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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

1. **GENERAL INFORMATION**

* 1. General information

Italian-Thai Development Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. It is listed on the Stock Exchange of Thailand. The Company has 3 overseas branches and 3 overseas project offices. The Company and its subsidiaries the address of head office of the Company’s registered office is 2034/132-161, New Petchburi Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok. The major shareholders of the Company are Mr. Pramchai Kanasuta which has shareholding of 11.90% and Mrs. Nijaporn Charanachitta which has shareholding of 6.64%.

The Company and its subsidiaries (“the Group”) 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.

* 1. Accounting assumption

For the year ended 31 December 2023, the Group and the Company had loss after tax of Baht 421.54 million and Baht 194.87 million, respectively (2022 : Baht 4,475.58 million and Baht 3,622.58 million, respectively) and as at 31 December 2023 the Group and the Company had accumulated deficits of retained earnings of Baht 6,426.67 million and Baht 5,390.06 million, respectively (2022 : Baht 5,395.86 million and Baht 5,223.32 million, respectively) and the Group and the Company had current liabilities in excess of the current assets amounting to Baht 26,711.54 million and Baht 29,977.68 million, respectively (2022 : Baht 13,305.91 million and Baht 16,810.41 million, respectively). The current liabilities mainly included short-term loans in the form of a promissory notes, trust receipts, letters of credit and long-term loans from financial institutions, where long-term loans have been reclassified to short-term loans and debentures have been reclassified to debentures due within one year due to default the conditions as specified in the terms and conditions in the loan agreement and debentures.

As at 31 December 2023, the Company is unable to maintain the debt to equity ratio computed on the consolidated financial statements as specified on loan agreements with some financial institutions. As a result of breaching the conditions of the loan agreement totalling of Baht 2,865.92 million, the financial institutions have the right to define the debts both short-term and long-term loans amounting to Baht 1,339.24 million and Baht 1,526.68 million, respectively. The financial institutions have the right to define all debts or any part of the debt as well as any interest incurred, as due and must be paid immediately without any demands and has the right to cancel all unutilized credit facilities, the Company had received letters of waivers from the bank waiving such conditions on 29 February 2024 and 18 March 2024 as mentioned in Note 49.

The Group’s management manage to seek funding and maintaining the adequate liquidity and cashflows for debts payments and business operation. On 17 January 2024 and 30 January 2024, the bondholders meeting for 5 series of debentures comprises of ITD242A, ITD24DA, ITD254A, ITD266A, and ITD24DB with a total outstanding principal of Baht 14,455 million, passed a resolution to postpone all principal repayment next 2 years from the original maturity dates. The Company plan to make payment for all principal on the new maturity dates, including all changes in other conditions as mentioned in Note 49.

Although, the Group and the Company are under process to follow business operations plan and financial strategy to ensure that the Group and the Company has adequate liquidity and the ability to meet liabilities payment on due date and continuously operate business. However, the liquidity factors for Group and the Company may be dependent on the right of the bank to recall the loan and debentures, the success of execution management’s plans, the ability to seek additional sources of funds for business operation, revised the business plan to support the future operating performance and repayment loan and debentures at the new maturity dates including the continuing support of the provider of the bank facilities, and the negotiation to collect the construction revenue for various projects from various contractors. These circumstances involve multiple uncertainties, which may have the potential interaction of material uncertainties and their possible cumulative effect on the financial statements. Those circumstances indicate that material uncertainties exist that may cast significant doubt on the Group’s ability to continue as a going concern.

Although there are several material uncertainties, the management considers that from the current conditions and situation including there is no indication from the banks that they will invoke rights arising under various loan contract violations. And the bondholders resolved to allow the Company to postpone the repayment of the bonds for another 2 years from the original redemption date of the bonds. The management therefore believes that using the going concern basis in preparing the financial statements is still appropriate.

1. **BASIS OF FINANCIAL STATEMENTS PREPARTION**
   1. Statement of compliance

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

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

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use of certain critical accounting estimates and to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

* 1. Principles of consolidation

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

|  | Country of | Percentage of share held | |
| --- | --- | --- | --- |
| Name of Entity | incorporation | by the Company | |
|  |  | 2023 | 2022 |
| Overseas subsidiaries |  |  |  |
| 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 |
| 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 |
|  |  |  |  |
| Local subsidiaries |  |  |  |
| 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 | 78.16 |
| Palang Thai Kaowna Co., Ltd. | Thailand | 99.99 | 99.99 |
| 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 | 64.52 |
| Asian Rail Co., Ltd. | Thailand | 99.99 | 99.99 |
| ITD-ARC Joint Venture | Thailand | 10.00 | 10.00 |
| ITD-VCB Joint Venture | Thailand | 70.00 | 70.00 |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Indirect overseas subsidiaries |  |  |  |
| Ayeyarwady Multitrade Co., Ltd. | Myanmar | - | 99.99 |
| ITD Cementation Projects India Limited | India | 99.99 | 99.99 |
| ITD-Cemindia JV | India | 20.00 | 20.00 |
| ITD-ITD CEM JV | India | 51.00 | 51.00 |
| ITD-ITD CEM JV (Consortium) | India | 60.00 | 60.00 |
| ITD Vertex Consortium SDN. BHD | Malaysia | 70.00 | 70.00 |
| 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 |
| ITD MYANMAR INTERNATIONAL COMPANY |  |  |  |
| LIMITED | Myanmar | 100.00 | 100.00 |
| 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 |
|  |  |  |  |
| Indirect local subsidiaries |  |  |  |
| 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 |
| Dithee Company Limited | Thailand | 99.40 | 99.40 |
| Panoot Company Limited | Thailand | 99.40 | 99.40 |
| Phannin Company Limited | Thailand | 99.40 | 99.40 |
| Takolkiat Company Limited | Thailand | 99.40 | 99.40 |
| Tridayuk Company Limited | Thailand | 99.40 | 99.40 |
| Bhantuwong Company Limited | Thailand | 99.40 | 99.40 |
| Nahathai Company Limited | Thailand | 99.40 | 99.40 |
| Kanika Company Limited | Thailand | 99.40 | 99.40 |
| Sin Rae Muang Thai Co., Ltd. | Thailand | 99.99 | 99.99 |
| Wildemere Co., Ltd. | Thailand | 99.99 | 99.99 |
| APPC Holding Co., Ltd. | Thailand | 35.48 | 35.48 |
| ITD-ARC Joint venture | Thailand | 90.00 | 90.00 |

* 1. Significant changes during the year 2023 are as follows :
* IOT Joint Venture, a joint venture of the Company, has registered the dissolution of the business.
* The Company invested in First Dhaka Elevated Expressway O&M Co., Ltd. which is incorporated under the laws of Bangladesh and principally for operate and maintain the Dhaka Elevated Expressway at Dhaka, Bangladesh. The Company holds investment proportion of 39% and paid for share capital of Baht 0.14 million (BDT 0.43 million). The Company classified such investment as an investment in joint control company.
* Palang Thai Kaowna Co., Ltd., a subsidiary of the Company, has registered to decrease share capital amount Baht 156 million.
* Ayeyarwady Multitrade Co., Ltd., an indirect subsidiary of the Company, has been closed and liquidated.
* The Company and China Railway No.10 Engineering Group Co., Ltd. jointly invested in ITALIAN-THAI DEVELOPMENT PCL. - CHINA RAILWAY NO.10 ENGINEERING GROUP CO., LTD. JOINT VENTURE which is principally engaged in the construction of Civil works for Sections between Kaeng Khoi–Klang Dong and between Prang Asoke-Bundai Ma for the Thai-Chinese High-Speed Railway Project, Bangkok to Nong Khai, Section I: Bangkok to Nakhon Ratchasima (Contract 3-1). The Company’s investment portion is 51% of the joint venture. The Company classified such investment as an investment in joint venture company.
  1. The financial statements of the overseas project offices, branches and subsidiaries are translated into 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” as other comprehensive income under other components of shareholders’ equity.

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

* 1. Significant transactions and account balances with subsidiaries have been eliminated from the consolidated financial statements, except for intercompany profit in inventories and fixed assets at the end of the year, which has insignificant effect on the consolidated financial statements.
  2. 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.
  3. All subsidiaries have the same reporting date of 31 December, except the group companies in India Bangladesh and Myanmar which have a statutory reporting date of 31 March 30 June and 30 September, respectively. However, such companies have prepared the financial information for the consolidation purpose for the year ended 31 December. The financial statements of subsidiaries have been prepare using the same accounting policies of the Group and for the same accounting transactions or accounting events.
  4. Dilution gains (loss) arises 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.
  5. The separate financial statements for the years ended 31 December 2023 and 2022 include the financial information (after intercompany eliminations) of overseas project offices and overseas branches for significant entities as follows :

|  |  | |  | |  |  | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2023 | | | | 2022 | | | |
|  | Current assets | Non-current assets | Current liabilities | Non-current liabilities | Current assets | Non-current assets | Current liabilities | Non-current Liabilities |
|  |  |  |  |  |  |  |  |  |
| Cong TY Italian-Thai |  |  |  |  |  |  |  |  |
| Development Public Co., Ltd. – |  |  |  |  |  |  |  |  |
| Vietnam Project | 180 | 1 | 197 | - | 363 | 30 | 347 | - |
| KOLDAM Project Office | 881 | 267 | 1,521 | - | 890 | 270 | 1,539 | - |
| West Bengal Project Office | 6 | - | - | - | 5 | - | - | - |
| Italian-Thai Development Public Co., Ltd. – Philippines Branch | 1,261 | 542 | 1,108 | 918 | 1,193 | 678 | 1,114 | 943 |
| Italian-Thai Development Public Co., Ltd. – Bangladesh Branch | 1,199 | 380 | 1,153 | - | 1,590 | 414 | 1,453 | - |
| Italian-Thai Development Public Co., Ltd. – India Branch | 4 | - | - | - | 5 | - | - | - |

|  |  | | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- |
|  | 2023 | | 2022 | |
|  | Revenues | Expenses | Revenues | Expenses |
|  |  |  |  |  |
| Cong TY Italian-Thai Development Public Co., Ltd. – Vietnam Project | 1 | 67 | 244 | 355 |
| KOLDAM Project Office | - | 11 | - | 14 |
| West Bengal Project Office | - | 1 | - | 1 |
| Italian-Thai Development Public Co., Ltd. – Philippines Branch | 1,143 | 1,046 | 901 | 848 |
| Italian-Thai Development Public Co., Ltd. – Bangladesh Branch | 898 | 827 | 1,600 | 2,809 |
| Italian-Thai Development Public Co., Ltd. – India Branch | - | 1 | - | 1 |

* 1. In addition, the separate financial statements for the years 2023 and 2022, recognizes assets, liabilities, revenues and expenses of the joint operations which are classified as joint operations based on the Company’s management consideration about 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 :

|  | Portion of joint operations (percent) | |  |
| --- | --- | --- | --- |
| Name of Entity | 2023 | 2022 | Type of businesses |
|  |  |  |  |
| 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. |
| ItalianThai-Takenaka Joint Venture | 70.00 | 70.00 | Construction of Retail 1 (“R1”) and Office 1B (“O1B”) for One Bangkok Mixed-Use development project. |
| ItalianThai-Nawarat Joint Venture | 51.00 | 51.00 | Construction of water tunnel by Ratchaphruek Road from Klong Maha Sawat to Petchkasem Road. |
| ITD-NWR Joint Venture | 70.00 | 70.00 | Construction of Khlong Prem Prachakorn drainage tunnel from Khlong Bang Bua to Chao Phraya River. |
| ITD-Nawarat Joint Venture | 89.55 | 89.55 | Construction of railway Denchai-Chiang Rai-Chiang Khong Contract 1 from Denchai to Ngaw. |
| ITD-NWR MRT Joint Venture | 60.00 | 60.00 | Construction of purpleline sky train Tao Poon-Ratburana (Kanchanapisek ring) Contract 3. |

The separate financial statements as at 31 December 2023 and 2022 and for the years then ended included assets, liabilities, revenues and expenses of such joint operations (after intercompany eliminations) as follows :

|  |  | |  | |  |  | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2023 | | | | 2022 | | | |
|  | Current assets | Non-current assets | Current  liabilities | Non-current  liabilities | Current assets | Non-current assets | Current  liabilities | Non-current  Liabilities |
|  |  |  |  |  |  |  |  |  |
| ITD-RT Joint Venture | 378 | 3 | 59 | - | 665 | 9 | 218 | - |
| SMCC-ITD Joint Venture | 1,555 | 72 | 1,040 | - | 1,583 | 100 | 1,078 | 541 |
| ItalianThai-Takenaka  Joint Venture | 345 | 11 | 220 | 13 | 412 | 33 | 440 | 63 |
| ItalianThai-Nawarat  Joint Venture | 220 | 198 | 626 | 5 | 139 | 227 | 605 | 136 |
| ITD-NWR Joint Venture | 526 | 266 | 471 | 841 | 442 | 97 | 309 | 716 |
| ITD-Nawarat Joint Venture | 2,264 | 575 | 993 | 2,693 | 1,477 | 324 | 647 | 1,889 |
| ITD-NWR MRT Joint Venture | 1,536 | 94 | 1,445 | 2,136 | 740 | 35 | 963 | 694 |

|  |  | | (Unit : Million Baht) | |
| --- | --- | --- | --- | --- |
|  | 2023 | | 2022 | |
|  | Revenues | Expenses | Revenues | Expenses |
|  |  |  |  |  |
| ITD-RT Joint Venture | 197 | 113 | 1,869 | 962 |
| SMCC-ITD Joint Venture | 1,199 | 1,096 | 1,395 | 1,251 |
| ItalianThai-Takenaka Joint Venture | 1,083 | 784 | 758 | 612 |
| ItalianThai-Nawarat Joint Venture | 335 | 252 | 98 | 56 |
| ITD-NWR Joint Venture | 372 | 330 | 204 | 138 |
| ITD-Nawarat Joint Venture | 694 | 638 | 1,052 | 920 |
| ITD-NWR MRT Joint Venture | 897 | 876 | 452 | 333 |

1. **CHANGES IN THE FINANCIAL REPORTING STANDRDS**
   1. **Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 as follows :**
      1. **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
      2. **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognize any impairment losses that have occurred on the assets used in fulfilling the contract.
      3. **Amendment to TAS 41 - Agriculture** clarified removal of the requirement for entities to exclude cash flows for taxation when measuring fair value of biological asset.
      4. **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn’t be recognized at the acquisition date.
      5. **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have material impact on the Group.

* 1. **Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and have significant impacts on the Group and the Group has not early adopted these standards.**
     1. **Amendment to TAS 1 - Presentation of financial statements** revises the disclosure from ‘significant accounting policies’ to ‘material accounting policies’. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
     2. **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revises to the definition of ‘accounting estimates’ to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
     3. **Amendment to TAS 12 - Income taxes** requires companies to recognize deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that they can probably be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with

* Right-of-use assets and lease liabilities, and
* Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The Group did not early adopt these standards. The Group’s management is currently assessing the impact of adoption of these standards.

1. **SIGNIFICANT ACCOUNTING POLICIES**
   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 follows :

*Revenues from construction work*

Revenue from construction work complete as per the conditions agreed with the customer, is recognized using the “over time” method where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion. Where the stage of completion is not reliable measured, revenue is only recognized up to the amount of the contract costs expensed, provide it is recoverable. The related costs are recognized in profit or loss when they are incurred.

When it is probable that total contract costs will exceed total contract revenues 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. The expected loss is recognized immediately as an expense in the statement of profit or loss.

Construction service revenue for changes in the scope of work e.g. additional work and contract modification price changes, is recognized as if it were a part of the existing contract. The effect that the contract modification and measurement of progress toward satisfactory completion of the performance obligation, is recognized as an increase in or a reduction of revenue at the date of the contract modification.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

*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 revenue for the 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.

* 1. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and all cash at banks and all highly liquid investments with an original maturity of 3 months that are readily convertible to cash on maturity date with insignificant risk of change in value.

* 1. Trade accounts receivable and contract assets

A trade accounts 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 recognizes contract assets if it had fulfilled their performance obligation before it receive the consideration from customers, by presenting them as “Earned revenues not yet billed” in the statement of financial position, the Group 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 are measured at the transaction value less allowances for expected credit losses.

The contract assets are measured at the consideration value that the Group expects to receive less allowances for expected credit losses.

The Group applies the TFRS 9 simplified approach to measuring expected credit losses, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, receivables have been grouped based on similar types of credit risk. The expected credit loss rates are calculated based on payment profiles of each group, adjusted for factors that are specific to the debtors, and payment ability of the debtors at the end of year. The impairment losses are recognized in profit or loss.

* 1. 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 realizable value.

* 1. Financial instrument

*Recognition and derecognition*

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial instrument is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

*Classification and initial measurement of financial assets*

The Group classified financial assets into the categorized (1) amortized cost (2) fair value through other comprehensive income (FVOCI) or (3) fair value through profit or loss (FVTPL) based on two criteria as follows :

1. The entity’s business model for managing the financial asset, and
2. The contractual cash flow characteristics of the financial asset

At initial recognition, the financial assets (in the case of a financial asset not at FVTPL) are initial recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

All revenue and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within separately.

*Subsequent measurement of financial assets*

*Financial assets at amortized cost*

Financial assets are measured at amortized cost if the assets meet the following conditions :

1. The Company held such financial assets within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
2. The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets are subsequently measured at amortized cost using the effective interest method and are subjected to impairment which recognized in the profit or loss as separate item.

*Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorized at FVTPL.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

*Financial assets at fair value through other comprehensive income (FVOCI)*

The Group accounts for financial assets at FVOCI if the assets meet the following conditions :

1. they are held under a business model whose objective it is “hold to collect” the associated cash flows and sell and
2. the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. (SPPI)

Any gains or losses recognized in other comprehensive income (OCI)will be recycled upon derecognition of the financial assets.

*Impairment of financial assets*

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI (if any). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

*Classification and initial measurement of financial liabilities*

The Group classifies the financial instruments issued by the Company as financial liabilities or equity securities by considering contractual obligations to deliver financial assets to third parties.

The Group’s financial liabilities include borrowings, trade and other accounts payables and derivative financial instruments.

The Group initial recognized the financial liabilities at fair value and adjusted with transaction costs that are directly attributable to the acquisition of the financial liabilities.

*Subsequent measurement of financial liabilities*

Financial liabilities are subsequently measured at amortized cost using the effective interest method and are expensed in the profit or loss except derivative liabilities are measured at fair value through profit or loss.

*Derivative financial instruments and hedge accounting*

The Group entered the derivative contract that is hedging instruments of a particular risk associated with the cash flows of recognized assets and liabilities (cash flow hedges).

The Group documents the economic relationship between hedging instrument and the hedged items, Nature of risk being hedged, risk management objective, risk management strategy for assessment the hedge effectiveness and measure the hedge ineffectiveness.

The Group initially recognized the derivatives at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group recognized the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges in the cash flow hedge reserve under equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss as other gains or losses.

The full fair value of a hedging derivative and derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets hedge accounting criteria. The Group will classify the cumulative gain or loss, and deferred costs of hedging reported inequity are immediate to profit or loss.

* 1. 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.

* 1. 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.

* 1. 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.

* 1. 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 and joint control 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.

* 1. Investments in subsidiaries, associated companies, joint control company and joint arrangement

*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 recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint control company, joint venture. In addition, any amounts previously recognized 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.

In the separate financial statements, investment in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

*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 and joint control company*

Joint ventures and joint control companyaccounted for under the equity method of accounting, interests in joint ventures and joint control company 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 and joint control company equal or exceeds its interests in the joint ventures and joint control company, the Company will recognize such losses as obligation of the Company’s interest in the joint ventures and joint control company.

* *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.

* 1. Land awaiting developments

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

* 1. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, The Group state investment properties at fair value which valuate by the independent valuer. Any gains or losses arising from changes in the value of investment properties are recognized in 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 profit or loss in the period when the asset is derecognized.

* 1. Property, plant and equipment, and depreciation

*Recognition and measurement*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (If any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

*Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives 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 |

No depreciation is provided on freehold land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets, during the period of time needed to complete and prepare the assets for their intended use. All other borrowing costs are recognized as expenses in profit or loss.

* 1. Right-of-use assets and lease liabilities

*Leases - where the Group is the lessee*

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows :

* fixed payments including in-substance fixed payments;
* variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
* amounts expected to be payable under a residual value guarantee;
* the exercise price, under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period; and
* payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

The Group measures the ROU asset at cost less accumulated depreciation and impairment loss   
(if any) and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group will depreciate the ROU asset from the commencement date to the end of the useful lives of the underlying asset. The useful lives of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following items :

* a change in an index or a rate used to determine those payments;
* a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; and
* the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

*Short-term leases and leases of low-value assets*

The Group has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*Leases - where the Group is the lessor*

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognized as a lease receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognized over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

* 1. 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.

* 1. 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 in profit or loss in the period to which it is concluded.

* 1. 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.

* 1. 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.

* 1. 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.

* 1. 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 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.

* 1. Impairment of asset

The Group assesses whether there is an indication that any assets may be impaired. If any such indication exists, the Group makes 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 profit or loss. An asset recoverable amount is the higher of fair value less cost to sell and value in use.

* 1. 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.

* 1. Foreign currencies

*Functional and presentation currency*

Items included in the financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Thai Baht, which is the Company’s functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit and loss, any exchange component of that gain or loss is recognized in profit and loss.

*Foreign operation*

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :

* Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
* Income and expenses in each profit or loss and other comprehensive income are translated at average exchange rates and
* All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

* 1. 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 recognized 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.

* 1. 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.

* 1. Dividend payment

Dividends are recorded in the consolidated and separate financial statements in the period in which they are approved by the shareholders of the Group. Interim dividends are recorded in the consolidated and separate financial statements when they are approved by the Board of Directors of the Company.

* 1. Basic earnings (loss) per share

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

* 1. Provision for liabilities and expenses, and contingent assets

The Group recognized 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.

* 1. 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

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1. **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 :

* 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 recognized in future years as an adjustment to the amounts recorded to date.

* 1. 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 profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

* 1. Impairment of receivables and contract assets

The Group accounts for allowance for impairment loss 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.

* 1. 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.

* 1. 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.

* 1. 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.

* 1. Joint arrangements

Management applied judgment to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement.

* 1. 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.

* 1. 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.

* 1. 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.

* 1. 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.

* 1. Lease

*Determining the lease term*

The Group exercises judgement in determining whether it is reasonably certain to exercise option to terminate or extend a lease in determining the lease term which considered all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease or not to exercise the option to terminate the lease.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obligated to exercise (or not exercised) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

*Determining of discount rate*

The discount rate, which was used to calculate the lease liability, is the rate implicit in the leases if it can be readily determined, or the lessee’s incremental borrowing rate if not. The Company used the rate implicit in the lease for hire purchase leases and incremental borrowing rate for other leases. The Company estimated interest rate closely to incremental borrowing rate.

1. **FINANCIAL ASSETS AND LIABILITIES**
   1. Categories of financial assets and financial liabilities

The carrying amount of financial assets and financial liabilities in each category are as follows :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
| Transactions | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| *Financial assets measured at amortized cost* |  |  |  |  |
| Cash and cash equivalents | 4,596,794 | 3,453,111 | 2,016,295 | 1,861,945 |
| Restricted deposits with banks | 1,244,450 | 967,134 | 555,595 | 561,804 |
| Fixed deposits less than one year | 355,681 | 605,150 | - | - |
| Current portion of promissory notes receivable | - | 50,000 | - | 50,000 |
| Trade accounts receivable other parties | 7,582,954 | 10,267,213 | 4,437,416 | 8,064,535 |
| Trade and other accounts receivable related parties | 3,319,138 | 3,553,628 | 7,643,405 | 5,647,919 |
| Current portion of Finance lease receivable - |  |  |  |  |
| subsidiaries | - | - | 6,516 | 6,373 |
| Contract assets (Retention receivable) | 5,374,442 | 3,907,014 | 2,901,180 | 2,268,827 |
| Short-term loans and advances to related parties | 510,597 | 506,510 | 329,475 | 606,103 |
| Finance lease receivable - subsidiaries | - | - | 22,313 | 24,669 |
| Promissory notes receivable | - | 235,939 | - | 235,939 |
| Long-term loans and advances to related parties | 888,742 | 970,743 | 1,114,287 | 876,489 |
|  |  |  |  |  |
| *Financial assets measured at fair value through* | | | | |
| *profit or loss (FVTPL)* | | | | |
| Other current assets (Derivative assets) | - | 3,485 | - | 3,485 |
| Other long-term investments | 789,647 | 789,647 | 385,744 | 385,744 |
|  |  |  |  |  |
| *Financial assets measured at fair value through* | | | | |
| *Comprehensive income (FVOCI)* | | | | |
| Other long-term investments | 237,811 | 322,494 | 223,271 | 303,362 |
| Total financial assets | 24,900,256 | 25,632,068 | 19,635,497 | 20,897,194 |
|  |  |  |  |  |
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|  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |
| *Financial liabilities measured at amortized cost* |  |  |  |  |
| Bank overdrafts and short-term loans from |  |  |  |  |
| financial institutions | 6,738,744 | 6,419,015 | 3,716,227 | 4,092,974 |
| Liabilities under trust receipts | 1,788,163 | 3,127,776 | 1,788,163 | 3,012,105 |
| Trade and other accounts payable - other parties | 22,653,164 | 24,469,663 | 14,609,287 | 17,436,560 |
| Trade and other accounts payable - related parties | 2,906,125 | 3,045,281 | 4,274,673 | 3,907,321 |
| Short-term loans and advance from related parties | - | - | 1,171,385 | 1,632,231 |
| Current portion of lease liabilities | 417,700 | 518,757 | 232,843 | 338,767 |
| Current portion of long-term loans | 19,200,344 | 12,936,634 | 16,509,257 | 11,813,146 |
| Current portion of debentures | 14,387,248 | 4,003,045 | 14,387,248 | 4,003,045 |
| Current portion of liabilities payable as concession |  |  |  |  |
| certificate | 169,269 | 145,392 | - | - |
| Current portion of other financial liabilities | 714,613 | 708,052 | 591,219 | 655,691 |
| Retentions payable | 1,109,623 | 1,156,227 | 1,022,912 | 1,093,208 |
| Lease liabilities | 759,990 | 953,242 | 236,191 | 325,861 |
| Long-term loans | 4,733,432 | 6,411,123 | 3,224,674 | 2,714,206 |
| Debentures | - | 10,389,395 | - | 10,389,395 |
| Liabilities payable as concession certificate | 925,823 | 969,898 | - | - |
| Other financial liabilities | 526,101 | 988,661 | 350,465 | 848,541 |
|  |  |  |  |  |
| *Financial liabilities measured at fair value through* | | | | |
| *profit or loss (FVTPL)* | | | | |
| Other non-current liabilities(Derivative liabilities) | 53 | - | 53 | - |
| Total financial liabilities | 77,030,392 | 76,242,161 | 62,114,597 | 62,263,051 |

* 1. Financial assets measured at amortized costs

Financial assets measured at amortized costs comprises with trade accounts receivable and the debt instruments.

* 1. Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss comprise with equity instrument which are not held for trading. The Group has made the irrevocable election to present subsequent change in the fair value of equity instruments in non-marketable securities through profit or loss.

* 1. Financial assets measured at fair value through comprehensive income

Financial assets at fair value through other comprehensive income comprise with equity instrument which are not held for trading. The Group has made the irrevocable election to present subsequent change in the fair value of equity instruments in marketable securities through other comprehensive income.

* 1. Derivative financial instruments and hedge accounting

The Group has the financial derivative as following :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Derivative assets** |  |  |  |  |
| Derivative assets were not designated as |  |  |  |  |
| a hedging instrument |  |  |  |  |
| - Forward contract | - | 3,485 | - | 3,485 |
| Total | - | 3,485 | - | 3,485 |
|  |  |  |  |  |
| **Derivative liabilities** |  |  |  |  |
| Derivative liabilities designated as a |  |  |  |  |
| hedging instrument |  |  |  |  |
| - Forward contract | 53 | - | 53 | - |
| Total | 53 | - | 53 | - |

1. **FINANCIAL INSTRUMENTS RISK**
   1. Risk management objectives and policies

The Group has main financial instruments for each item of financial assets and liabilities as discussed in Note 6. Risk management is integral to the business of the Group. The Group has a system of controls in order to create an acceptable balance of risk levels. It is considered between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Group is exposed to various types of risks related to these financial instruments. The major risks include credit risk, liquidity risk and market risk. These consist of foreign exchange risk and interest rate risk. The Group has risk management policies as follows :

**Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The group is exposed to credit risk from financial assets including cash and cash equivalents, trade and other receivables, contractual cash flow of investment in debt instrument, which is measured at amortized cost, measured at fair value through other comprehensive income and measured at fair value through profit and loss, derivative including credit risk from account receivables, other receivables, and loans.

*Credit risk management*

The management manages risk by establishing appropriate credit control policies and procedures. Therefore, the Group does not expect to suffer any significant losses from credit granting. Since the granting of credit is made in advance. The maximum amount that a company may incur on credit is the book value of trade and other receivable, contract assets and loans shown in the statement of financial position.

*Impairment loss of financial assets*

Trade account receivable, other account receivable, and contract assets

The Group considers the simplified approach in accordance with Thai Financial Reporting Standard No. 9 to measure expected credit losses over the life of all trade receivables and contractual assets. As such transactions do not contain any significant financial elements. In determining the expected credit loss. Management has classified customers on a common credit risk profile basis and according to groups of overdue periods.

An estimate of the expected credit loss rate is based on past service and sales history and experience of credit losses incurred from 2018 to the end of the accounting period updated to reflect current information.

Loans and advances to related parties

The Group has loans to related parties measured at amortized cost. The Group recognizes expected credit losses over the next 12 months on loans that do not incur a significant credit risk increase. The Company has recognized the expected credit loss over the life of the loans with significant increase in credit risk.

Other financial assets

The Group has cash and cash equivalents, promissory note receivable, contract assets and other receivables which are required to determine the impairment loss according to Thai Financial Reporting Standard No. 9. However, the Group has determined that the impairment amount is insignificant.

**Liquidity risk**

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis below :

As at 31 December 2023 and 2022, the Group has available credit facilities from short-term loans and letter of guarantee as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Million Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 | |
|  |  |  |  |  | |
| Maturity within 1 year |  |  |  |  | |
| * Available credit facilities from bank   overdraft | 1,956 | 2,603 | 44 | 116 | |
| - Available credit facilities from short-term  loans from financial institutions | 7,915 | 11,884 | 6,936 | 10,988 | |
| - Available credit facilities from Letter  of credit\* | 8,734 | 10,766 | 6,784 | 9,396 | |
|  |  |  |  |  | |
| Maturity over 1 year |  |  |  |  | |
| - Available credit facilities from Letter  of guarantee | 48,837 | 33,586 | 46,907 | 30,742 | |
| - Available credit facilities from Letter  of credit\* | 3,842 | 4,253 | - | - | |
| Total | 71,284 | 63,092 | 60,671 | 51,242 | |

\* Available credit facilities from letter of credit included domestic letter of credit, trust receipt and promissory note.

As at 31 December 2023, the Company has available debenture facilities approved through resolution of shareholders’ meeting which have not yet issued of Baht 15,545 million (2022 : Baht 15,534.80 million).

As at 31 December 2023, the Group's non-derivative financial liabilities maturity (Including contractual interest payments (if any)). The amounts disclosed were the contractual undiscounted cash flow as follows :

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | |  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | | | |
|  | Within 1 year | 1 - 2 years | 2 - 5 years | Over 5 years | Total |
|  |  |  |  |  |  |
| Bank overdrafts and short-term | 6,738,744 | - | - | - | 6,738,744 |
| loans from financial institutions |  |  |  |  |  |
| Liabilities under trust receipts | 1,788,163 | - | - | - | 1,788,163 |
| Trade and other accounts payable |  |  |  |  |  |
| - other parties | 22,653,164 | - | - | - | 22,653,164 |
| Trade and other accounts payable |  |  |  |  |  |
| * related parties | 2,906,125 | - | - | - | 2,906,125 |
| Lease liability | 417,700 | 759,990 | - | - | 1,177,690 |
| Long-term loans | 19,200,344 | 4,733,432 | - | - | 23,933,776 |
| Debenture | 14,387,248 | - | - | - | 14,387,248 |
| Other financial liabilities | 714,613 | 526,101 | - | - | 1,240,714 |
| Retentions payable | 1,109,623 | - | - | - | 1,109,623 |
| Total | 69,915,724 | 6,019,523 | - | - | 75,935,247 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | |  | (Unit : Thousand Baht) | |
|  | Separate F/S | | | | |
|  | Within 1 year | 1 - 2 years | 2 - 5 years | Over 5 years | Total |
|  |  |  |  |  |  |
| Bank overdrafts and short-term |  |  |  |  |  |
| loans from financial institutions | 3,716,227 | - | - | - | 3,716,227 |
| Liabilities under trust receipts | 1,788,163 | - | - | - | 1,788,163 |
| Trade and other accounts payable |  |  |  |  |  |
| - other parties | 14,609,287 | - | - | - | 14,609,287 |
| Trade and other accounts payable |  |  |  |  |  |
| - related parties | 4,274,673 | - | - | - | 4,274,673 |
| Short-term loans and advance from |  |  |  |  |  |
| related parties | 1,171,385 | - | - | - | 1,171,385 |
| Lease liability | 232,843 | 236,191 | - | - | 469,034 |
| Long-term loans | 16,509,257 | 3,224,674 | - | - | 19,733,931 |
| Debenture | 14,387,248 | - | - | - | 14,387,248 |
| Other financial liabilities | 591,219 | 350,465 | - | - | 941,684 |
| Retentions payable | 1,022,912 | - | - | - | 1,022,912 |
| Total | 58,303,214 | 3,811,330 | - | - | 62,114,544 |

**Market risk**

The Group exposures to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

*Interest rate risk*

The Group exposures to interest rate risk relates primarily to their cash at banks, bank overdrafts, loans, lease liabilities and debentures. Most of the Group’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, therefore the Group’s interest rate is at low risk level.

*Sensitivity Analysis*

Cash flows sensitivity analysis of financial instruments with variable interest rate at the end of reporting period may resulted the gain or loss from such analysis. However, the Group has determined that the result from sensitivity analysis is not significant.

