989,929
6	2 years 5 month 27 days	30 November 2017	27 May 2020	4.10	299,902	299,659
7	270 days	25 May 2018	19 February 2019	3.00	-	850,000
8	269 days	17 July 2018	12 April 2019	3.00	-	200,000
9	5 years	15 February 2019	15 February 2024	5.25	1,993,814	-
Total					15,282,368	14,781,049
Less: Current Portion					(3,798,000)	(1,499,818)
Debentures – net					11,484,368	13,281,231

Movements of debentures for the years ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated and Separate F/S	
	2019	2018
Balance as at 1 January	14,781,049	14,553,330
Add : Newly issued debentures	2,000,000	1,050,000
Less : Redemption of former debentures	(1,500,000)	(830,000)
Less : Cost of issuing debentures	(7,500)	-
Add : Amortization of costs of issuing debentures	8,819	7,719
Balance as at 31 December	15,282,368	14,781,049
Less : Current portion	(3,798,000)	(1,499,818)
Net	11,484,368	13,281,231

On 15 February 2019, the Company issued new debentures to specific persons, unsecured, unsubordinated with representative holders, for a principal amount of Baht 2,000 million (face value of Baht 1,000) with 5 years tenure. These bear interest at the of 5.25 percent per annum which is payable quarterly. The debentures will be due for redemption on 15 February 2024. The Company used the proceeds from this issuance to repay its debts.

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.

On 12 November 2019, the Company called for a meeting No. 1/2019 of debenture holders to consider the following matters;

- To consider waiving for the maintenance of the Debt to Equity ratio as stipulated in the Terms and Conditions of the debenture issuance to be effective from the fiscal year ended 2019 up to the end of fiscal year 2020. The Company has already received the approval from the five series of debenture holders.
- To consider the amendment of the definition of “Debt” and “Shareholders’ Equity” under the Terms and Conditions used for calculation of Debt to Equity ratio. The Company has already received the approval from one series of debenture holder while the remaining four series of debenture holders did not constitute the quorum. The Company will have to call for another meeting for consideration of this condition again on 25 November 2019. At present, the Company has already received the approval from four series of debenture holder.

31. EMPLOYEE BENEFITS OBLIGATION - NET

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Present value of employee benefits obligation as at 31 December	1,870,676	1,383,694	1,390,917	989,484
Fair value of plan assets as at 31 December	(103,455)	(99,088)	-	-
Obligation – net	1,767,221	1,284,606	1,390,917	989,484
Less : Current portion of liabilities under employee benefits obligation	(701,276)	(523,580)	(620,633)	(453,581)
Net	1,065,945	761,026	770,284	535,903
<u>Employee benefits obligation</u>				
Balance as at 1 January	1,383,694	1,245,173	989,484	903,064
Past service costs from the amended severance pay of the Labor Law	310,638	-	277,949	-
Current service costs	116,278	117,393	80,933	58,429
Interest on obligation	55,825	41,963	33,360	22,012
Actuarial loss	125,418	90,032	81,581	69,849
Benefit paid	(99,430)	(92,185)	(72,331)	(63,806)
Translation adjustments for foreign currency financial statements	(21,747)	(18,682)	(59)	(64)
Balance as at 31 December	1,870,676	1,383,694	1,390,917	989,484
Less : Current Portion	(701,276)	(523,580)	(620,633)	(453,581)
Net	1,169,400	860,114	770,284	535,903

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
<u>Plan assets</u>				
Balance as at 1 January	99,088	91,125	-	-
Expected returns on plan assets	7,232	6,643	-	-
Contribution	26,496	28,440	-	-
Benefit paid	(23,291)	(1,291)	-	-
Actuarial gain (loss)	3,661	(17,347)	-	-
Translation adjustments for foreign currency financial statements	(9,731)	(8,482)	-	-
Balance as at 31 December	103,455	99,088	-	-

On 5 April 2019, the National Legislative Assembly published Labor Protection Act No.7 B.E. 2562 in the Government Gazette which increases the obligation of the Group to pay compensation to employees for 400 days from previously defined for 300 days based on their salaries at the date of retirement if they have worked for a consecutive period of 20 years or more. The revised legislation became effective on 5 May 2019.

This change is considered an amendment to the post-employment benefits plan that resulted in an increase in the employment benefit obligation of Baht 310.64 million in the consolidated financial statements and Baht 277.95 million in the separate financial statements. The Group has recorded the effect of the change by recognizing past service costs as expenses immediately in the statement of profit or loss.

Plan assets invested with two insurance companies as at 31 December 2019 and 2018 are Baht 103.46 million and Baht 99.09 million, respectively. The management believes that the assets in these portfolios are well diversified risk and, as such, the long term return thereon is expected to be higher than the rate of return on Government Bonds.

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

The amount of employee benefits obligation, plan assets, the deficit thereof and the experiences of adjustments on plan assets and plan liabilities of overseas entities for the current and previous 3 years are as follows:

(Unit : Thousand Baht)	2019	2018	2019	2018
Employee benefits obligation	225,866	225,309	195,808	172,205
Plan assets	103,455	99,088	91,125	85,115
Deficit	(122,411)	(126,221)	(104,683)	(87,090)
Experience adjustments on plan assets	(3,661)	17,347	(721)	(2,513)
Experience adjustment on plan liabilities	(11,993)	(12,254)	(17,226)	(14,707)

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

	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
<u>Financial assumptions</u>				
Discount rates	1.24 – 8.21% per annum	2.18 – 8.21% per annum	1.35 – 1.41% per annum	2.47 – 2.50% per annum
Future average salary increment rates	0.00 – 8.00% per annum	1.79 – 8.00% per annum	1.00 – 5.50% per annum	1.79 – 5.63% per annum
<u>Demographic assumptions</u>				
Mortality rate	Mortality Table 2017	Mortality Table 2017	Mortality Table 2017	Mortality Table 2017
Normal retirement ages	50 - 60 years	50 - 60 years	60 years	60 years
Weighted average duration of the defined benefit obligation (years)	4 - 28 years	5 - 28 years	7 - 8 years	8 - 9 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	
	2019	2018	2019	2018
Past service cost	310,638	-	277,949	-
Current service cost	89,782	88,953	80,933	58,429
Net interest expense	48,593	35,320	33,360	22,012
Total expenses recognized in profit or loss	449,013	124,273	392,242	80,441

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

- Amounts recognized in other comprehensive income related to the employee benefits obligation plans are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Actuarial loss from changes in experience assumptions	(66,195)	(91,831)	(46,578)	(71,344)
Actuarial gain (loss) from changes in demographic assumptions	13,398	(1,189)	13,144	(29)
Actuarial gain (loss) from changes in financial assumptions	(68,959)	(2,771)	(48,147)	1,524
Translation adjustments for foreign currency financial statement	4,990	9,578	-	-
Total income (loss) recognised in other comprehensive income	(116,766)	(86,213)	(81,581)	(69,849)

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

- Sensitivity analysis

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

(Unit : Thousand Baht)	Consolidated F/S				Separate F/S			
	2019		2018		2019		2018	
	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	47,825	172,417	(55,535)	151,151	(33,977)	35,090	(24,334)	24,792
Future salary growth								
Increment (decrement) of employee benefit obligation	171,135	48,334	149,670	(56,446)	34,077	(33,372)	24,071	(23,904)

- As at 31 December 2019 and 2018, expected maturity of employee benefits obligation before discount are as follow:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Within 1 year	692,012	523,580	620,633	453,581
Between 2 – 5 years	518,070	390,929	405,278	300,317
Between 6 – 10 years	657,844	532,236	478,248	390,885
Between 11 – 15 years	502,362	484,062	343,799	311,191

32. OTHER CURRENT LIABILITIES

In the year 2018, a Project Office in India received an arbitration award in respect of the compensation of addition costs incurred from the delay and disruption to the works from the employer of Baht 928.27 million. However, the employer has appealed the objection of such decision to the Court and consequently, the Project Office then has not received the agreed compensation.

On 1 February 2019, the Court ordered the Project Office to extend the performance bonds for the employer until further orders of the Court. The Court also ordered the employer to pay the Project Office of Baht 280.42 million but not considered as a settlement for the receivable. The Company therefore has recorded such receipt as liability in the financial statements.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Thousand Baht)	Consolidated F/S			
	Finance lease payables	Short - term loans	Long - term loans	Total
1 January 2019	1,779,543	6,317,104	21,084,335	29,180,982
Cash-flows:				
- Repayment	(790,838)	(19,916,034)	(6,102,524)	(26,809,396)
- Proceeds	-	19,796,003	7,057,294	26,853,297
Non-cash:				
- Acquisition	592,802	-	-	592,802
- Translation adjustments for foreign currency financial statement	(11,549)	-	92,121	80,572
31 December 2019	1,569,958	6,197,073	22,131,226	29,898,257