*Foreign currency risk*

Group exposures to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

|  |  | (Unit : Thousand Baht) | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | |
|  | PHP | INR | BDT | IDR | USD | VND |
|  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |
| Cash and cash equivalents | 235,123 | 2,058,732 | 59,120 | 17,788 | 10,304 | 452 |
| Fixed deposits less than one year | - | 355,681 | - | - | - | - |
| Restricted deposits with banks | - | 832,753 | - | - | - | - |
| Trade accounts receivable |  |  |  |  |  |  |
| - other parties | 132,776 | 2,519,371 | 147,380 | - | - | - |
| Trade and other accounts |  |  |  |  |  |  |
| - receivable related parties | 7,153 | 23,789 | 647,583 | - | - | - |
| Contract assets |  |  |  |  |  |  |
| (Retention receivable) | 82,697 | 2,258,335 | 209,359 | - | - | - |
| Short-term loans and advances to |  |  |  |  |  |  |
| related parties | 832 | 1,313,684 | 98,318 | - | - | - |
| Long-term loans and advances to |  |  |  |  |  |  |
| related parties | - | - | 888,742 | - | - | - |
| Investment in joint venture | - | 139,506 | - | - | - | - |
| Total financial assets | 458,581 | 9,501,851 | 2,050,502 | 17,788 | 10,304 | 452 |

As at 31 December 2023, the outstanding balances of financial assets and financial liabilities denominated in foreign currencies as follows :

|  |  | (Unit : Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | |
|  | PHP | INR | BDT | IDR | USD | VND | |
|  |  |  |  |  |  |  | |
| Financial liabilities |  |  |  |  |  |  | |
| Bank overdrafts and short-term |  |  |  |  |  |  | |
| loans from financial institutions | - | 2,529,254 | 149,110 | - | - | - | |
| Trade and other accounts payable |  |  |  |  |  |  | |
| - other parties | 92,646 | 6,775,991 | 753,196 | 7,314 | 91,681 | - | |
| Current portion of lease liabilities | 21,113 | 119,718 | - | - | - | - | |
| Current portion of long-term loans | - | 492,971 | - | - |  | - | |
| Lease liabilities | - | 184,362 | - | - | - | - | |
| Long-term loans | - | 388,589 | 341,393 | - | 359,345 | - | |
| Total financial liabilities | 113,759 | 10,490,885 | 1,243,699 | 7,314 | 451,026 | - | |
|  |  |  |  |  |  |  | |
| Exchange rate |  |  |  |  |  |  | |
| Buying rate | 0.5949 | 0.3869 | 0.3103 | 0.0021 | 34.0590 | 0.0014 | |
| Selling rate | 0.6327 | 0.4432 | 0.3133 | 0.0023 | 34.3876 | 0.0014 | |

|  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- |
|  | Separate F/S | | | |
|  | PHP | INR | BDT | |
|  |  |  |  | |
| Financial assets |  |  |  | |
| Cash and cash equivalents | 235,123 | 3,270 | 22,499 | |
| Restricted deposits with banks | - | 234,620 | - | |
| Trade accounts receivable |  |  |  | |
| - other parties | 132,776 | - | 147,380 | |
| Trade and other accounts receivable |  |  |  | |
| - related parties | 7,153 | - | 6,163 | |
| Contract assets |  |  |  | |
| (Retention receivable) | 82,697 | 6,773 | 209,359 | |
| Short-term loans and advances to |  |  |  | |
| related parties | 832 | - | - | |
| Total financial assets | 458,581 | 244,663 | 385,401 | |
|  |  |  |  | |
| Financial liabilities |  |  |  | |
| Bank overdrafts and short-term loans |  |  |  | |
| from financial institutions | - | - | 149,110 | |
| Trade and other accounts payable |  |  |  | |
| - other parties | 92,646 | 563 | 741,320 | |
| Short-term loans and advance from |  |  |  | |
| related parties | - | - | 576,830 | |
| Current portion of lease liabilities | 21,113 | - | - | |
| Total financial liabilities | 113,759 | 563 | 1,467,260 | |
|  |  |  |  | |
| Exchange rate |  |  |  | |
| Buying rate | 0.5949 | 0.3869 | 0.3103 | |
| Selling rate | 0.6327 | 0.4432 | 0.3133 | |
|  |  |  |  | |

*Sensitivity*

As shown in the table above, the Group is primarily exposed to changes in Baht and PHP, Baht and INR, Baht and BDT, Baht and IDR, Baht and USD, Baht and VND exchange rate. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in PHP, INR, BDT, IDR, USD and VND.

The impacts of movement in exchange rate on Group’s net profit are as follows :

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Million Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| PHP to Baht exchange rate |  |  |
| - Increase 1 %\* | 3 | 3 |
| - Decrease 1 %\* | (3) | (3) |
| INR to Baht exchange rate |  |  |
| - Increase 1 %\* | (10) | 2 |
| - Decrease 1 %\* | 10 | (2) |
| BDT to Baht exchange rate |  |  |
| - Increase 1 %\* | 8 | (11) |
| - Decrease 1 %\* | (8) | 11 |
| IDR to Baht exchange rate |  |  |
| - Increase 1 %\* | - | - |
| - Decrease 1 %\* | - | - |
| USD to Baht exchange rate |  |  |
| - Increase 1 %\* | (4) | - |
| - Decrease 1 %\* | 4 | - |
| VND to Baht exchange rate |  |  |
| - Increase 1 %\* | - | - |
| - Decrease 1 %\* | - | - |

\* Holding all other variables constant

In addition, the Group is exposed to foreign exchange fluctuations arising from Investments in subsidiaries, associated and joint control companies, and joint ventures which does not hedge such risk.

**Interest rate risk**

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. The interest rates are subject to market forces.

The interest rate exposures on the debentures of the Group is as follows :

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | | | (Unit : Million Baht) | |
|  | Consolidated F/S | | | Separate F/S | |
|  | 2023 | 2022 | 2023 | | 2022 |
|  |  |  |  | |  |
| Debentures at fixed rates - net | 14,387 | 14,392 | 14,387 | | 14,392 |
| Total debentures - net | 14,387 | 14,392 | 14,387 | | 14,392 |

An analysis by maturities is provided in Note 31.

*Sensitivity*

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of changes in interest rates.

The impacts of movement in interest rate on Group’s net profit are as follows :

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Million Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Interest rate - increase 0.375%\* | 54 | 54 |
| Interest rate - decrease 0.375%\* | (54) | (54) |

*\* Holding all other variables constant*

* 1. Capital management risk

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support their business and maximize shareholder value to reduce the financial cost of capital and to maintain the debt-to-equity ratio in accordance with the terms of the loan and debenture agreements.

In order to maintain or revise the capital structure, The Group may adjust the dividend payment policy. Issuance of new shares or issuing new debentures to pay off existing debts or selling assets to reduce debt burden.

1. **PROMISSORY NOTES**

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated and Separate F/S | |
|  | 31 December 2023 | 31 December 2022 |
|  |  |  |
| Promissory Notes | - | 285,939 |
| Less : Current portion | - | (50,000) |
| Net | - | 235,939 |

In the year 2018, the Company entered into an agreement with a debtor for the repayment of construction work. Such debtor agreed to settle the debt by issuing promissory notes to the Company for installment payments of 10 years with interest at 4.18% per annum. As at 31 December 2022, the Company had a long-term loan from a local financial institution for amount of Baht 285.94 million with 4% interest per annum which would be repaid when the Company received payment from the debtor according to repayment schedule of the promissory notes. In 2023, the Company received repayment from such debtor. Thus, the Company has already made a repayment of long-term loan from the local financial institution with interests in full.

1. **TRADE ACCOUNTS RECEIVABLE - OTHER PARTIES**

## 

## Trade accounts receivable balances as at 31 December 2023 and 2022 are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Trade accounts receivable | 8,816,301 | 11,359,665 | 4,725,859 | 8,345,960 |
| Less : Allowance for expected credit losses | (1,233,347) | (1,092,452) | (288,443) | (281,425) |
| Net | 7,582,954 | 10,267,213 | 4,437,416 | 8,064,535 |

Allowance for expected credit losses of trade accounts receivable - other parties classify by outstanding ages are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | | |
|  | 2023 | | 2022 | |
| Outstanding ages | Carrying amount | Allowance for expected credit losses | Carrying amount | Allowance for expected credit losses |
|  |  |  |  |  |
| Less than 3 months | 6,512,694 | (79) | 8,167,016 | (218) |
| 3 - 6 months | 190,868 | (147) | 219,830 | (9) |
| 6 - 12 months | 464,250 | (2,916) | 514,348 | (4,502) |
| More than 12 months | 1,648,489 | (1,230,205) | 2,458,471 | (1,087,723) |
| Total | 8,816,301 | (1,233,347) | 11,359,665 | (1,092,452) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Separate F/S | | | |
|  | 2023 | | 2022 | |
| Outstanding ages | Carrying amount | Allowance for expected credit losses | Carrying amount | Allowance for expected credit losses |
|  |  |  |  |  |
| Less than 3 months | 3,998,300 | (79) | 6,485,168 | (218) |
| 3 - 6 months | 78,071 | (147) | 146,558 | (9) |
| 6 - 12 months | 194,778 | (2,916) | 156,244 | (4,502) |
| More than 12 months | 454,710 | (285,301) | 1,557,990 | (276,696) |
| Total | 4,725,859 | (288,443) | 8,345,960 | (281,425) |

Disclosure aging separation of outstanding debt are in the Group's perspective to be consistent with the information used in the analysis of the allowance for expected credit losses.

A reconciliation of allowance for expected credit losses trade accounts receivable - other parties for the year ended 31 December 2023 are as follows :

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| As at 1 January 2023 | 1,092,452 | 281,425 |
| Recognize increase allowance for |  |  |
| expected credit losses | 241,782 | 7,018 |
| Reversal of allowance for expected credit losses | (91,664) | - |
| Translation adjustment for foreign currency |  |  |
| financial statement | (9,223) | - |
| As at 31 December 2023 | 1,233,347 | 288,443 |

The Company recognizes the impairment of receivables by forward-looking “expected credit loss” (ECL) model, except for the following receivables :

* As of 31 December 2022, the consolidated and separate financial statements included trade accounts receivable from a State Enterprise in respect of a construction project totaling Baht 1,125.79 million which is the remaining construction amount completed in September 2019. The Company is in the negotiation process to receive the payment of such remaining construction amount deducted by the employer, since the employer has claimed for the penalty from the construction work completed after the key completion dates and also after the final completion date of the contract.

Due to the Company had ever argued about the consideration of the extension of the completion dates for some cases of the delay causes from the employer and the Company received the approval letter for the extension of a construction project from cases of the delay causes. As a result, the Company received the partial payment of construction amount in September 2020. However, the Company has still argued the consideration of the extension of the completion dates from cases of the delay causes which was approved by the employer in November 2020, The company has prepared the letter to reserve the right to request reduction or waiver of all remaining find and presented to the employer in November 2020, the supervisor of the employer has a letter to report the opinion to the employer for reviewing the consideration of the company's claims. During the year 2022, the employer's representative has considered the project consultation's opinion letter and there was an opinion consistent with the project consultation's suggestion that the employer considered the date deviating from the appropriate and fair principles. Therefore, all remaining penalties totaling Baht 1,125.79 million should be returned to the Company.

On 20 April 2022, the Company filed an indictment at the Central Administrative Court and the Court accepted it on 22 June 2022 for request the employer to defray the penalty as well as paying damages and interest to the Company totaling Baht 1,817.91 million which is on consideration by the Court.

On 19 December 2022, the Company requested entering into the dispute mediation process in the court which the employer agreed in writing on 13 January 2023. At present, the dispute mediation process is completed. On 8 August 2023, the Company received Baht 1,125.79 million from such receivable.

* As at 31 December 2023, the Group has outstanding trade receivables from the government sectors totaling Baht 391.25 million and receivables from the private sectors totaling Baht 305.46 million (2022 : Baht 302.75 million and Baht 26.57 million, respectively) for various construction projects in both of Thailand and overseas which is under the negotiation process for the debt collection for the construction work. Such construction projects have been certified by the project consultant and the employer. Therefore, the Group’s management believes that they are able to collect such outstanding in full amount.
* As at 31 December 2023 included trade accounts receivable and contract assets for a construction project of Baht 1,938 million and Baht 638 million, respectively, totaling of Baht 2,576 million, which the construction work was partially completed in October 2022. Currently, the contractor is waiting for Notice to proceed letter from the government sector. The contractor requests the Company to extend construction instalment payment term including accrued interest until now. The contractor will make payment to the Company whenever all conditions are agreed by the government sector. Therefore, the Company’s management is unable to assess the potential on such circumstance and unable to be concluded.

1. **TRADE AND OTHER ACCOUNTS RECEIVABLE - RELATED PARTIES**

# 

# The outstanding balances as at 31 December 2023 and 2022 are as follows :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| **Trade and other accounts receivable** |  |  |  |  |
| Subsidiaries | - | - | 5,125,049 | 3,161,276 |
| Associated and joint control companies |  |  |  |  |
| and joint ventures | 1,622,711 | 1,897,358 | 874,641 | 881,568 |
| Related parties | 2,211,217 | 2,203,518 | 2,113,289 | 2,111,132 |
| Total | 3,833,928 | 4,100,876 | 8,112,979 | 6,153,976 |
| Trade and other accounts receivable |  |  |  |  |
| * related parties | 3,833,928 | 4,100,876 | 8,112,979 | 6,153,976 |
| Less : Allowance for expected credit losses | (514,790) | (547,248) | (469,574) | (506,057) |
| Net | 3,319,138 | 3,553,628 | 7,643,405 | 5,647,919 |

Allowance for expected credit losses of trade accounts receivable - related parties classify by outstanding ages are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | | |
|  | 2023 | | 2022 | |
| Outstanding ages | Carrying amount | Allowance for expected credit losses | Carrying amount | Allowance for expected credit losses |
|  |  |  |  |  |
| Less than 3 months | 208,182 | - | 2,432,746 | (29) |
| 3 - 6 months | 68,545 | - | 126,474 | (28) |
| 6 - 12 months | 2,075,181 | - | 162,480 | - |
| 12 - 24 months | 242,694 | - | 369,354 | (4,184) |
| More than 24 months | 1,239,326 | (514,790) | 1,009,822 | (543,007) |
| Total | 3,833,928 | (514,790) | 4,100,876 | (547,248) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  |  | |  | |
|  | Separate F/S | | | |
|  | 2023 | | 2022 | |
| Outstanding ages | Carrying amount | Allowance for expected credit losses | Carrying amount | Allowance for expected credit losses |
|  |  |  |  |  |
| Less than 3 months | 2,200,652 | (387) | 3,232,589 | (963) |
| 3 - 6 months | 238,230 | (1) | 192,389 | (600) |
| 6 - 12 months | 2,757,070 | (8) | 558,339 | (1,480) |
| 12 - 24 months | 1,108,609 | (5,063) | 509,079 | (7,648) |
| More than 24 months | 1,808,418 | (464,115) | 1,661,580 | (495,366) |
| Total | 8,112,979 | (469,574) | 6,153,976 | (506,057) |

Disclosure aging separation of outstanding debt are in the Group's perspective to be consistent with the information used in the analysis of the allowance for expected credit losses.

A reconciliation of allowance for expected credit losses for trade and other accounts receivable - related parties for the year ended 31 December 2023 are as follows :

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| As at 1 January 2023 | 547,248 | 506,057 |
| Recognize allowance for expected credit losses | 447 | 5,026 |
| Reversal of allowance for expected credit losses | (36,511) | (41,509) |
| Translation adjustment for foreign |  |  |
| currency financial statement | 3,606 | - |
| As at 31 December 2023 | 514,790 | 469,574 |

1. **CONTRACT ASSETS AND CONTRACT LIABILITIES**

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

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| **Contract assets** |  |  |  |  |
| Contract assets - current |  |  |  |  |
| Earned revenues not yet billed - net | 23,593,109 | 25,849,651 | 16,478,681 | 19,777,529 |
| Retentions receivable | 5,374,442 | 3,907,014 | 2,901,180 | 2,268,827 |
| Costs to fulfil a contract asset | 1,732,007 | 173,987 | 1,720,515 | 156,749 |
| Total contract assets - current | 30,699,558 | 29,930,652 | 21,100,376 | 22,203,105 |
|  |  |  |  |  |
| Contract assets - non-current |  |  |  |  |
| Costs to fulfil a contract asset | 6,339,298 | 1,806,979 | 6,339,298 | 1,795,487 |
| Total contract assets - non-current | 6,339,298 | 1,806,979 | 6,339,298 | 1,795,487 |
|  |  |  |  |  |
| Total contract assets | 37,038,856 | 31,737,631 | 27,439,674 | 23,998,592 |
|  |  |  |  |  |
|  |  |  |  |  |
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|  |  |  |  |  |
| **Contract liabilities** |  |  |  |  |
| Contract liabilities - current |  |  |  |  |
| Receipts in excess of contracted work |  |  |  |  |
| in progress | 2,998,704 | 3,669,047 | 971,080 | 341,786 |
| Customer advances under construction |  |  |  |  |
| contracts due for revenue recognition |  |  |  |  |
| within 1 year | 8,322,205 | 8,488,309 | 7,791,046 | 8,031,131 |
| Total contract liabilities - current | 11,320,909 | 12,157,356 | 8,762,126 | 8,372,917 |
|  |  |  |  |  |
| Contract liabilities - non-current |  |  |  |  |
| Customer advances under construction |  |  |  |  |
| contracts - net | 10,712,024 | 10,028,578 | 5,517,923 | 6,298,036 |
| Total contract liabilities - non-current | 10,712,024 | 10,028,578 | 5,517,923 | 6,298,036 |
|  |  |  |  |  |
| Total contract liabilities | 22,032,933 | 22,185,934 | 14,280,049 | 14,670,953 |

1. Earned revenues not yet billed

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Earned revenues not yet billed | 23,793,063 | 26,045,331 | 16,496,422 | 19,860,303 |
| Less : Allowance for expected credit |  |  |  |  |
| losses | (199,954) | (195,680) | (17,741) | (82,774) |
| Net | 23,593,109 | 25,849,651 | 16,478,681 | 19,777,529 |

Earned revenues not yet billed classify by outstanding ages are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
| Outstanding ages | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Less than 3 months | 9,306,010 | 12,387,189 | 4,553,642 | 8,498,362 |
| 3 - 6 months | 5,646,275 | 5,108,034 | 4,449,476 | 4,113,989 |
| 6 - 12 months | 4,122,944 | 4,268,606 | 3,446,774 | 3,636,796 |
| More than 12 months | 4,717,834 | 4,281,502 | 4,046,530 | 3,611,156 |
| Total | 23,793,063 | 26,045,331 | 16,496,422 | 19,860,303 |
| Less : Allowance for expected |  |  |  |  |
| credit losses | (199,954) | (195,680) | (17,741) | (82,774) |
| Net | 23,593,109 | 25,849,651 | 16,478,681 | 19,777,529 |

Disclosure aging separation of outstanding debt are in the Group's perspective to be consistent with the information used in the analysis of the allowance for expected credit losses.