(Unit : Thousand Baht)	Consolidated F/S			
	Finance lease payables	Short - term loans	Long - term loans	Total
1 January 2018	1,408,880	7,563,270	15,236,546	24,208,696
Cash-flows:				
- Repayment	(766,934)	(20,972,050)	(4,636,874)	(26,375,858)
- Proceeds	-	19,751,793	10,517,379	30,269,172
Non-cash:				
- Acquisition	1,137,597	-	-	1,137,597
- Translation adjustments for foreign currency financial statement	-	(25,909)	(32,716)	(58,625)
31 December 2018	1,779,543	6,317,104	21,084,335	29,180,982

(Unit : Thousand Baht)	Separate F/S			
	Finance lease payables	Short - term loans	Long - term loans	Total
1 January 2019	1,613,274	4,343,835	15,068,794	21,025,903
Cash-flows:				
- Repayment	(706,026)	(14,349,596)	(4,364,746)	(19,420,368)
- Proceeds	-	14,130,807	6,812,670	20,943,477
Non-cash:				
- Acquisition	521,034	-	-	521,034
- Translation adjustments for foreign currency financial statement	-	-	(3,288)	(3,288)
31 December 2019	1,428,282	4,125,046	17,513,430	23,066,758
1 January 2018	1,145,936	5,348,803	9,209,727	15,704,466
Cash-flows:				
- Repayment	(624,566)	(18,734,546)	(3,522,868)	(22,881,980)
- Proceeds	-	17,729,364	9,379,821	27,109,185
Non-cash:				
- Acquisition	1,091,904	-	-	1,091,904
- Translation adjustments for foreign currency financial statement	-	214	2,114	2,328
31 December 2018	1,613,274	4,343,835	15,068,794	21,025,903

34. INCOME TAX

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

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Deferred tax assets	298,301	414,928	-	-
Deferred tax liabilities	(824,081)	(900,415)	(132,407)	(158,889)
Deferred tax – net	(525,780)	(485,487)	(132,407)	(158,889)

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

(Unit : Thousand Baht)	Consolidated F/S			
	1 January 2019	Recognised as income (expense)		31 December 2019
		Statement of profit and loss	Shareholders' Equity	
Deferred tax assets				
From allowance for doubtful accounts	94,000	(49,495)	(6,415)	38,090
From allowance for obsolete inventories	463	(103)	-	360
From depreciation of assets	182,672	(10,965)	(16,278)	155,429
From employee benefits obligations	127,087	(27,604)	(5,447)	94,036
From finance lease payables	5,188	523	-	5,711
From other timing differences	5,518	(761)	(82)	4,675
Total	414,928	(88,405)	(28,222)	298,301

(Unit : Thousand Baht)	Consolidated F/S			
	1 January 2019	Recognised as income (expense)		31 December 2019
		Statement of profit and loss	Shareholders' Equity	
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	22,106	-	(22,106)	-
From finance lease payables	85,607	(74)	-	85,533
From depreciation of machinery	215,500	(43,843)	(13,257)	158,400
From debentures	3,791	(265)	-	3,526
From potash mining right	458,699	-	-	458,699
From investment properties	100,222	5,010	-	105,232
From other timing differences	14,490	(490)	(1,309)	12,691
Total	900,415	(39,662)	(36,672)	824,081

(Unit : Thousand Baht)	Consolidated F/S			
	1 January 2018	Recognised as income (expense)		31 December 2018
		Statement of profit and loss	Shareholders’ Equity	
<u>Deferred tax assets</u>				
From allowance for doubtful accounts	88,582	13,592	(8,174)	94,000
From allowance for obsolete inventories	556	(93)	-	463
From depreciation of assets	264,508	(59,356)	(22,480)	182,672
From employee benefits obligations	113,595	22,146	(8,654)	127,087
From finance lease payables	8,836	(3,648)	-	5,188
From other timing differences	-	5,628	(110)	5,518
Total	476,077	(21,731)	(39,418)	414,928
<u>Deferred tax liabilities</u>				
From unrealized gain on changes in the value of investments	52,382	-	(30,276)	22,106
From finance lease payables	97,150	(11,543)	-	85,607
From depreciation of machinery	270,557	(38,045)	(17,012)	215,500
From debentures	5,334	(1,543)	-	3,791
From potash mining right	458,699	-	-	458,699
From investment properties	97,248	2,974	-	100,222
From other timing differences	15,350	523	(1,383)	14,490
Total	996,720	(47,634)	(48,671)	900,415

(Unit : Thousand Baht)	Separate F/S			
	1 January 2019	Recognised as income (expense)		31 December 2019
		Statement of profit or loss	Shareholders' Equity	
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	20,840	-	(20,840)	-
From finance lease payables	76,251	(4,707)	-	71,544
From depreciation of machinery	29,741	(3,508)	(114)	26,119
From debentures	3,791	(265)	-	3,526
From investment properties	28,266	2,952	-	31,218
Total	158,889	(5,528)	(20,954)	132,407

(Unit : Thousand Baht)	Separate F/S			
	1 January 2018	Recognised as income (expense)		31 December 2018
		Statement of profit or loss	Shareholders' Equity	
Deferred tax liabilities				
From unrealized gain on changes in the value of investments	49,394	-	(28,554)	20,840
From finance lease payables	85,300	(9,049)	-	76,251
From depreciation of machinery	42,296	(12,280)	(275)	29,741
From debentures	5,334	(1,543)	-	3,791
From investment properties	25,292	2,974	-	28,266
Total	207,616	(19,898)	(28,829)	158,889

Income tax consist of:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Domestic income tax				
Current tax	57,862	48,451	7,917	2,431
Overseas income tax				
Current tax	433,266	657,106	396,679	320,821
	491,128	705,557	404,596	323,252
Deferred tax				
Change in temporary differences	48,743	(25,903)	(5,528)	(19,898)
Total	539,871	679,654	399,068	303,354
Income tax recognised in other comprehensive income				
Unrealised gain (loss) on changes in value of investments	22,106	30,276	20,840	28,554
Actuarial loss	(5,447)	(8,654)	-	-
Others	(8,209)	(12,369)	114	275
Total	8,450	9,253	20,954	28,829

Reconciliation of effective tax rate

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Accounting profit before income tax	626,470	1,354,920	449,811	455,924
Tax rate for parent company (%)	20	20	20	20
Tax expense	125,294	270,984	89,962	91,185
Tax on adjustment for tax – rate difference in foreign jurisdictions	284,247	262,666	283,415	214,788
Tax on adjustment for eliminate transaction	(27,269)	42,167	65,000	10,517
Tax on deductible for revenue code	(290,309)	(469,406)	(181,881)	(275,038)
Tax on expenses not subject to tax for revenue code	409,719	369,950	212,401	177,671
Tax on recognition of previously unrecognized loss carry forward	(75,738)	(81)	(71,634)	-
Tax on current year losses for which no deferred tax asset was recognized	113,927	203,374	1,805	84,231
Tax expense	539,871	679,654	399,068	303,354

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	
	2019	2018	2019	2018
Temporary differences	850,684	1,416,111	817,100	1,386,860
Unused loss taxable carried forward	219,928	341,565	117,077	213,442
Total	1,070,612	1,757,676	934,177	1,600,302

The tax losses will expire in 2019 to 2023. The deductible temporary differences do not expire under current tax legislation. The Group has not recognized deferred tax assets in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits.

35. SHARE CAPITAL AND WARRANT

During the year 2019, the warrant holders exercised the right to convert 28,041 warrants to purchase 28,096 common shares at the ratio of 1 : 1.002 at the exercise price of Baht 13.971 per share. As a result, the Company's issued and fully paid-up share capital as at 31 December 2019 become Baht 5,279,868,944.

36. DIVIDEND PAYMENT

At the Annual General Shareholders Meeting held on 25 April 2019, shareholders passed a resolution to approve the dividend payment from the operations for the year 2018 at Baht 0.0144 per share for 5,279.84 million shares, totalling of Baht 76.02 million. The Company paid the dividend on 24 May 2019.

37. 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.

38. REVENUES

The Group has core revenues from construction service contracts and other service contracts including, manufacturing and selling of construction materials and products and assesses the performance obligation as a single performance obligation and therefore recognizes revenues according to their natures as follows:

Revenue from contracts	Revenue recognition
Construction services	Over time
Soil and coal extraction and removal services	Over time
Manufacturing and sale of construction materials and products	At a point in time
Real estate development	At a point in time

The Group recognizes revenues from sales and services when satisfies a performance obligation and the customer obtains control of the goods or services at an amount that reflects the consideration to which the Group expect to be entitled to received. The Group will not recognize revenue if the Group are still involved with the goods or if there are significant uncertainties regarding recovery of the consideration due.