As at 31 December 2023, the Group and the Company has an outstanding balance of earned revenues not yet billed expected to bill with customers within 1 year Baht 19,211.72 million and Baht 12,174.86 million, respectively (2022 : the Group and the Company has an outstanding balance of earned revenues not yet billed expected to bill with customers within 1 year Baht 22,967.86 million and Baht 16,557.32 million, respectively).

A reconciliation of allowance for expected credit losses of earned revenues not yet billed for year ended 31 December 2023 as follows :

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| As at 1 January 2023 | 195,680 | 82,774 |
| Recognize increase allowance for expected |  |  |
| credit losses | 4,274 | (65,033) |
| As at 31 December 2023 | 199,954 | 17,741 |

As at 31 December 2023, the consolidated financial statements included the Company’s portion of earned revenues but not yet billed of Baht 62.27 million (Rupees 150 million) (31 December 2022 : Baht 246.85 million (Rupees 587.88 million)) which present variation orders claims for a construction project with a State Enterprise of an oversea joint venture between the Company and an oversea subsidiary. The joint venture completed the construction work in December 2018 and received the Taking Over Certificate and the Performance Certificate from the employer in 2019 and in 2020 respectively.

In June 2021, the employer made a partial payment for the construction work to the joint venture.

As at 31 December 2023, the joint venture is on process of negotiation for rights to collect payment for the remaining construction work from the employer through the Arbitration process. The recoverability of such earned revenues not yet billed is dependent on the outcome of the Arbitration dispute resolution.

1. Costs to fulfil contracts

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Current assets | 1,732,007 | 173,987 | 1,720,515 | 156,749 |
| Non-current assets | 6,339,298 | 1,806,979 | 6,339,298 | 1,795,487 |
| Total | 8,071,305 | 1,980,966 | 8,059,813 | 1,952,236 |

Movement of costs to fulfill contracts for the year ended 31 December 2023 and 2022 are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Beginning balance | 1,980,966 | 1,923,002 | 1,952,236 | 1,923,002 |
| Add : Increase | 6,253,039 | 1,243,154 | 6,253,039 | 1,201,496 |
| Ending balance | 8,234,005 | 3,166,156 | 8,205,275 | 3,124,498 |
| Less : Amortization during the year | (162,700) | (1,185,190) | (145,462) | (1,172,262) |
| Net | 8,071,305 | 1,980,966 | 8,059,813 | 1,952,236 |

1. Revenues recognized in relation to contract balances

During the year 2023, the Group recognized revenues which was included in the contract liabilities (receipts in excess of contracted work in progress) balance at the beginning period of Baht 2,051.95 million (Separate F/S : Baht 341.79 million).

1. Revenues to be recognized for the remaining performance obligations

As at 31 December 2023, the Group expects to recognized revenues 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 216,345.34 million (Separate F/S : Baht 113,678.43 million).

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

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Subsidiaries | - | - | 1,021,021 | 1,332,871 |
| Associated companies and joint ventures | 510,597 | 515,661 | 239,983 | 250,281 |
| Related companies | 16,327 | 16,489 | - | - |
| Total | 526,924 | 532,150 | 1,261,004 | 1,583,152 |
| Less : Allowance for expected |  |  |  |  |
| credit losses | (16,327) | (25,640) | (931,529) | (977,049) |
| Short-term loans and advances to |  |  |  |  |
| related parties - net | 510,597 | 506,510 | 329,475 | 606,103 |

Movements in the short-term loans and advances to subsidiaries and related parties for the year ended 31 December 2023 are as follows :

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | |
|  | 1 January 2023 | During the year | | | | 31 December 2023 |
|  | Increase | Decrease | Reclassification | Translation  adjustment |
|  |  |  |  |  |  |  |
| Associated company |  |  |  |  |  |  |
| and joint venture | 515,661 | 99,475 | (43,462) | - | (61,077) | 510,597 |
| Related companies | 16,489 | - | - | - | (162) | 16,327 |
| Total | 532,150 | 99,475 | (43,462) | - | (61,239) | 526,924 |

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | |
|  | 1 January 2023 | During the year | | | | 31 December 2023 |
|  | Increase | Decrease | Reclassification | Translation adjustment |
|  |  |  |  |  |  |  |
| Subsidiaries | 1,332,871 | 2,753 | (52,143) | (262,076) | (384) | 1,021,021 |
| Associated company |  |  |  |  |  |  |
| and joint venture | 250,281 | 1,157 | (11,455) | - | - | 239,983 |
| Total | 1,583,152 | 3,910 | (63,598) | (262,076) | (384) | 1,261,004 |

A reconciliation of allowance for expected credit losses of short-term loans and advances to subsidiaries and related parties for the year ended 31 December 2023 and 2022 are as follows :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| As at 1 January | 25,640 | 25,095 | 977,049 | 957,837 |
| Recognize increase allowance for expected |  |  |  |  |
| credit losses | - | - | 29,050 | 31,216 |
| Reversal of allowance for expected |  |  |  |  |
| credit losses | (9,151) | - | (74,186) | (9,788) |
| Translation adjustment for foreign |  |  |  |  |
| currency financial statement | (162) | 545 | (384) | (2,216) |
| As at 31 December | 16,327 | 25,640 | 931,529 | 977,049 |

1. **INVENTORIES AND WORK IN PROCESS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Work in process | 102,726 | 148,383 | 9,377 | - |
| Materials and inventories | 6,923,562 | 5,007,713 | 2,606,001 | 2,088,050 |
| Total | 7,026,288 | 5,156,096 | 2,615,378 | 2,088,050 |
| Less : Allowance for devaluation | (167,185) | (145,513) | (153,607) | (133,315) |
| Net | 6,859,103 | 5,010,583 | 2,461,771 | 1,954,735 |

During the years 2023 and 2022, movements in allowance for devaluation of inventories are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Balance as at 1 January | 145,513 | 141,807 | 133,315 | 119,177 |
| Add : Additional allowance for devaluation | 22,921 | 8,389 | 20,911 | 14,138 |
| Less : Reversal of allowance for devaluation | (463) | (4,191) | - | - |
| Less : Translation adjustment for foreign |  |  |  |  |
| currency financial statement | (786) | (492) | (619) | - |
| Balance as at 31 December | 167,185 | 145,513 | 153,607 | 133,315 |

1. **COSTS OF PROPERTY DEVELOPMENT PROJECTS**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | |
|  |  | Consolidated F/S | |
|  |  | 2023 | 2022 |
|  |  |  |  |
| Land |  | 224,371 | 186,220 |
| Cost of property development projects |  | 370,456 | 366,071 |
| Utilities installation |  | 81,074 | 64,225 |
| Capitalized borrowing costs |  | 8,783 | 12,185 |
| Total |  | 684,684 | 628,701 |
| Less : Amounts transferred to cost of sales |  | (235,828) | (267,584) |
| Net |  | 448,856 | 361,117 |

As at 31 December 2023 and 2022, land and constructions of a subsidiary of the Company amount of Baht 363.65 million have been pledged as collaterals for overdraft, loan and credit facilities with banks as disclosed in Note 27.

During the years 2023 and 2022, the Group capitalized interest amounting to Baht 4.88 million and Baht 4.61 million, respectively, to the cost of property development project.

The changes in cost of property development projects for the years ended 31 December 2023 and 2022 are as follows :

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | |
|  |  | Consolidated F/S | |
|  |  | 2023 | 2022 |
|  |  |  |  |
| Balance as at 1 January |  | 361,117 | 298,734 |
| Add : Cost of property development |  | 323,567 | 329,967 |
| Less : Cost of sales |  | (235,828) | (267,584) |
| Balance as at 31 December |  | 448,856 | 361,117 |

1. **RESTRICTED DEPOSITS WITH BANKS**

As at 31 December 2023 The Group has significant of restricted deposit with banks as follows:

* 1. A project office in India had deposited cash with bank of Baht 234.62 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 with regard to the dispute between the Project Office and the employer. Currently, the outcome of the lawsuit not yet finalize.
  2. The Company has entered into agreements to pledge the deposits and its interest as collateral with two banks are as follows :
* Deposit with a local bank of Baht 151.11 million as business collateral in order to secure the repayment obligations of the Company and an overseas subsidiary.
* Deposit with an overseas bank of USD 5 million (equivalents to Baht 169.86 million) as collateral for an overseas subsidiary for issuing Standby Letter of Credit according to the conditions in the loan agreement for their project under development as discussed in Note 26.
  1. A local subsidiary had deposited cash with a bank of Baht 0.60 million as collateral for payment of electricity expense.
  2. A local subsidiary and an indirect local subsidiary had deposited cash with banks of Baht 6.37 million as collateral for the issuance of letter of guarantee for utilities cost to develop the construction project.
  3. An indirect local subsidiary had deposited cash with a bank of Baht 83.75 million as collateral for compensation fund to pay persons entitled to receive compensation of potash project.
  4. An oversea subsidiary in India had deposited cash with banks of Baht 598.13 million as collateral for required in the normal course of business of company.

1. **INVESTMENTS IN SUBSIDIARIES, AOSSCIATED AND JOINT CONTROL COMPANIES, AND   
   JOINT VENTURES**

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 31 December  2023 | 31 December 2022 | 31 December  2023 | 31 December 2022 | |
|  |  |  |  |  | |
| Investment in subsidiaries | - | - | 11,438,351 | 11,690,855 | |
| Investment in associated |  |  |  |  | |
| and joint control companies | 859,410 | 1,877,252 | 3,751,822 | 3,766,308 | |
| Investment in joint ventures | 275,669 | 542,356 | - | - | |
| Total | 1,135,079 | 2,419,608 | 15,190,173 | 15,457,163 | |

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

* 1. Investment in subsidiaries

Investment in subsidiaries as at 31 December 2023 and 2022 comprise investments as follows :

|  |  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Percentage | | Separate F/S | | | |
|  |  |  | of shareholding | | Cost | | | |
|  | Nature of business | Paid-up Capital | 2023 | 2022 | 2023 | | 2022 | |
|  |  |  | Percent | Percent |  | |  | |
| **Investment in subsidiaries** |  |  |  |  |  | |  | |
| Italian-Thai International Co., Ltd. | Holding company | 4,710,000 | 99.99 | 99.99 | 4,710,000 | | 4,710,000 | |
| Less : Allowance for impairment |  | |  |  | (677,818) | | (677,818) | |
| Net |  |  |  |  | 4,032,182 | | 4,032,182 | |
| Bhaka Bhumi Development Co., Ltd. | Real estate development | 20,000 | 99.99 | 99.99 | 20,000 | | 20,000 | |
| 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 | Manufacture and distribution of concrete |  |  |  |  | |  | |
| Co., Ltd. | 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 |  |  |  |  | - | | - | |
|  |  |  |  |  |  | |  | |
|  |  |  |  |  |  | |  | |
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|  |  |  |  |  |  | |  | |
|  |  |  |  |  |  | |  | |
| 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 | 99.99 | 99.99 | 412,050 | | 412,050 | |
| Palang Thai Kaowna Co., Ltd. | Not yet operational | 303,000 | 99.99 | 99.99 | 302,650 | | 458,650 | |
| Less : Allowance for impairment |  | |  |  | (302,650) | | (206,146) | |
| Net |  |  |  |  | - | | 252,504 | |
| Palit Palang Ngan Co., Ltd. | Not yet operational | 123,000 | 78.16 | 78.16 | 95,440 | | 95,440 | |
| 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 | Manufacture, distribution and installation |  |  |  |  | |  | |
| Co., Ltd. | 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 | 64.52 | 64.52 | 2,761,592 | | 2,761,592 | |
| Asian Rail Co., Ltd. | Construction services | 100,000 | 99.99 | 99.99 | 100,000 | | 100,000 | |
| ITD-ARC Joint Venture | Construction services | - | 10.00 | 10.00 | - | | - | |
| ITD-VCB Joint Venture | Construction services | - | 70.00 | 70.00 | - | | - | |
|  |  |  |  |  |  | |  | |
| **Overseas subsidiary companies** |  |  |  |  |  | |  | |
| PT. Thailindo Bara Pratama | Coal mining contractor | IDR 1,038,674 |  |  |  |  | |
|  |  | million | 99.99 | 99.99 | 2,286,218 | 2,286,218 | |
| Less : Allowance for impairment |  |  |  |  | (2,286,218) | (2,286,218) | |
| Net |  |  |  |  | - | - | |
| ITD Cementation India Limited | Construction services in India | INR 172 million | 46.64 | 46.64 | 2,143,951 | 2,143,951 | |
| ITD-Madagascar S.A. | Mining business in Madagascar | MGA 20 million | 99.98 | 99.98 | 234,279 | 234,279 | |
| Less : Allowance for impairment |  |  |  |  | (234,279) | (234,279) | |
| Net |  |  |  |  | - | - | |
| ITD Construction SDN. BHD. | Construction services in Malaysia | MYR 0.75 million | 99.99 | 99.99 | 7,312 | 7,312 | |
| Less : Allowance for impairment |  |  |  |  | (7,312) | (7,312) | |
| Net |  |  |  |  | - | - | |
| ITD Bangladesh Company Limited | Construction services in Bangladesh | BDT 4 million | 99.99 | 99.99 | 1,546 | 1,546 | |
| Italian-Thai Development Vietnam |  |  |  |  |  |  | |
| Co., Ltd. | Not yet operational | VND 6,000 |  |  |  |  | |
|  |  | million | 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 | USD 1,373,615 | 99.00 | 99.00 | 46,121 | 46,121 | |
|  | Mozambique |  |  |  |  |  | |
| Thai Mozambique Logistica SA. | Concession for constructing Port and |  |  |  |  |  | |
|  | Railway in the Republic of Mozambique | USD 610,090 | 60.00 | 60.00 | 12,036 | 12,036 | |
| Total investment in subsidiaries - net |  |  |  |  | 11,438,351 | 11,690,855 | |

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|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Separate F/S | |
|  | 2023 | 2022 |
|  |  |  |
| Investment in subsidiaries | 16,066,787 | 16,222,787 |
| Less : Allowance for impairment | (4,628,436) | (4,531,932) |
| Investment in subsidiaries - net | 11,438,351 | 11,690,855 |

Movements in investment in subsidiaries for the years ended 31 December 2023 and 2022 are as follows

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Separate F/S | |
|  | 2023 | 2022 |
|  |  |  |
| Balance as at 1 January | 11,690,855 | 11,690,855 |
| Less : Investment decreased during the year | (156,000) | - |
| Add : Transfer debt to equity during the year | - | 6,291 |
| Less : Allowance for impairment | (96,504) | (6,291) |
| Balance as at 31 December | 11,438,351 | 11,690,855 |

Investment decreased and allowance for impairment in subsidiary

*Palang Thai Kaowna Co., Ltd.*

* On 20 September 2023, at the Board of Directors' meeting of Palang Thai Kaowna Co., Ltd., the Board has passed a resolution to reduce registered capital from amount Baht 459 million and registered to reduce capital amount Baht 156 million.
* On 30 September 2023, the Company recognized the allowance for impairment loss on investment in the subsidiary amount of Baht 96.50 million. The Company’s management has considered the recoverable amount of such investment.

**Dividend income from direct subsidiaries**

*Asian Steel Product Co., Ltd.*

On 27 April 2023, the Board of Directors’ meeting of Asian Steel Product Co., Ltd., a subsidiary of the Group, has passed a resolution to pay interim dividends from retained earnings as at 31 December 2022 of Baht 2,000.00 per share for 2,796 shares totaling Baht 5,592,000 to the Company which the Company has already received on 30 June 2023.