The Group discloses the revenues classification and information by operating segments as discussed in Note 48 to the financial statements.

39. RELATED PARTY TRANSACTIONS

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

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

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

(Unit : Million Baht)	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2019	2018	2019	2018
<u>Transactions with subsidiaries</u>				
Construction services, sales and other income	-	-	814	927
Purchases of construction materials and services	-	-	1,953	1,563
Purchases of equipment	-	-	120	-
<u>Transactions with associated companies and joint ventures</u>				
Construction services, sales and other income	207	251	137	177
Purchases of construction materials and services	334	350	295	287
Purchases of equipment	42	-	-	-
<u>Transactions with related parties</u>				
Construction services, sales and other income	526	763	512	701
Purchases of construction materials and services	3,156	3,259	2,821	3,015
Purchases of equipment	306	1,646	253	1,604

(Unit : Million Baht)	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2019	2018	2019	2018
<u>Key management personnel compensation</u>				
Short - term employee benefits	183	155	135	124
Post - employment benefits	17	14	3	2

During the 4th quarter of the years 2019 and 2018, the Company entered into management service agreements with a subsidiary and charged for total fees of Baht 123.70 million and Baht 130.00 million, respectively. In addition to the normal service charges of Baht 421.40 million and Baht 421.40 million, respectively.

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

Accrued rental expenses

As at 31 December 2019, a subsidiary has accrued rental expenses with related parties of Baht 98.86 million (2018 : Baht 79.94 million).

40. RESERVED FOR PROJECTS EXPENSE - NET

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Reserved for projects expense	17,600	232,780	17,600	232,780
Less : Classified to current liability	(17,600)	(186,000)	(17,600)	(186,000)
Net	-	46,780	-	46,780

Movements of reserved for projects expense for the years ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Balance as at 1 January	232,780	169,712	232,780	167,179
Less : Reversal of reserved for loss on construction projects	-	(2,533)	-	-
Less : Actual expenses during the year	(126,199)	-	(126,199)	-
Add (less) : Provision (reversal of reserved) for expenses	(88,981)	65,601	(88,981)	65,601
Balance as at 31 December	17,600	232,780	17,600	232,780

During the year 2019, the Joint Venture reversed the provision for expense which is provision for electricity expense that excess of the quota from the employer of Baht 88.98 million since the Joint Venture has improved and increased the efficiency of machinery. In addition, the Joint Venture has completed the providing service to the employer, the Joint Venture therefore revised the estimate in according to the actual amount of excess electricity use which billed from the employer.

41. PROVIDENT FUND

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company 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 2019 and 2018, the Company and its subsidiaries contributed Baht 168.08 million and Baht 129.70 million, respectively (Separate F/S : Baht 55.10 million and Baht 56.22 million, respectively).

42. 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.

43. OTHER INCOME

Significant other income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Royalty income	40,453	38,760	40,453	38,760
Rental income	56,264	54,925	51,707	71,985
Insurance claim	9,613	14,409	136	2,697
Gain on disposal of assets	40,291	15,312	2,663	9,384
Service income	176,588	109,798	30,621	5,032
Consulting income	40,154	37,635	40,154	37,635
Bad debt written back	22,620	49,003	-	46,630
Income from sale scrap	64,548	77,346	63,912	73,660
Others	180,076	282,542	85,064	70,096
Total	630,607	679,730	314,710	355,879

44. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2019 and 2018 are as follows:

(Unit : Thousand Baht)	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Salaries, wages and other employee benefits	12,635,578	12,201,036	9,615,262	9,005,906
Depreciation	3,188,241	3,004,494	1,901,434	1,684,161
Amortisation	165,764	39,421	157,029	37,566
Rental expenses	2,214,010	2,128,019	1,659,662	1,626,793
Materials and supplies used	20,862,034	21,100,371	14,161,628	14,165,803
Subcontract costs	15,248,729	14,351,377	11,550,708	10,570,821
Utilities expenses	867,785	1,106,180	425,797	621,279
Transportation expenses	898,188	763,104	549,797	472,491
Repair and maintenance expenses	696,495	719,002	321,106	351,088
Prebid expenses	99,558	30,407	96,767	27,698
Professional fee	614,696	1,048,258	109,591	444,686
Fuel expenses	1,934,913	1,839,366	1,432,595	1,295,185

45. GUARANTEES

As at 31 December 2019, the Group have outstanding guarantees totaling approximately Baht 68,453.07 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 Group does not expect to incur losses from these guarantees.

As at 31 December 2019, the Company has outstanding guarantees approximately Baht 3,503.44 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., ITD Bangladesh Co., Ltd., and ITD Cementation India Limited for which the Company issued full guarantees for the credit facilities).

46. COMMITMENTS

46.1 As at 31 December 2019, the Company, subsidiaries and joint venture have outstanding commitments with major subcontractors, classified by currencies as follows:

(Unit : Million Baht)	Baht Equivalent	
	Consolidated F/S	Separate F/S
Currency		
THB	5,240.30	5,092.42
INR	2,072.43	-
BDT	236.47	205.20

46.2 As at 31 December 2019, the Group have the following outstanding commitments, proportionately, for purchases of materials, machinery, software, related services and service contracts:

(Unit : Million Baht)	Baht Equivalent	
	Consolidated F/S	Separate F/S
Currency		
THB	2,089.85	2,020.53
USD	679.63	339.71
INR	106.99	-
EUR	486.01	398.89
VND	0.09	0.09
BDT	2,271.45	2,187.84
GBP	46.07	46.07
SGD	3.32	-

46.3 As at 31 December 2019, the Company has outstanding commitments in respect of the un-call portion of investments in six subsidiary companies of Baht 2.25 million, USD 0.31 million, MMK 344.17 million and investment in an associated company as shareholder agreement of BDT 12,060.59 million.

46.4 As at 31 December 2019, the Company has outstanding commitments of USD 8.35 million for share purchase agreement with a joint shareholder of an associated company.

46.5 A subsidiary company has a commitment to apply for and to obtain a mining concession from the Government of Thailand as follows:

46.5.1 A subsidiary company has to pay bonus to the Ministry of Industry upon receipt of the mining concession of USD 5 million and an annual fee subsidizing the Education Fund to the Department of Primary Industries and Mines of USD 0.20 million in accordance with an agreement between the Ministry of Industry and the Department of Primary Industries and Mines and the subsidiary company.

46.5.2 A subsidiary company agreed to pay the compensation to beneficiaries in the concession areas of the mine in according with the Mineral Act. B.E. 2560. The compensation amount as stipulated in the Environment Impact Assessment report (EIA) in according with the Enhancement and Conservation of National Environmental Quality Act. B.E. 2535 is for a maximum amount of Baht 1,200 million throughout the period of concession of 25 years.

46.6 Several indirect subsidiary companies entered service agreements for project consultant with commitment to pay fee at the rate as specified in agreements.

46.7 An overseas subsidiary has a commitment to pay fees for the Environmental and Social Impact Assessment license (ESIA License) for the construction of Deep-Sea Port and Heavy Haul Railway at USD 1.60 million and USD 3.90 million, respectively.

46.8 Indirect overseas subsidiaries have a commitment to pay Concession Fee for all concession project of the Dawei Special Economic Zone Initial Phase to Dawei SEZ Management Committee totalling USD 8.50 million and shall pay a recurring annual concession fee as stipulated in Concession Agreements.

47. CONTINGENT LIABILITIES

47.1 In January 2020, the Company received a notice from a State Enterprise, the employer of a construction project, claiming for penalty charges of Baht 4,103.04 million for the delay of construction work from the key completion date and the end date of the construction contract. However, the Company opposed to the claims by submitting letters declaring the causes of the delays that need the Company to request for the extension of the completion dates as initial determined in the contract with the employer. Such declarations are concerned with many causes and events which impact the delay of construction work. The Company has obtained the consent from the project consultant of the employer agreeing the extension of some key dates and the end date affecting by some issues as discussed in Note 8 to the financial statements. However, there are still some pending cases and events which have not been concluded. At present, the Inspection Committee of the employer take all the remaining matters that the Company has submitted a letter requesting to extension of the completion date for consideration at the same time. The Company does not set up provision for liabilities in the financial statement for the year ended 2019 since the management consider that the possible obligation, timing and payment amount depending on the uncertain future event which could not presently concluded.