*ITD Cementation India Limited*

On 28 August 2023, the Board of Directors’ meeting of ITD Cementation India Limited., a subsidiary of the Group, has passed a resolution to pay interim dividends from retained earnings as at 31 March 2023 of INR 0.75 per share for 80,113,180 shares equivalent totaling Baht 20,028,380.54 to the Company which the Company has already received on 18 September 2023.

non-controlling interests

Subsidiaries with material non-controlling interests (after eliminations) are as follows :

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | (Unit : Million Baht) | | | | | |
|  | Proportion of ownership  interests held by the NCI (Percentage) | | Other comprehensive  income (loss) allocated to NCI | | | Accumulated NCI | | |
| Name | 2023 | 2022 | | 2023 | 2022 | | 2023 | 2022 | |
|  |  |  | |  |  | |  |  | |
| ITD Cementation India Limited | 53.36 | 53.36 | | (56) | 54 | | 3,132 | 2,641 | |
| Others | 7.41 - 49.04 | 7.41 - 49.04 | | - | - | | 254 | 326 | |

During the year 2023, subsidiaries paid dividends to the non-controlling interests of Baht 25.32 million (2022 : Baht 17.10 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 | | | | |
|  | ITD Cementation India Limited | | Others | | |
|  | 2023 | 2022 | 2023 | 2022 | |
|  |  |  |  |  | |
| Current assets | 19,142 | 15,069 | 2,065 | 1,628 | |
| Non-current assets | 5,283 | 4,566 | 1,686 | 1,786 | |
| Current liabilities | 12,780 | 10,182 | 1,727 | 1,275 | |
| Non-current liabilities | 5,894 | 4,503 | 906 | 1,066 | |
| Equity attributable to the Company’s |  |  |  |  | |
| shareholder | 5,751 | 2,309 | 1,118 | 747 | |
| Non-controlling interests | 3,069 | 2,641 | 322 | 326 | |
| Revenue | 30,104 | 20,826 | 1,746 | 1,935 | |
| Profit for attributable to the |  |  |  |  | |
| Company’s shareholders | 443 | 223 | 53 | 88 | |
| Profit (loss) for attributable to non |  |  |  |  | |
| - controlling interests | 506 | 256 | (1) | 8 | |
| Profit for the year | 949 | 479 | 52 | 96 | |
| Other comprehensive income (loss) | (162) | (100) | 1 | - | |
| Other comprehensive income (loss) |  |  |  |  | |
| attributable to the Company’s |  |  |  |  | |
| shareholder | (106) | (154) | 1 | - | |
| Other comprehensive income (loss) |  |  |  |  | |
| attributable to non-controlling |  |  |  |  | |
| interests | (56) | 54 | - | - | |
| Total comprehensive income |  |  |  |  |
| for the year | 787 | 379 | 53 | 96 |

|  |  |  |
| --- | --- | --- |
|  | (Unit : Million Baht) | |
|  | For the year ended 31 December 2023 | |
|  | ITD Cementation India Limited | Others |
|  |  |  |
| Net cash from operating activities | 2,985 | 271 |
| Net cash used in investing activities | (1,805) | (219) |
| Net cash used in financing activities | - | (191) |
| Net cash increase (decrease) | 1,180 | (139) |

* 1. Investment in associated and joint control companies

Investment in associated and joint control companies as at 31 December 2023 and 2022 comprise investments as follows :

|  |  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Percentage | | Consolidated F/S | | Separate F/S | |
|  |  | Paid-up Capital | of shareholding | | Equity | | Cost | |
|  | Nature of business | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  |  | Percent | Percent |  |  |  |  |
| **Investment in associated companies** | |  |  |  |  |  |  |  |
| ATO-Asia Turnouts Co., Ltd. | Production and distribution of |  |  |  |  |  |  |  |
|  | turnouts for railway projects | 5,000 | 48.99 | 48.99 | 17,606 | 25,341 | 2,450 | 2,450 |
| Siam Pacific Holding Co., Ltd. | Holding company | 58,625 | 46.69 | 46.69 | 26,276 | 26,344 | 27,373 | 27,373 |
| Bangkok Steel Wire Co., Ltd. | Production and distribution of |  |  |  |  |  |  |  |
|  | P.C. wire | 313,000 | 19.98 | 19.98 | 103,689 | 111,253 | 71,603 | 71,603 |
| Oriental Residence Bangkok Co., Ltd. | Real estate development | 880,620 | 8.52 | 8.52 | - | - | 75,000 | 75,000 |
| Less : Allowance for impairment |  |  |  |  | - | - | (14,628) | - |
| Net |  |  |  |  | - | - | 60,372 | 75,000 |
|  |  | |  |  |  |  |  |  |
| **Overseas companies** | | |  |  |  |  |  |  |
| MCRP Construction Corporation, | Construction contractor in | Peso 25 |  |  |  |  |  |  |
| Philippines | Philippines | million | 24.00 | 24.00 | 12,000 | 12,000 | 12,000 | 12,000 |
| Less : Allowance for impairment |  |  |  |  | (12,000) | (12,000) | (12,000) | (12,000) |
| Net |  |  |  |  | - | - | - | - |
| MCRP Holding Corporation, |  |  |  |  |  |  |  |  |
| Philippines | Holding company in | Peso 5 |  |  |  |  |  |  |
|  | Philippines | million | 24.00 | 24.00 | 3,000 | 3,000 | 3,000 | 3,000 |
| Less : Allowance for impairment |  |  |  |  | (3,000) | (3,000) | (3,000) | (3,000) |
| Net |  |  |  |  | - | - | - | - |
| Sino Lao Aluminum | Bauxite mine business in | USD 32 |  |  |  |  |  |  |
| Corporation Limited | Laos | million | 34.00 | 34.00 | 140,855 | 167,177 | 521,537 | 521,537 |
|  |  | ) |  |  |  |  |  |  |
| **Investment in associated companies** | |  |  |  |  |  |  |  |
| **held by subsidiaries** | |  |  |  |  |  |  |  |
| Siam Pacific Holding Co., Ltd | Holding company | 58,625 | 4.30 | 4.30 | 2,525 | 2,525 | - | - |
| Dawei LNG Terminal Company |  | USD |  |  |  |  |  |  |
| Limited. | Dawei Concession Project | 75,000 | 50.00 | 50.00 | 480 | 685 | - | - |
| Total investment in associated companies - net | |  |  |  | 291,431 | 333,325 | 683,335 | 697,963 |
|  |  |  |  |  |  |  |  |  |
| **Investment in joint control companies** | |  |  |  |  |  |  |  |
| First Dhaka Elevated | Concession for constructing | BDT |  |  |  |  |  |  |
| Expressway Co., Ltd. | elevated expressway in | 15,213 |  |  |  |  |  |  |
|  | Bangladesh | million | 51.00 | 51.00 | 567,837 | 1,543,927 | 3,068,345 | 3,068,345 |
| First Dhaka Elevated | Operate and maintain the |  |  |  |  |  |  |  |
| Expressway O&M Co., Ltd. | Dhaka Elevated |  |  |  |  |  |  |  |
|  | Expressway at Dhaka, | BDT 12 |  |  |  |  |  |  |
|  | Bangladesh | million | 39.00 | - | 142 | - | 142 | - |
| Total investment in associated and |  |  |  |  |  |  |  |  |
| joint control companies - net | |  |  |  | 859,410 | 1,877,252 | 3,751,822 | 3,766,308 |

Significant judgment and assumptions

Associates 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% of total voting right, excepted Siam Pacific Holding Co., Ltd. which the company holding 46.69% and a subsidiary holding 4.30% (totaling 50.99%) because the Company has no control such companies and classifies as associated companies.

The Company has investment in First Dhaka Elevated Expressway Co., Ltd. (FDEE) which the Company held 51% of shares. The Company classifies such investment as joint control company since the Company has jointly control in this entity with other shareholders either financial policy or operating policies, which the decision in such activities requires the unanimous consent from all shareholders.

Investment in associated and joint control companies is initially recorded at cost and adjusted thereafter to recognize profit or loss by the proportion of shareholder have the Company in the associated companies.

Movements in investment in associated and joint control companies, which are accounted for by the equity method in the consolidated financial statements, for the years ended 31 December 2023 and 2022 are as follows :

|  |  | (Unit : Thousand Baht) | | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Balance as at 1 January | 1,877,252 | 2,621,117 | 3,766,308 | 2,794,559 |
| Add : Additional investment | 142 | 638,942 | 142 | 695,954 |
| Add : Transfer debt to equity | - | 275,795 | - | 275,795 |
| Less : Share of profit from associated and joint |  |  |  |  |
| control companies | (317,344) | (1,329,156) | - | - |
| Less : Dividend from associated companies | (1,564) | (8,132) | - | - |
| Less : Elimination profit from construction services for |  |  |  |  |
| project under development of joint control |  |  |  |  |
| company | (680,140) | - | - | - |
| Add : Recognize profit from adjusting related transactions | 5,651 | (140,578) | - | - |
| Less : Impairment loss | - | - | (14,628) | - |
| Less : Translation adjustment for foreign |  |  |  |  |
| currency financial statement | (24,587) | (180,736) | - | - |
| Balance as at 31 December | 859,410 | 1,877,252 | 3,751,822 | 3,766,308 |

Impairment of investments in associates

*Oriental Residence Bangkok Co., Ltd.*

On 31 December 2023, the Company recognized the allowance for impairment loss on investment in the subsidiary amount of Baht 14.63 million. The Company’s management has considered the recoverable amount of such investment.

**Dividend income from associated companies**

*Bangkok Steel Wire Co., Ltd.*

On 3 April 2023, the Board of Directors’ meeting of Bangkok Steel Wire Co., Ltd., an associated company of the Group, passed a resolution to pay interim dividends from retained earnings as at 31 December 2022 of Baht 2.50 per share for 625,500 shares totaling Baht 1,563,750 to the Company which the Company has already received on 2 May 2023.

The significant projects under development which the Company invested through associated and joint

control companies are as follows :

Bauxite Mining and the construction of Alumina Production Plant Project

The Company had investment through Sino Lao Aluminum Corporation which is located in Lao People's Democratic Republic. This associated company obtained the concession right from the Government of Lao People’s Democratic Republic for bauxite mining in the year 2008. The Company has investment in associated, trade accounts receivable, retentions receivable and loans to associated company in order to invest in such project totaling Baht 1,216.85 million. The associated company has been in process to obtain approval for the ESIA Certificate of the project. The associated company has already complied with the regulation of Minerals law and submitted documentation to the Ministry of Natural Resources and Environment. The associated company has received the approval for the ESIA Certificate from the Ministry of Natural Resources and Environment dated 21 March 2023. In addition, the Office of the Prime Minister of the Lao People’s Democratic Republic has supported the project and its development. The Ministry of Planning and Investment has been assigned to review conditions in the concession agreement for the compliance of applicable policies and laws. In parallel, the associated company is having ongoing discussions with potential investors and seeking partners for the development of the project.

On 15 June 2023, the Minister of Planning and Investment together with representatives of the Company to explore the Alumina Plant to monitor the progress of the project.

As of 31 December 2023, the Group's management believes that the associated company will be able to proceed as planned to start its business. Therefore, the management of the Company believes that the investment will not be impaired.

Dhaka Elevated Expressway Project

The Company invested through First Dhaka Elevated Expressway Co., Ltd. (FDEE) which is the joint control company was established in the People's Republic of Bangladesh.

In the year 2011, the joint control company has entered into the concession agreement with Bangladesh Bridge Authority of the Government of the People’s Republic of Bangladesh which has the concession rights to constructs and operates of the Dhaka Elevated Expressway. The concession value is approximately Baht 41,192 million and the period is 25 years included 42 months of construction period by starting concession age since 1 January 2020 which was the joint control company has received the construction commencement letter.

As of 31 December 2023, the Company has investment in associated and in such project totaling Baht 3,068.34 million. The progress of construction work of 1st Tranche distance of 7.45 kilometers is 99.40% and the operation have partially commenced since 3 September 2023, the 2nd and 3rd Tranche totally distances of 12.28 kilometers is 70.44% and the Central Control Building is 100%.

As of 31 December 2023, the Group's management believes that the joint control company has partially stared its operation. Therefore, the Company’s management believes that the investment will not be impaired.

Significant financial information of associated and joint control companies before eliminations are summarized as follows :

|  |  |  |  |  |  |  | (Unit :Thousand Baht) | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | For the year ended 31 December | | | | | | | |
|  | Bangkok Steel Wire  Co., Ltd. | | Sino Lao Aluminum Corporation  Limited | | First Dhaka Elevated  Expressway Co., Ltd. | | Others | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |  |  |  |  |
| Cash and cash equivalent | 48,340 | 50,007 | 285 | - | 54,225 | 7,833 | 86,963 | 101,806 |
| Other current assets | 850,609 | 898,586 | 85 | 254 | 24,863 | 242,665 | 2,177,079 | 2,144,043 |
| Total current assets | 898,949 | 948,593 | 370 | 254 | 79,088 | 250,498 | 2,264,042 | 2,245,849 |
|  |  |  |  |  |  |  |  |  |
| Non-current assets | 246,355 | 239,776 | 456,942 | 548,274 | 23,928,897 | 18,686,106 | 1,140,301 | 1,179,992 |
| Total assets | 1,145,304 | 1,188,369 | 457,312 | 548,528 | 24,007,985 | 18,936,604 | 3,404,343 | 3,425,841 |
|  |  |  |  |  |  |  |  |  |
| Financial current liabilities | 543,461 | 526,022 | - | 361,935 | 1,643,794 | 4,171,672 | 301,026 | 328,986 |
| Other current liabilities | 53,723 | 78,647 | 357,984 | - | 3,489,515 | 844,703 | 2,261,068 | 2,170,879 |
| Total current liabilities | 597,184 | 604,669 | 357,984 | 361,935 | 5,133,309 | 5,016,375 | 2,562,094 | 2,499,865 |
|  |  |  |  |  |  |  |  |  |
| Financial non-current |  |  |  |  |  |  |  |  |
| Liabilities | 1,087 | - | 174,951 | 184,796 | 16,013,074 | 10,304,629 | 770,541 | 852,591 |
| Non-current liabilities | 32,395 | 31,205 | - | - | - | - | 15,083 | 8,354 |
| Total non-current liabilities | 33,482 | 31,205 | 174,951 | 184,796 | 16,013,074 | 10,304,629 | 785,624 | 860,945 |
| Total liabilities | 630,666 | 635,874 | 532,935 | 546,731 | 21,146,383 | 15,321,004 | 3,347,718 | 3,360,810 |
|  |  |  |  |  |  |  |  |  |
| Net assets | 514,638 | 552,495 | (75,623) | 1,797 | 2,861,602 | 3,615,600 | 56,625 | 65,031 |
|  |  |  |  |  |  |  |  |  |
| Proportion of ownership |  |  |  |  |  |  |  |  |
| interests held by the |  |  |  |  |  |  |  |  |
| Company (%) | 19.98 | 19.98 | 34.00 | 34.00 | 51.00 | 51.00 | 8.52 - 50.00 | 8.52 - 50.00 |
| Net assets by the |  |  |  |  |  |  |  |  |
| Company’s proportion | 102,825 | 110,389 | (25,711) | 611 | 1,459,417 | 1,843,956 | 41,247 | 48,579 |
| Other adjustment | 864 | 864 | 166,566 | 166,566 | (891,580) | (300,029) | 5,640 | 6,316 |
| Carrying amount of the |  |  |  |  |  |  |  |  |
| investment in associated |  |  |  |  |  |  |  |  |
| and joint control |  |  |  |  |  |  |  |  |
| companies | 103,689 | 111,253 | 140,855 | 167,177 | 567,837 | 1,543,927 | 46,887 | 54,895 |
|  |  |  |  |  |  |  |  |  |
| Revenues | 1,254,301 | 1,517,985 | - | - | 82,931 | - | 334,242 | 325,478 |
| Interest income | - | - | - | - | 1,437 | 255 | 68 | 8 |
| Depreciation and |  |  |  |  |  |  |  |  |
| amortization | (13,331) | (14,309) | (323) | (452) | (45,194) | (1,007) | (58,746) | (70,073) |
| Interest paid | (32,799) | (25,273) | (85,624) | (179,436) | (1,614) | - | (29,486) | (23,203) |
| Profit (loss) before |  |  |  |  |  |  |  |  |
| income tax | (20,379) | 8,288 | (86,401) | (180,010) | (536,252) | (2,468,260) | 11,657 | (31,960) |
| Income tax expense | (2,215) | - | - | - | (929) | - | (124) | (56) |
| Profit (loss) for the year | (22,594) | 8,288 | (86,401) | (180,010) | (537,181) | (2,468,260) | 11,533 | (32,016) |
| Total comprehensive |  |  |  |  |  |  |  |  |
| income (loss) for the year | (22,594) | 4,683 | (83,347) | (225,376) | (773,021) | (2,737,487) | 11,533 | (32,016) |

Unrecognized gain (loss) from associated company

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | (Unit : Thousand Baht) | |
|  |  | 2023 | 2022 |
|  |  |  |  |
| Unrecognized gain (loss) from associated company |  | 2,386 | (1,669) |
| Cumulative unrecognized share of loss from |  |  |  |
| associated company |  | (2,144) | (4,530) |

* 1. Investment in joint ventures

Investments in joint ventures as at 31 December 2023 and 2022, comprise investments in the following entities :

|  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Percentage | | Consolidated F/S | | Separate F/S | |
|  |  | of shareholding | | Equity | | Cost | |
|  | Nature of business | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  | Percent | Percent |  |  |  |  |
| **Investments in joint ventures** | |  |  |  |  |  |  |
| IOT Joint Venture | Construction services | - | 40.00 | - | - | - | - |
| CMC/ITD/SONG DA Joint Venture | Construction services |  |  |  |  |  |  |
|  | in Laos | 30.00 | 30.00 | 83,094 | 179,332 | - | - |
| ITD SINOHYDRO Joint Venture | Construction services in |  |  |  |  |  |  |
|  | Bangladesh | 51.00 | 51.00 | 53,069 | 144,653 | - | - |
| ITD-CREC Joint Venture | Construction services | 51.00 | 51.00 | - | 1,267 | - | - |
| ITALIAN-THAI DEVELOPMENT PCL. - CHINA RAILWAY NO.10 ENGINEERING |  |  |  |  |  |  |  |
| GROUP CO., LTD. JOINT VENTURE | Construction services | 51.00 | - | - | - | - | - |
| Total investments in joint venture - net |  |  |  | 136,163 | 325,252 | - | - |
|  |  |  |  |  |  |  |  |
| **Investments in joint ventures held by subsidiaries** |  |  |  |  |  |  |  |
| CEC-ITD Cem-TPL Joint Venture | Construction services |  |  |  |  |  |  |
|  | in Indonesia | 60 | 60 | 139,506 | 217,104 | - | - |
| Total investments in joint venture held by |  |  |  |  |  |  |  |
| subsidiaries - net |  |  |  | 139,506 | 217,104 | - | - |
| Total investments in joint ventures - net |  |  |  | 275,669 | 542,356 | - | - |
| Total investments in subsidiaries, |  |  |  |  |  |  |  |
| associated companies and joint control |  |  |  |  |  |  |  |
| companies, and joint ventures |  |  |  | 1,135,079 | 2,419,608 | 15,190,173 | 15,457,163 |

Movements in investment in joint ventures, which are accounted for by the equity method in the consolidated financial statements, during the years ended 31 December 2023 and 2022 are as follows :

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | |
|  | 2023 | 2022 |
|  |  |  |
| Balance as at 1 January | 542,356 | 380,276 |
| Add : Share of profit from joint ventures | 39,591 | 201,670 |
| Less : Cash receipts for the profit sharing from |  |  |
| joint venture | (297,988) | - |
| Less : Translation adjustment for foreign |  |  |
| currency financial statement | (8,290) | (39,590) |
| Balance as at 31 December | 275,669 | 542,356 |

1. As at 31 December 2023 and 2022, the consolidated financial statement included investments in CMC/ITD/SONG DA Joint Venture which is a joint venture accounted for by the equity method of Baht 83.09 million and Baht 179.33 million, respectively, for which the figures are based on financial information of a joint venture as of 30 September 2019 which had been reviewed by the joint venture's auditor. The joint venture's management was unable to prepare the financial information up to date since the joint venture and the project owner have been in dispute regarding the termination of construction contract.

On 20 November 2019, CMC/ITD/SONGDA Joint Venture and the employer have been in dispute regarding the termination of construction contract. The Joint Venture and its employer have been appointed the Dispute Adjudication Board (DAB) to consider the dispute between counter parties. However, on 15 January 2021, DAB has considered the outcome of the dispute which conclude that the Notice of Termination from the employer is invalid and requiring the employer to release the performance securities to the Joint Venture.

In April 2021, the joint venture submitted a letter to the employer for further discussions in order to claim the right to receive the settlement regarding the value of construction work which has been done by the joint venture including the value of materials and supplies, and machinery which belong to the joint venture which it has located in the construction project. However, this matter was failed. The joint venture sent a letter to DAB requesting a decision dated 1 October 2021. With its decision published on 5 August 2022, DAB has decided that the employer is entitled to the payments with respect to the works completed by the joint venture and damages caused by the employer’s wrongful termination. However, the employer is taking this decision into consideration. The employer concluded to pay amount of USD 75 million accordance with the settlement agreement. The joint venture has received partial payment amount of USD 46 million since March 2023 onwards and the remaining will be gradually paid monthly within June 2024.

In September 2023, the joint venture partners agreed to share profits from the joint venture after reserved sufficient funds for suppliers, subcontractors, claims and any contingencies of the joint venture. Such share profits will be paid by monthly basis since September 2023 until May 2024 which the Company will receive such share profits for total amount of USD 9 million.

1. The Company has mutually agreed with joint venture partners upon construction projects under the name of 2 joint ventures. According to the agreements, the other joint venturers have to responsible for all liabilities and risks until the completion of the works which included loss from operations. The Company's management, therefore, no longer recognize share of losses from 2 joint ventures. However, the Company still have jointly control in these joint ventures.

**Share profits from joint ventures**

*CMC/ITD/SOND DA Joint Venture*

During the year 2023, the Partners’ meeting of CMC/ITD/SONGDA Joint Venture, a joint venture the Group passed a resolution to pay share profits for indemnity amounts of Baht 96.24 million (Equivalent USD 2.7 million) to the Company.

*CEC-ITD Cem-TPL Joint Venture*

During the year 2023, the Partners’ meeting of CEC-ITD Cem-TPL Joint Venture, a joint venture the Group passed a resolution to pay share profits for indemnity amounts of INR 472.65 million (Equivalent THB 201.75 million) to ITD Cementation India Limited.

Significant financial information of joint ventures before eliminations are summarized as follows :

|  | |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- | --- |
|  | | For the year ended 31 December | | | |
|  | | Joint ventures  in Thailand | | Joint ventures  in Oversea | |
|  |  | 2023 | 2022 | 2023 | 2022 |
|  | |  |  |  |  |
| Cash and cash equivalent | | 16,654 | 2,378 | 751,792 | 1,171,907 |
| Other current assets | | 448,490 | 403,887 | 2,692,980 | 3,129,562 |
| Total current assets | | 465,144 | 406,265 | 3,444,772 | 4,301,469 |
|  | |  |  |  |  |
| Non-current assets | | 4,857 | 5,664 | 1,159,199 | 1,181,082 |
| Total assets | | 470,001 | 411,929 | 4,603,971 | 5,482,551 |
|  | |  |  |  |  |
| Financial current liabilities (excluding | |  |  |  |  |
| trade accounts payables) | | 90,192 | 55,150 | 261,895 | 609,330 |
| Other current liabilities | | 675,581 | 367,182 | 3,266,984 | 3,626,902 |
| Total current liabilities | | 765,773 | 422,332 | 3,528,879 | 4,236,232 |
|  | |  |  |  |  |
| Non-current liabilities | | 479,138 | - | 166,963 | 1,148 |
| Total non-current liabilities | | 479,138 | - | 166,963 | 1,148 |
| Total liabilities | | 1,244,911 | 422,332 | 3,695,842 | 4,237,380 |
|  | |  |  |  |  |
| Net assets | | (774,910) | (10,403) | 908,129 | 1,245,171 |
|  | |  |  |  |  |
| Proportion of ownership interests held | |  |  |  |  |
| by the Company (%) | | 40.00 - 51.00 | 40.00 - 51.00 | 30.00 - 60.00 | 30.00 - 60.00 |
| Net assets by the Company’s proportion | | (393,781) | (3,888) | 356,184 | 542,249 |
| Other adjustment | | 393,781 | 5,155 | (80,515) | (1,160) |
| Carrying amount of the investment in Joint Venture | | - | 1,267 | 275,669 | 541,089 |
|  | |  |  |  |  |
| Revenues | | 233,345 | 291,485 | 1,163,714 | 2,086,398 |
| Interest income | | 9 | 1 | 47,601 | 32,997 |
| Depreciation and amortization | | (1,655) | (1,181) | (7,032) | (23,878) |
| Interest paid | | (8) | (21) | (18,347) | (29,714) |
| Profit (loss) before income tax | | (764,506) | 3,448 | 165,076 | 490,497 |
| Income tax expense | | - | (626) | (121,250) | (146,486) |
| Profit (loss) for the year | | (764,506) | 2,822 | 43,826 | 344,011 |
| Total comprehensive | |  |  |  |  |
| income (loss) for the year | | (764,506) | 2,822 | 43,826 | 344,011 |

1. **OTHER FINANCIAL ASSETS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Investment at fair value through profit or loss | 789,647 | 789,647 | 385,744 | 385,744 |
| Investment at fair value through |  |  |  |  |
| other comprehensive income | 237,811 | 322,494 | 223,271 | 303,362 |
| Total other financial assets | 1,027,458 | 1,112,141 | 609,015 | 689,106 |

Movements in investments at fair value through other comprehensive income during the years ended 31 December 2023 and 2022 are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Balance as at 1 January | 322,494 | 467,918 | 303,362 | 440,655 |
| Less : Disposal during the year | (9,608) | (6,414) | (9,608) | (6,414) |
| Less : Loss on change in fair value |  |  |  |  |
| of investments | (75,075) | (139,010) | (70,483) | (130,879) |
| Balance as at 31 December | 237,811 | 322,494 | 223,271 | 303,362 |

Other financial assets as at 31 December 2023 and 2022 comprise investments as follows :

|  |  |  | | (Unit : Thousand Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Percentage of | |  | |  | |
|  |  | Shareholding | | Consolidated F/S | | Separate F/S | |
|  | Nature of business | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  | Percent | Percent |  |  |  |  |
| **Investments in other companies** |  |  |  |  |  |  |  |
| a) Investment at fair value through profit or loss | |  |  |  |  |  |  |
| 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 | 1.15 | 1.15 | 55,885 | 55,885 | 55,885 | 55,885 |
| Less : Loss from change in fair value of | construction |  |  |  |  |  |  |
| investment |  |  |  | (50,600) | (50,600) | (50,600) | (50,600) |
| Net |  |  |  | 5,285 | 5,285 | 5,285 | 5,285 |
| Bell Development Co., Ltd. | Real estate development | 2.29 | 2.29 | 47,313 | 47,313 | 47,313 | 47,313 |
| Add : Gain from change in fair value of |  |  |  |  |  |  |  |
| investment |  |  |  | 23,993 | 23,993 | 23,993 | 23,993 |
| Net |  |  |  | 71,306 | 71,306 | 71,306 | 71,306 |
| The Bangkok Club Co., Ltd. | Entertainment services | 0.27 | 0.27 | 3,000 | 3,000 | 3,000 | 3,000 |
| Less : Allowance for impairment |  |  |  | (2,500) | (2,500) | (2,500) | (2,500) |
| Net |  |  |  | 500 | 500 | 500 | 500 |
| Nishio Rent All (Thailand) Co., Ltd. | Construction machinery Rental | 15.00 | 15.00 | 7,500 | 7,500 | 7,500 | 7,500 |
| Praram 9 Square Co., Ltd. | Real estate development |  |  |  |  |  |  |
|  | and rental | 6.32 | 6.32 | 200,000 | 200,000 | 200,000 | 200,000 |
| Add : Gain from change in fair value of |  |  |  |  |  |  |  |
| investment |  |  |  | 101,153 | 101,153 | 101,153 | 101,153 |
| Net |  |  |  | 301,153 | 301,153 | 301,153 | 301,153 |
| Total Investments at fair value |  |  |  |  |  |  |  |
| through profit or loss - net | |  |  | 385,744 | 385,744 | 385,744 | 385,744 |
|  |  |  |  |  |  |  |  |
| b) Investment at fair value through | |  |  |  |  |  |  |
| other comprehensive income | |  |  |  |  |  |  |
| Charoong Thai Wire and Cable PLC. | Manufacture and distribution of | 12.30 | 12.71 | 294,495 | 304,103 | 294,495 | 304,103 |
| Less : Loss from change in fair value of | wire and cable |  |  |  |  |  |  |
| investment |  |  |  | (71,224) | (741) | (71,224) | (741) |
| Net |  |  |  | 223,271 | 303,362 | 223,271 | 303,362 |
| Total Investment in other listed Company - net | |  |  | 223,271 | 303,362 | 223,271 | 303,362 |
| Total investment at fair value through | |  |  |  |  |  |  |
| other comprehensive income - net | |  |  | 609,015 | 689,106 | 609,015 | 689,106 |
|  |  |  |  |  |  |  |  |
| **Investments held by subsidiaries** | |  |  |  |  |  |  |
| a) Investment at fair value through profit or loss | |  |  |  |  |  |  |
| Bell Development Co., Ltd. | Real estate development | 6.55 | 6.55 | 135,226 | 135,226 | - | - |
| Add : Gain from changes in fair value |  |  |  |  |  |  |  |
| of investments |  |  |  | 68,677 | 68,677 | - | - |
| Net |  |  |  | 203,903 | 203,903 | - | - |
| Asia Era One Co., Ltd. | Joint investment | 2.57 | 2.57 | 200,000 | 200,000 | - | - |
| Total investment at fair value through |  |  |  |  |  |  |  |
| profit or loss - net |  |  |  | 403,903 | 403,903 | - | - |
|  |  |  |  |  |  |  |  |
| b) Investment at fair value through | |  |  |  |  |  |  |
| other comprehensive income | |  |  |  |  |  |  |
| Charoong Thai Wire and Cable PLC. | Manufacture and distribution of | 0.80 | 0.80 | 19,178 | 19,178 | - | - |
| Less : Loss from change in fair value of | wire and cable |  |  |  |  |  |  |
| investment |  |  |  | (4,638) | (46) | - | - |
| Net |  |  |  | 14,540 | 19,132 | - | - |
| Total investment held by subsidiaries - net | |  |  | 418,443 | 423,035 | - | - |
| Total other long-term investments - net | |  |  | 1,027,458 | 1,112,141 | 609,015 | 689,106 |

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

The outstanding balances as at 31 December 2023 and 2022 are as follows :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Subsidiaries | - | - | 1,201,176 | 972,955 |
| Joint Venture | - | 15,588 | - | 15,588 |
| Joint control companies | 888,742 | 955,155 | - | - |
| Total | 888,742 | 970,743 | 1,201,176 | 988,543 |
| Less : Allowance expected credit losses | - | - | (86,889) | (112,054) |
| Net | 888,742 | 970,743 | 1,114,287 | 876,489 |

Significant movements in the long-term loans and advances to related parties for the year ended 31 December 2023 are as follows :

|  | (Unit : Thousand Baht)  Consolidated F/S | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1 January  2023 |  | During the year | | | 31 December  2023 |
|  | Increase | Decrease | Reclassified | Translation adjustment |
|  |  |  |  |  |  |  |
| Joint Venture | 15,588 | 1,497 | (17,085) | - | - | - |
| Joint control companies | 955,155 | - | - | - | (66,413) | 888,742 |
| Total | 970,743 | 1,497 | (17,085) | - | (66,413) | 888,742 |

|  | (Unit : Thousand Baht)  Separate F/S | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1 January  2023 | During the year | | | | 31 December  2023 |
|  | Increase | Decrease | Reclassified | Translation adjustment |
|  |  |  |  |  |  |  |
| Subsidiaries | 972,955 | 198,328 | (232,183) | 262,076 | - | 1,201,176 |
| Joint Venture | 15,588 | 1,497 | (17,085) | - | - | - |
| Total | 988,543 | 199,825 | (249,268) | 262,076 | - | 1,201,176 |

A reconciliation of allowance expected credit losses on the long-term loans and advances to related parties for the year ended 31 December 2023 and 2022 are as follows :

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Separate F/S | |
|  | 2023 | 2022 |
|  |  |  |
| As at 1 January | 112,054 | 107,265 |
| Recognized allowance expected credit losses | 4,556 | 6,737 |
| Transfer change of transaction | (7,712) | - |
| Reversal of allowance expected credit losses | (22,009) | (1,948) |
| As at 31 December | 86,889 | 112,054 |

1. **LAND AWAITING DEVELOPMENT**

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | |
|  | 2023 | 2022 |
|  |  |  |
| Land awaiting development - as at 1 January | 316,855 | 316,855 |
| Add : Acquisitions | 2,534 | - |
| Less : Disposal | (1,581) | - |
| Less : Transfer to deferred exploration and development costs | (9,546) | - |
| Land awaiting development - as at 31 December | 308,262 | 316,855 |

As at 31 December 2023 and 2022, land awaiting of development of the Group of Baht 287.02 million and Baht 284.49 million, respectively, are the land for using in Potash Mining Project in Udon Thani province.

1. **INVESTMENT PROPERTIES**

As at 31 December 2023, investment properties presented at fair value consist of :

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | |  |  | (Unit : Thousand Baht) | |
|  | |  |  | Consolidated F/S | Separate F/S |
|  | |  |  |  |  |
| Land |  | |  | 1,977,730 | 507,758 |
| Total |  | |  | 1,977,730 | 507,758 |

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 2023 and 2022 are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Net book value as at 1 January | 2,347,940 | 2,612,532 | 835,729 | 1,284,359 |
| Add : Additional | 504,641 | - | 6,834 | - |
| Less : Disposal | (882,928) | (448,630) | (341,284) | (448,630) |
| Less : Gain (loss) on revaluation of land | (53,003) | 184,038 | (54,601) | - |
| Add : Transferred from property, plant and |  |  |  |  |
| equipment | 61,080 | - | 61,080 | - |
| Net book value as at 31 December | 1,977,730 | 2,347,940 | 507,758 | 835,729 |

In 2023, the Company registered the transfer of ownership of investment properties with fair value of Baht 341.28 million (carrying value of Baht 201.79 million) to repay debt to a creditor in the amount of Baht 354.64 million according to the debt acknowledgement letter and agreement regarding debt repayment. Gain on sales of assets in amount of Baht 152.85 million was recorded as gain on disposal of fixed assets in the statement of comprehensive income as at 31 December 2023.