47.2 The Group has claims from various customers for compensation for breach of contract by claiming from the Group totaling Baht 1,265.78 million (the Company of Baht 264.04 million). Currently, these claims are under consideration of Civil Court of Baht 1,021.44 million and Arbitration Tribunal of Baht 244.34 million. The Group is unable to estimate the timings of cash outflows (if any) in respect of such claims since the result of the claims depending on the decisions of the Court and Arbitration Tribunal which outcome cannot presently be concluded. However, the Group's management believes that such claims will not cause significant damage to the Group because some cases are brought without proper justifiable grounds. Therefore, the Group does not make any provision for liabilities in the accounts.

48. SEGMENT REPORTING

Consolidated financial statements as at 31 December 2019 and 2018 and for the years ended 31 December 2019 and 2018 combined geographic segment reporting as follows:

(Unit : Million Baht)	Consolidated F/S			
	Revenues from construction work		Non - current assets*	
	2019	2018	2019	2018
Geographic information				
Thailand	36,829	35,295	50,783	28,584
India	12,666	13,718	2,591	2,802
Bangladesh	5,537	4,653	2,157	4,296
Others	427	1,098	7,668	9,312
Total	55,459	54,764	63,199	44,994

* Exclude deferred tax asset and goodwill

External customers of the Group are in Thailand and India which is major markets, revenue have been identified on the basis of the customer's geographical location. Non - current assets are allocated based on their physical location.

The Group operations are mainly engaged in a construction services and are conducted geographical segments for the years ended 31 December 2019 and 2018 as follows:

(Unit : Million Baht)	Consolidated F/S													
	For the years ended 31 December													
	Thailand		India		Bangladesh		Other countries		Total		Eliminate		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from construction work														
Gross segment revenues	36,829	35,295	12,666	13,718	5,537	4,653	427	1,098	55,459	54,764	-	-	55,459	54,764
Inter - segment revenues	1,131	1,115	134	165	-	-	-	-	1,265	1,280	(1,265)	(1,280)	-	-
Net revenues from third parties	37,960	36,410	12,800	13,883	5,537	4,653	427	1,098	56,724	56,044	(1,265)	(1,280)	55,459	54,764
Revenue from sale and service														
Gross segment revenues	4,315	4,055	-	-	-	-	2,448	1,825	6,763	5,880	-	-	6,763	5,880
Inter - segment revenues	1,592	693	-	-	-	-	-	554	1,592	1,247	(1,592)	(1,247)	-	-
Net revenues from third parties	5,907	4,748	-	-	-	-	2,448	2,379	8,355	7,127	(1,592)	(1,247)	6,763	5,880
Gross profit (loss)	3,918	3,086	1,425	2,352	840	833	367	370	6,550	6,641	(32)	(80)	6,518	6,561

(Unit : Million Baht)	Consolidated F/S													
	For the years ended 31 December													
	Thailand		India		Bangladesh		Other countries		Total		Eliminate		Grand Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue disaggregated by pattern of revenue recognition														
At point in time	37,960	36,410	12,800	13,883	5,537	4,653	427	1,098	56,724	56,044	(1,265)	(1,280)	55,459	54,764
Over time	5,907	4,748	-	-	-	-	2,448	2,379	8,355	7,127	(1,592)	(1,247)	6,763	5,880
Total	43,867	41,158	12,800	13,883	5,537	4,653	2,875	3,477	65,079	63,171	(2,857)	(2,527)	62,222	60,644
Other income	338	404	189	229	46	40	65	36	638	709	(7)	(29)	631	680
Interest income	85	148	88	87	-	1	1	1	174	237	(55)	(49)	119	188
Interest expense	(2,036)	(1,772)	(504)	(475)	(33)	-	(173)	(193)	(2,746)	(2,440)	59	47	(2,687)	(2,393)
Depreciation and amortization	(2,241)	(1,959)	(352)	(407)	(329)	(250)	(439)	(439)	(3,361)	(3,055)	7	11	(3,354)	(3,044)
Reversal of allowance (provision) for doubtful accounts	(38)	311	(42)	(40)	-	-	(11)	(120)	(91)	151	(3)	(293)	(94)	(142)
Gain (loss) on exchange rate	(156)	9	(3)	3	40	(64)	(146)	(200)	(265)	(252)	(3)	-	(268)	(252)
Share of profit from investment in associated companies and joint ventures													206	164
Income tax expense													(540)	(680)
Profit for the year													87	675

(Unit : Million Baht)	Thailand		India		Bangladesh		Other countries		Total		Elimination		Grand total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Property, plant and equipment – net	20,883	14,466	2,301	2,460	1,070	1,403	4,720	5,072	28,974	23,401	(5)	(11)	28,969	23,390
Other assets	67,116	66,681	14,305	13,437	7,783	8,449	4,510	5,955	93,714	94,522	(18,893)	(19,897)	74,821	74,625
Total assets	87,999	81,147	16,606	15,897	8,853	9,852	9,230	11,027	122,688	117,923	(18,898)	(19,908)	103,790	98,015
Total liabilities	60,330	58,632	15,714	14,682	8,850	9,089	9,364	13,514	94,258	95,917	(6,150)	(14,373)	88,108	81,544

Major Customer

For the year ended 31 December 2019, the Group revenues derived from Government agencies amounting of Baht 44,506.52 million (2018 : Baht 40,861.87 million).

49. FINANCIAL INSTRUMENTS

Financial risk management

The Group has 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 Group has 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, 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 Group 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 Group has 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 2019 are summarized as follows:

Foreign currency	Consolidated F/S		Separate F/S		Average exchange rate as at 31 December 2018 (Baht per foreign currency unit)
	Financial assets (Million)	Financial liabilities (Million)	Financial assets (Million)	Financial liabilities (Million)	
USD	42	3	55	3	30.9636
LAK	-	214	-	-	0.0034
JPY	-	48	-	-	0.2796
EUR	-	74	-	73	34.0846

Forward exchange contracts which remaining outstanding as at 31 December 2019 are summarised as follows:

Currency	Balance (Million)	Forward contract exchange rate
EUR (buy)	16	33.9100 – 38.6800

As at 31 December 2019, 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	JPY
	Million	Million	Million	Million
Trade accounts receivable and retention	10	-	-	-
Trade accounts receivable and loan to – related companies	32	-	-	-
Trade accounts payable	2	74	214	48
Loans from financial institutions	1	-	-	-

	Separate F/S (Net)	
	USD Million	JPY Million
Trade accounts receivable and loan to – related companies	55	-
Trade accounts payable	2	73
Loans from financial institutions	1	-

In addition, the Group has 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.

50. 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: no observable inputs for the asset or liability.

The following table present financial and liabilities assets that are measured at fair value as at 31 December 2019:

(Unit : Thousand Baht)	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
Assets				
Current investments	-	47	-	47
Other long – term investments	302,903	-	-	302,903
Investment properties	-	2,041,160	-	2,041,160
Total	302,903	2,041,207	-	2,344,110
Liabilities				
Forward contract liabilities	-	50,216	-	50,216
Total	-	50,216	-	50,216

(Unit : Thousand Baht)	Separate F/S			
	Level 1	Level 2	Level 3	Total
Assets				
Other long – term investment	279,306	-	-	279,306
Investment properties	-	1,068,821	-	1,068,821
Total	279,306	1,068,821	-	1,348,127
Liabilities				
Forward contract liabilities	-	50,216	-	50,216
Total	-	50,216	-	50,216

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

(Unit : Thousand Baht)	Consolidated F/S			
	Level 1	Level 2	Level 3	Total
Assets				
Current investments	-	46	-	46
Other long – term investments	438,826	-	-	438,826
Investment properties	-	2,030,872	-	2,030,872
Total	438,826	2,030,918	-	2,469,744
Liabilities				
Forward contract liabilities	-	8,339	-	8,339
Total	-	8,339	-	8,339

(Unit : Thousand Baht)	Separate F/S			
	Level 1	Level 2	Level 3	Total
Assets				
Other long – term investment	413,317	-	-	413,317
Investment properties	-	1,068,821	-	1,068,821
Total	413,317	1,068,821	-	1,482,138
Liabilities				
Forward contract liabilities	-	8,339	-	8,339
Total	-	8,339	-	8,339

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

51. CAPITAL RISK MANAGEMENT

The Company's and subsidiaries' 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 minimize the cost of capital. In addition, the Group 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.

52. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 2 March 2020.



Italian - Thai Development Public Company limited 2034/132 - 161 ItalThai Tower
 New Petchburi Road, Bangkok, Huaykwang, Bangkok 10310 Telephone : 0-2716-1600
 Corporate Services Ext : 3802-4 Fax : 0-2716-1494 www.itd.co.th E-mail : cccs@itd.co.th