1. **PROPERTY, PLANT AND EQUIPMENT**

|  | (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 2022** | 2,607,146 | 8,349,030 | 45,850,168 | 1,145,149 | 941,723 | 58,893,216 |
| Acquisitions | 2,967 | 187,507 | 1,129,573 | 11,035 | 1,855,988 | 3,187,070 |
| Transfer from right-of-use assets | - | - | 1,043,768 | - | - | 1,043,768 |
| Disposals | - | (13,271) | (2,170,575) | (11,248) | - | (2,195,094) |
| Transfer in / Transfer out | - | 143,941 | 885,570 | - | (1,029,511) | - |
| Transfer to inventory | - | - | - | - | (70,397) | (70,397) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | (1,523) | (30,256) | (623,810) | (4) | (22,839) | (678,432) |
| **31 December 2022** | 2,608,590 | 8,636,951 | 46,114,694 | 1,144,932 | 1,674,964 | 60,180,131 |
| Acquisitions | 44,430 | 36,538 | 1,275,012 | 5,744 | 2,348,182 | 3,709,906 |
| Transfer from right-of-use assets | - | - | 547,858 | - | - | 547,858 |
| Disposals | (617,878) | (389,654) | (2,177,548) | (30,876) | - | (3,215,956) |
| Transfer in / Transfer out | - | 428,625 | 2,542,851 | - | (2,971,476) | - |
| Transfer to investment properties | (61,080 | - | - | - | - | (61,080) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | (264) | (7,763) | (183,676) | (1) | (6,082) | (197,786) |
| **31 December 2023** | 1,973,798 | 8,704,697 | 48,119,191 | 1,119,799 | 1,045,588 | 60,963,073 |

|  | (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 |
|  |  | | | | | |
| **Accumulated depreciation** |  |  |  |  |  |  |
| **1 January 2022** | - | 5,785,328 | 23,644,300 | 991,959 | - | 30,421,587 |
| Depreciation for the year | - | 466,593 | 3,456,894 | 34,165 | - | 3,957,652 |
| Transfer from right-of-use assets | - | - | 433,388 | - | - | 433,388 |
| Accumulated depreciation for disposals | - | (11,086) | (1,615,644) | (9,286) | - | (1,636,016) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | - | (14,817) | (370,695) | (4) | - | (385,516) |
| **31 December 2022** | - | 6,226,018 | 25,548,243 | 1,016,834 | - | 32,791,095 |
| Depreciation for the year | - | 477,966 | 3,865,942 | 27,922 | - | 4,371,830 |
| Transfer from right-of-use assets | - | - | 268,315 | - | - | 268,315 |
| Accumulated depreciation for disposals | - | (265,961) | (1,567,975) | (30,164) | - | (1,864,100) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | - | (5,429) | (120,188) | (1) | - | (125,618) |
| **31 December 2023** | - | 6,432,594 | 27,994,337 | 1,014,591 | - | 35,441,522 |
|  |  |  |  |  |  |  |
| **Less Allowance for impairment** |  |  |  |  |  |  |
| 31 December 2022 | 15,219 | - | 18,824 | - | - | 34,043 |
| 31 December 2023 | 15,219 | - | 15,677 | - | - | 30,896 |
|  |  |  |  |  |  |  |
| **Net book value** |  |  |  |  |  |  |
| **31 December 2022** | 2,593,371 | 2,410,933 | 20,547,627 | 128,098 | 1,674,964 | 27,354,993 |
| **31 December 2023** | 1,958,579 | 2,272,103 | 20,109,177 | 105,208 | 1,045,588 | 25,490,655 |

|  | (Unit : Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | |
|  |  |  | Machinery, |  |  |  |
|  |  |  | office | Site office | Machinery |  |
|  |  |  | equipment, | and | and equipment |  |
|  |  | Building | furniture | temporary | under |  |
|  | Land | and factories | and vehicle | camps | installation | Total |
|  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |
| **1 January 2022** | 2,378,712 | 6,419,042 | 27,055,457 | 987,974 | 916,832 | 37,758,017 |
| Acquisitions | - | 167,401 | 246,660 | 10,828 | 758,216 | 1,183,105 |
| Transfer from right-of-use assets | - | - | 1,043,768 | - | - | 1,043,768 |
| Disposals | - | - | (1,320,559) | (11,248) | - | (1,331,807) |
| Transfer in / Transfer out | - | 141,654 | 376,932 | - | (518,586) | - |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | - | (7,704) | (264,531) | (4) | (22,296) | (294,535) |
| **31 December 2022** | 2,378,712 | 6,720,393 | 27,137,727 | 987,550 | 1,134,166 | 38,358,548 |
| Acquisitions | 44,430 | 34,673 | 797,301 | 4,764 | 762,207 | 1,643,375 |
| Transfer from right-of-use assets | - | - | 486,457 | - | - | 486,457 |
| Disposals | (614,911) | (388,845) | (1,345,733) | (30,876) | - | (2,380,365) |
| Transfer in / Transfer out | - | 385,555 | 1,043,707 | - | (1,429,262) | - |
| Transfer to investment properties | (61,080) | - | - | - | - | (61,080) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | - | (3,855) | (108,974) | (1) | (1,126) | (113,956) |
| **31 December 2023** | 1,747,151 | 6,747,921 | 28,010,485 | 961,437 | 465,985 | 37,932,979 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |
| **1 January 2022** | - | 4,541,174 | 13,290,456 | 914,075 | - | 18,745,705 |
| Depreciation for the year | - | 310,861 | 2,212,026 | 24,032 | - | 2,546,919 |
| Transfer from right-of-use assets | - | - | 433,388 | - | - | 433,388 |
| Accumulated depreciation for disposals | - | - | (911,737) | (9,286) | - | (921,023) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | - | (4,992) | (180,385) | (4) | - | (185,381) |
| **31 December 2022** | - | 4,847,043 | 14,843,748 | 928,817 | - | 20,619,608 |
| Depreciation for the year | - | 343,765 | 2,353,026 | 17,641 | - | 2,714,432 |
| Transfer from right-of-use assets | - | - | 224,792 | - | - | 224,792 |
| Accumulated depreciation for disposals | - | (265,152) | (1,034,499) | (30,164) | - | (1,329,815) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements | - | (2,633) | (75,060) | (1) | - | (77,694) |
| **31 December 2023** | - | 4,923,023 | 16,312,007 | 916,293 | - | 22,151,323 |
|  |  |  |  |  |  |  |
| **Net book value** |  |  |  |  |  |  |
| **31 December 2022** | 2,378,712 | 1,873,350 | 12,293,979 | 58,733 | 1,134,166 | 17,738,940 |
| **31 December 2023** | 1,747,151 | 1,824,898 | 11,698,478 | 45,144 | 465,985 | 15,781,656 |

In 2023, the Company sold land and buildings according to the fair value of Baht 680.00 million (carrying value of the assets are Baht 185.65 million) to repay debt to a creditor with a debt of Baht 217.27 million. The fair value was estimated by an independent appraiser. The Company recorded gain on sales of assets in amount of Baht 462.73 million which was presented as gain on disposal of fixed assets in the statement of comprehensive income as at 31 December 2023.

As at 31 December 2023 and 2022, 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 2023 and 2022, 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 15,872.45 million and Baht 22,600.85 million, respectively (Separate F/S : Baht 11,197.99 million and Baht 11,278.32 million, respectively).

As at 31 December 2023 and 2022, land and construction thereon, machinery and equipment of the subsidiaries company are under the guarantee as collaterals for loans from banks (Notes 27 and Note 30).

1. **LEASE**

***Leases-where the Group is the lessee***

* 1. Right-of-use

|  | (Unit : Thousand Baht) | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | | |
|  |  | Building | Machinery, |  |  | |  |
|  |  | and factories | Office |  |  | |  |
|  | Land | Building | equipment, | Vehicles | Other | | Total |
|  |  |  |  |  |  | |  |
| **Cost** |  |  |  |  |  | |  |
| **As at 1 January 2022** | 766,597 | 42,464 | 1,936,732 | 748,779 | 175,500 | | 3,670,072 |
| Increase | 51,882 | 4,024 | 138,265 | 102,981 | 138,257 | | 435,409 |
| Decrease / Disposal | (171,317) | (5,542) | - | (10,082) | (141,265) | | (328,206) |
| Decrease from lease modification | (933) | - | - | 933 | - | | - |
| Transfer to property, plant and equipment | - | - | (838,595) | (205,172) | - | | (1,043,767) |
| Translation adjustment for foreign |  |  |  |  |  | |  |
| currency financial statements | (18,551) | - | (16,297) | - | (10,861) | | (45,709) |
| **As at 31 December 2022** | 627,678 | 40,946 | 1,220,105 | 637,439 | 161,631 | | 2,687,799 |
| Increase | 68,602 | 424 | 123,580 | 71,886 | 12,287 | | 276,779 |
| Decrease / Disposal | (8,965) | (20,862) | (67,808) | (88,008) | (25,950) | | (211,593) |
| Transfer in / Transfer out | - | 146,119 | - | - | (146,119) | | - |
| Transfer to property, plant and equipment | - | - | (452,422) | (95,436) | - | | (547,858) |
| Translation adjustment for foreign |  |  |  |  |  | |  |
| currency financial statements | (864) | - | (2,824) | 402 | (1,849) | | (5,135) |
| **As at 31 December 2023** | 686,451 | 166,627 | 820,631 | 526,283 | - | | 2,199,992 |
|  |  |  |  |  |  | |  |
| **Accumulated depreciation** |  |  |  |  |  |  | |
| **As at 1 January 2022** | 300,119 | 16,166 | 646,215 | 181,663 | 71,408 | 1,215,571 | |
| Depreciation for the year | 108,777 | 8,035 | 218,828 | 88,353 | 25,566 | 449,559 | |
| Decrease / Disposal | (167,042) | (5,542) | - | (4,046) | - | (176,630) | |
| Reclassification | (78) | - | - | 78 | - | - | |
| Accumulated depreciation for disposals | (4,275) | - | - | (787) | (56,472) | (61,534) | |
| Transfer to property, plant and equipment | - | - | (363,974) | (69,414) | - | (433,388) | |
| Translation adjustment for foreign   currency financial statements | (15,351) | (1,086) | (13,179) | - | (5,949) | (35,565) | |
| **As at 31 December 2022** | 222,150 | 17,573 | 487,890 | 195,847 | 34,553 | 958,013 | |
| Depreciation for the year | 82,595 | 5,687 | 171,311 | 74,833 | 31,596 | 366,022 | |
| Decrease / Disposal | (3,840) | (6,694) | (65,447) | (86,873) | (18,435) | (181,289) | |
| Transfer in / Transfer out | - | 45,265 | - | - | (45,265) | - | |
| Accumulated depreciation for disposals | - | - | - | - | (1,467) | (1,467) | |
| Transfer to property, plant and equipment | - | - | (228,804) | (39,508) | - | (268,312) | |
| Translation adjustment for foreign   currency financial statements | (790) | - | (2,991) | 402 | (982) | (4,361) | |
| **As at 31 December 2023** | 300,115 | 61,831 | 361,959 | 144,701 | - | 868,606 | |
|  |  |  |  |  |  |  | |
| **Net Book Value** |  |  |  |  |  |  | |
| **As at 31 December 2022** | 405,528 | 23,373 | 732,215 | 441,592 | 127,078 | 1,729,786 | |
| **As at 31 December 2023** | 386,336 | 104,796 | 458,672 | 381,582 | - | 1,331,386 | |
|  |  |  |  |  |  |  | |

|  | (Unit : Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | |
|  |  | Land | Building and factories Building | Machinery, Office equipment | Vehicles | Total |
|  |  |  |  |  |  |  |
| **Cost** |  |  |  |  |  |  |
| **As at 1 January 2022** |  | 333,844 | 6,163 | 1,588,506 | 733,924 | 2,662,437 |
| Increase |  | 33,022 | 4,024 | 120,197 | 98,760 | 256,003 |
| Decrease / Disposal |  | (86,324) | (5,542) | - | (8,561) | (100,427) |
| Decrease from lease modification |  | (933) | - | - | 933 | - |
| Transfer to property, plant and equipment |  | - | - | (838,595) | (205,172) | (1,043,767) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements |  | (17,539) | - | - | - | (17,539) |
| **As at 31 December 2022** |  | 262,070 | 4,645 | 870,108 | 619,884 | 1,756,707 |
| Increase |  | 68,087 | 424 | 23,340 | 69,016 | 160,867 |
| Decrease / Disposal |  | (370) | (621) | (3,890) | (87,422) | (92,303) |
| Transfer to property, plant and equipment |  | - | - | (391,023) | (95,436) | (486,459) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements |  | (520) | - | - | 402 | (118) |
| **As at 31 December 2023** |  | 329,267 | 4,448 | 498,535 | 506,444 | 1,338,694 |
|  |  |  |  |  |  |  |
| **Accumulated depreciation** |  |  |  |  |  |  |
| **As at 1 January 2022** |  | 185,064 | 4,891 | 444,020 | 173,578 | 807,553 |
| Depreciation for the period |  | 82,844 | 2,356 | 164,563 | 84,568 | 334,331 |
| Decrease / Disposal |  | (86,324) | (5,542) | - | (3,312) | (95,178) |
| Reclassification |  | (78) | - | - | 78 | - |
| Transfer to property, plant and equipment |  | - | - | (363,974) | (69,414) | (433,388) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements |  | (14,310) | (1,086) | - | - | (15,396) |
| **As at 31 December 2022** |  | 167,196 | 619 | 244,609 | 185,498 | 597,922 |
| Depreciation for the period |  | 55,647 | 2,032 | 96,090 | 70,197 | 223,966 |
| Decrease / Disposal |  | (239) | (621) | (2,074) | (86,286) | (89,220) |
| Transfer to property, plant and equipment |  | - | - | (185,283) | (39,508) | (224,791) |
| Translation adjustment for foreign |  |  |  |  |  |  |
| currency financial statements |  | (490) | - | - | 402 | (88) |
| **As at 31 December 2023** |  | 222,114 | 2,030 | 153,342 | 130,303 | 507,789 |
|  |  |  |  |  |  |  |
| **Net Book Value** |  |  |  |  |  |  |
| **As at 31 December 2022** |  | 94,874 | 4,026 | 625,499 | 434,386 | 1,158,785 |
| **As at 31 December 2023** |  | 107,153 | 2,418 | 345,193 | 376,141 | 830,905 |
|  |  |  |  |  |  |  |

* 1. Lease Liabilities

The outstanding of lease liabilities as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Lease Liabilities | 1,177,690 | 1,471,999 | 469,034 | 664,628 |
| Less : Current portion | (417,700) | (518,757) | (232,843) | (338,767) |
| Net | 759,990 | 953,242 | 236,191 | 325,861 |

Analysis of maturity of lease liabilities are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Not over 1 year | 465,359 | 561,604 | 250,865 | 352,456 |
| Over 1 year but not over 5 years | 574,990 | 793,868 | 245,518 | 341,529 |
| Over 5 years | 292,640 | 285,839 | 4,736 | 4,549 |
| Total | 1,332,989 | 1,641,311 | 501,119 | 698,534 |
| Less : Deferred interest | (155,299) | (169,312) | (32,085) | (33,906) |
| Net | 1,177,690 | 1,471,999 | 469,034 | 664,628 |

The Group and the Company recognized finance cost relate to lease contracts totaling Baht 62 million and Baht 27 million, respectively (2022 : Baht 82 million and Baht 43 million)

Rental payment not recognized as lease liabilities

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets which consist of rental machine and equipment, office equipment and vehicles. The expense related that contract not recognize for the year ended 31 December 2023 are as follows :

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Short-term lease | 756,221 | 293,428 |
| Leases of low-value assets | 34,915 | 16,539 |
| Total | 791,136 | 309,967 |

* 1. Other financial liabilities

Other financial liabilities recognize contract from sale and leaseback transactions is satisfied of asset which is not a sale in accordance with TFRS15 “Revenue from Contracts with Customers”. The Company therefore continue recognizes such transfer assets as fixed assets in the financial statement and recognizes liabilities from sale and leaseback as other financial liabilities equal to the transfer proceeds of assets.

Present value of other financial liabilities as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Other financial liabilities | 1,240,714 | 1,696,713 | 941,684 | 1,504,232 |
| Less : Current portion | (714,613) | (708,052) | (591,219) | (655,691) |
| Net | 526,101 | 988,661 | 350,465 | 848,541 |

Analysis of maturity of other financial liabilities are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Not over 1 year | 747,933 | 755,159 | 615,354 | 697,106 |
| Over 1 year but not over 5 years | 545,130 | 1,022,204 | 362,044 | 876,891 |
| Total | 1,293,063 | 1,777,363 | 977,398 | 1,573,997 |
| Less : Deferred interest | (52,349) | (80,650) | (35,714) | (69,765) |
| Net | 1,240,714 | 1,696,713 | 941,684 | 1,504,232 |

The Group and the Company recognized finance cost relate to other financial liabilities totaling Baht 50 million and Baht 45 million, respectively. (2022 : Baht 35 million and Baht 28 million, respectively)

***Leases - where the Group is the lessor***

* 1. Finance lease receivable - subsidiaries

|  | (Unit : Thousand Baht) | |
| --- | --- | --- |
|  | Separate F/S | |
|  | 2023 | 2022 |
|  |  |  |
| Not over 1 year | 29,120 | 25,280 |
| Over one 1 but not over 5 years | 11,520 | 19,200 |
| Over 5 years | 16,320 | 12,480 |
| Total | 56,960 | 56,960 |
| Less : Unearned finance income | (7,011) | (8,638) |
| Total | 49,949 | 48,322 |
| Less : Loss on impairment | (21,120) | (17,280) |
| Total | 28,829 | 31,042 |
| Less : Current portion | (6,516) | (6,373) |
| Net | 22,313 | 24,669 |

The above finance leases payable are for machinery and equipment leases with scheduled repayment terms of 15 years.

1. **GOODWILL**

As at 31 December 2023 and 2022, the outstanding balance of goodwill are as follows :

|  |  |  |
| --- | --- | --- |
| (Unit : Thousand Baht) | | |
|  | Consolidated F/S | |
|  | 2023 | 2022 |
|  |  |  |
| Balance as at 1 January | 854,649 | 860,167 |
| Less : Translation adjustment for foreign currency financial statements | (956) | (5,518) |
| Balance as at 31 December | 853,693 | 854,649 |
| Less : Allowance for impairment | - | - |
| Net | 853,693 | 854,649 |

*Impairment tests for goodwill*

The Group tests impairment of goodwill annually by comparing the net book value of goodwill with the recoverable amount of a cash-generateing unit (CGU) which is determined based on value-in-use calculations or fair value less cost of disposal.

Fair value less cost of disposal

In 2023, the Group assesses recoverable value from Potash Mining Project and construction business in India by using fair value less cost of disposal. Based on this assessment, the Company does not have to recognize an impairment of goodwill in the consolidated financial statements for the year end 31 December 2023.

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

As at 31 December 2023 and 2022, the Group has costs for acquisition of the concession right and development costs for industrial estate and infrastructure in Dawei Special Economic Zone (“DSEZ”) as follows :

(Unit : Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Concession right | 172,419 | 174,127 | - | - |
| Costs of project under development | 7,676,809 | 7,677,161 | 5,205,964 | 5,205,964 |
| Total | 7,849,228 | 7,851,288 | 5,205,964 | 5,205,964 |

Movements in the development costs for concession right - Dawei project for the year ended 31 December 2023 are as follows :

|  |  |  |
| --- | --- | --- |
|  |  | (Unit : Thousand Baht) |
|  | Consolidated F/S | Separate F/S |
|  |  |  |
| Balance as at 1 January 2023 | 7,851,288 | 5,205,964 |
| Less : Translation adjustment for foreign |  |  |
| currency financial statements | (2,060) | - |
| Balance as at 31 December 2023 | 7,849,228 | 5,205,964 |

As at 31 December 2023, the Company and its subsidiaries have project costs for developing the industrial estate and related infrastructure and utilities in the Dawei Special Economic Zone (“DSEZ”) for obtaining concession right of Baht 7,849.23 million and Baht 5,205.96 million, respectively. The Company has investment in subsidiary and granted long-term loan to the group of subsidiaries totaling of Baht 2,476.27 million and Baht 104.33 million, respectively, in the separate financial statement.

The Group has obtained the concession right to develop the project from the Republic of Union of Myanmar’s government entity (which is managed by Dawei Special Economic Zone Management Committee : “DSEZ MC”). Moreover, the Group has begun the development of the area since 2010. In 2013, the project has been supported by the governments of Thailand and the Republic of the Union of Myanmar which had established the Special Purpose Vehicle (Dawei SEZ Development Company Limited or calling the“Special Purpose Vehicle : SPV”) to mutually promote the project and determine the development policies of the project. The DSEZ MC and the SPV of both governments has determined the right for the Group to reimburse the previous investment for development under the Tripartite Memorandum. The Group will receive the reimbursement from the new investors of each concession project, moreover, the amount received will be accorded to the Due Diligence of the cost that has been invested by the Group, which is evaluated by the independent party that selected, and authorized by the SPV.

The Company, the DSEZ MC and SPV has mutually agreed that the Due Diligence evaluated result will be directly send to the SPV to summarize the amount as per Term of Reference (“TOR”) relating to the investing auction for new investors of each project. The Group currently does not have right to access the details of the Due Diligence to claim the right from the other parties at present.

In 2015, the DSEZ MC has considered the development plan of DSEZ project demarcating it as the Dawei Special Economic Zone Initial Phase (“DSEZ Initial Phase”), in order to develop 27 square kilometers of industrial estate land and its related infrastructure and utilities, and the Dawei Special Economic Zone Full Phase (“DSEZ Full Phase”).

On 5 August 2015, the indirect subsidiaries in overseas and the investors (“the Concessionaires”) has signed 7 concession agreements for the rights to develop 8 concession projects of the Dawei Special Economic Zone Initial Phase (“DSEZ Initial Phase”) with the DSEZ MC. At same time, the DSEZ MC, the SPV and the Company are entered into the Supplemental Memorandum of Understanding to the Tripartite Memorandum to define the terms and conditions to the Company in order to obtain the Land Right Option for develop and operate the DSEZ Initial Phase and also to compensate the previous investment of the Group. However, the Group shall exercise the Land Right Option when the Concessionaires and the DSEZ MC has fulfilled the Conditions Precedent of the DSEZ Initial Phase.

The Concessionaires have fulfilled all conditions except the Land Lease Agreements signing and concession fees payment because these are not agreed between the Concessionaires and the DSEZ MC on the details of Land lease agreements. The Concessionaires have report to the DSEZ MC to pay the concession fees of each project along with interest to the DSEZ MC when the Land Lease Agreements of each project have been agreed.

The details of situation and progress of each phase are as of the Dawei Special Economic Zone (“DSEZ”) follows :

1. **Dawei Special Economic Zone Initial Phase (DSEZ Initial Phase)**
   1. Land Lease Agreements from the Government of the Republic of Union of Myanmar and the annual concession fees

After obtained the concessions right, the Concessionaires have discussion with the DSEZ MC to   
all Land Lease Agreements which have mutually consensus contents prior to further project development. So far only the Land Lease Agreement for the Initial Industrial Estate and Two-lane Road Connects the Dawei Special Economy Zone and the Thai-Myanmar border (Initial Industrial Estate and Two-lane Road) were sent to the Concessionaire, while the remaining infrastructure and utilities land lease agreements still have yet to be sent by the DSEZ MC. The Concessionaire therefore paid the Concession Fee plus interests to the DSEZ MC for such concession since the concession has a progress related to the discussion of Land Lease Agreements.

In addition, the Company also requested for the remaining draft 6 Land Lease Agreements for concessions related to the infrastructure and utilities are critical components integral in supporting the overall development success for the DSEZ Initial Phase and also informed the DSEZ MC that each concessionaire will pay each concession fee including interests to DSEZ MC upon receiving of its Land Lease Agreement which the respective content has been mutually agreed.

On 30 December 2020, the Concessionaires received the Notice of Termination for all Concession Agreements of the DSEZ Initial Phase from the DSEZ MC claiming that the Concessionaires had breached the conditions of the concession agreement relevant to the payment of annual concession fee and the conditions of the concession agreement for the Initial Industrial Estate and Two-lane Road which additional determined by the DSEZ MC. This requires the Concessionaires to enforce Italian-Thai Development Public Company Limited to sign the document releasing the Group’s right to reimburse the previous investments under the Tripartite Memorandum which is a condition set by the DSEZ MC unilaterally. However, the Company does not agree with the reason for termination of the Concession Agreements and in order to protect the right to reimburse investment costs mentioned in the aforementioned memorandum, the Concessionaires along with the consultation from its legal advisor, submitted the rebuttal of the Notice of Termination to elucidate to the DSEZ MC on 19 January 2021 and proposed a discussion on this matter. Thereafter, on 4 April 2021, the Concessionaires reiterated and submitted once again the confirmation for the rebuttal of the Notice of Termination to the DSEZ MC.

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

Due to the current political situation in the Republic of the Union of Myanmar and COVID-19 pandemic, these have caused the delay in the negotiation between the Group and the Republic of Union of Myanmar Authority in order to find a common ground acceptable to all parties concerned. Nevertheless, in January 2023, a meeting took place amongst the DSEZ MC, the Company, and the Concessionaires. All parties agreed to continue the amicable discussions going forward.

On 4 December 2023, the Concessionaires submitted a letter to the relevant government authority namely, the Office of the National Economic and Social Development Council, as the joint-secretariat of the Joint High-Level Committee (JHC) and Joint Coordinating Committee (JCC). The letter reported on the project status and re-emphasized the significance of the Dawei Project, in relation to Thailand and its importance of the Project in the regional geo-economic and political context.

* 1. Government Support for Construction of the Two-lane Road Connects the Special Economy Zone and the Thai-Myanmar border

In the meetings and ongoing cooperation between the Thai and the Republic of the Union of Myanmar governments, it is publicly known that the Thai Government has the policy to offer the   
soft loan to the Republic of the Union of Myanmar Government for the construction of the Two-lane Road Connects the Special Economy Zone and the Thai-Myanmar border. Such detailed discussions are ongoing regard to the terms and conditions.

1. **Dawei Special Economic Zone Full Phase (“DSEZ full Phase”)**

Even the right for reimbursement of the Group’s previous investments for development of Industrial Estate and related infrastructure and utilities in the DSEZ is still accorded to the Tripartite Memorandum. However, the reimbursement amount relies on the Due Diligence report prepared by the independent advisor selected and authorized by the SPV which at the present, the Company does not have the right to access such Due Diligence report. In addition, it depends on the progress of the development of the DSEZ Full Phase which was supported by the Governments of Thai and the Republic of the Union of Myanmar to promote the other concession projects in the future as well as the investment from new investors who are interested in each concession project.

The Group’s management believe that the right to reimbursement under the Tripartite Memorandum and Supplemental Memorandum of Understanding to the Tripartite Memorandum which were jointly signed between the Company, DSEZ MC and SPV remains valid. Because of there are Government agencies of Thailand and the Republic of Myanmar which are included 1) Joint High-Level Committee, 2) Joint Cooperation Committee (JCC) and 3) Joint Task Force (JTF) still exist in order to push such projects in according to the government’s policy.

As at 31 December 2023, those above projects no. 1 and no.2 are in negotiation process among all relevant parties.

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

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

The subsidiary company has the right to do potash exploration in Udon Thani Province in Northeast of Thailand and has successfully identified two large potash resources at South Udon and North Udon. Such subsidiary has incurred exploration and development costs as at 31 December 2023 and 2022 as follows :

|  | (Unit : Thousand Baht) | |
| --- | --- | --- |
|  | Consolidated F/S | |
|  | 2023 | 2022 |
|  |  |  |
| Exploration expense |  |  |
| Beginning balance | 1,052,456 | 567,258 |
| Expenditure during the year | 228,273 | 485,198 |
| Ending balance | 1,280,729 | 1,052,456 |
|  |  |  |
| Application for potash mining concessions expense |  |  |
| Beginning balance | 1,707,620 | 388,424 |
| Expenditure during the year | - | 1,319,196 |
| Ending balance | 1,707,620 | 1,707,620 |
|  |  |  |
| Total deferred exploration and development cost | 2,988,349 | 2,760,076 |

The subsidiary filed an application for a mining concession certificate to the Department of Primary Industries and Mines (DPIM) in 2004. On 23 September 2022, the subsidiary was granted the third type mining concession, underground mining Potash type. According to the require for a concession certificate underground mining No. 1-4/2547 from the Director General of the DPIM for 4 plots of the South Udon mineral field, totaling the area ​​25,446 rai, 1 ngan, 49 square wa, which concession certificates has period of 25 years since 23 September 2022 and can require to extend the concession certificates additional for 5 years. On 7 October 2022, the subsidiary received all 4 certificates and paid for compensation amount of USD 5 million (equivalent to Baht 187.43 million) as conditions in obtaining the certificate.

As of 31 December 2023, the subsidiary has commitments regarding such compensation and recorded as deferred expenses, in the account “Deferred exploration and development costs" and as accrued expense in the statement of financial position.

As at 31 December 2023, the subsidiary has obligations under one of the conditions stipulated in the concession certificate by paying compensation to the owner or right to possess the land in the total amount of Baht 1,095.09 million. The subsidiary company complied with the resolution of the Land Compensation Fund Committee regarding compensation, the conditions for the issuance of the Mining License, and relevant laws. This was done by depositing the Land Compensation amount into a commercial bank for the first installment, to be paid to the rightful owners who had not yet claimed their Land Compensation Fund, subject to future verification of the respective amounts for each plot of land. The subsidiary recognized the compensation in deferred expense which is recorded in the account “Deferred concession cost and cost of project under development” and is a liability which is recorded in the account “Liabilities payable as concession certificate” (Note 32 to consolidate financial statement) in the consolidated statement of financial position.

On 5 October 2023, the subsidiary received an acknowledgement letter for commencement of mine operations from relevant authority already. Currently, the subsidiary is preparing for construction phase of such mining.

However, the subsidiary must comply with the conditions for the issuance of the Mining Licenses and other relevant laws to be able to operate a mining business, such as obtaining Public Liability Insurance for Mine, rehabilitation of mine area, and contribution to relevant funds. If the subsidiary fails to comply with the specified conditions without justifiable cause, the subsidiary must consent to revoke Mining License without any claiming damages. Nevertheless, the subsidiary has already begun to implement some of the aforementioned conditions in part.

As at 31 December 2023, the management of the Group believed that the subsidiary will be able to operate under the specified conditions and able to operate mining business on time. Therefore, the management of the Company believe that investment will not be impaired.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | | |
|  | Consolidated F/S | | Separate F/S | | |
|  | 2023 | 2022 | | 2023 | 2022 | |
|  |  |  | |  |  | |
| Concession cost | 198,018 | 199,980 | | - | - | |
| Costs of project under development | 2,490,924 | 2,280,019 | | 2,283,471 | 2,115,432 | |
| Total | 2,688,942 | 2,479,999 | | 2,283,471 | 2,115,432 | |

As at 31 December 2023, the Company and its subsidiaries have deferred concession costs and costs of project under development in the Republic of Mozambique of Baht 2,688.94 million and Baht 2,283.47 million, respectively. The Company has investment in subsidiary and granted long-term loan to the group of subsidiaries totaling of Baht 58.16 million and Baht 256.29 million, respectively, in the separate financial statement.

In 2023, an overseas subsidiary signed two Concession agreements with the Ministry of Transportation and Communications, Government of the Republic of Mozambique for the construction and operation of a Heavy Haul Railway Line and associated Deep-Sea Port in Macuse for the export of coal and other goods The project investment costs were estimated at USD 3,200 million or equivalent to Baht 96,000 million, allowing for the concession period of 30 years (including construction period).

In 2020, the management of the subsidiary decided to revise its business plan to develop the project in two phases. Phase 1 is the development of a multi-cargo port to the Macuse Port and Phase 2 includes the construction of the Railway from Moatize-Chitima railway to Macuse port. The advantages from starting the development of Phase 1 first include shorter construction period and lower investment costs. Management of subsidiary will start Phase 2 development when the economics of the project can be justified.

The progress of project development in Phase 1 are as follows :

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

During the year 2021, the subsidiary company obtained the Environmental and Social Impact Assessment license (ESIA License) for the construction of such seaport and launched a tender bidding process for the Engineering Procurement and Construction Contractor (EPC Contractor). In addition, the subsidiary’s management has signed the initial loan agreement of USD 25 million, funding for phase 1 development.   
The Company has used a deposit of USD 5 million equivalent to Baht 169.86 million as collateral for the subsidiary company for issuing Standby Letter of Credit according to the conditions in the agreement. Currently, the subsidiary has started resettlement activities in order to construct in the port area and received partial loans.

In 2023, the subsidiary has commenced building of housing in accordance with the community resettlement plan and already processed community movement. The subsidiary is in process of the port development area and site preparation for port construction.

As at 31 December 2023, the management of the Company believes that cost of project under development of such construction project in the Republic of Mozambique has no impairment indicator.

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

The outstanding balances of bank overdrafts and short-term loans from financial institutions as at   
31 December 2023 and 2022 are as follows :

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | Separate F/S | | | |
|  | Interest rate per Annum | | (Unit : Thousand Baht) | | Interest rate per Annum | | (Unit : Thousand Baht) | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |  |  |  |  |
| Bank overdrafts | 6.10 - 7.575 | 5.10 - 12.44 | 996,279 | 498,654 | MOR | MOR | 48,927 | 3,993 |
| Short-term loans from |  |  |  |  |  |  |  |  |
| financial institutions | 4.40 - 10.75 | 2.95 - 9.50 | 5,742,465 | 5,920,361 | 4.65 - 9.00 | 4.25 - 9.00 | 3,667,300 | 4,088,981 |
| Total |  |  | 6,738,744 | 6,419,015 |  |  | 3,716,227 | 4,092,974 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Million) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| THB | 3,961 | 4,403 | 3,518 | 3,782 |
| INR | 3,932 | 2,884 | - | - |
| BDT | 478 | 915 | 478 | 915 |

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

As at 31 December 2023 and 2022, part of loans amounting to Baht 2,163.19 million and Baht 2,165.38 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 2023 and 2022, bank overdrafts and short-term credit facilities that have not been drawn down amounted to Baht 5,405.54 million and Baht 9,530.69 million, respectively.

Assets used as collateral for debts as at 31 December

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Inventory | 73.05 | 31.32 | 73.05 | 31.32 |
| Property, plant and equipment | 709.50 | 717.24 | 709.50 | 717.24 |
| Land awaiting development | 165.07 | 217.09 | - | - |
| Investment property | 124.15 | - | - | - |
| Total | 1,071.77 | 965.65 | 782.55 | 748.56 |

As at 31 December 2023, the Company is unable to maintain the debt to equity ratio as stipulated on a loan agreement with a financial institution. The financial institution has the right to define the debt totaling Baht 1,339.24 million. The Company has received a letter of waiver from the financial institution waiving such right on 18 March 2024.

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

##### 

##### The outstanding balances as at 31 December 2023 and 2022 are as follows :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Subsidiaries | - | - | 1,480,684 | 923,831 |
| Associated companies and joint ventures | 277,403 | 179,883 | 178,743 | 131,905 |
| Related companies | 2,628,722 | 2,865,398 | 2,615,246 | 2,851,585 |
| Total trade accounts payable - related parties | 2,906,125 | 3,045,281 | 4,274,673 | 3,907,321 |

1. **SHORT-TERM LOANS AND ADVANCE FROM RELATED PARTIES**

The outstanding balances as at 31 December 2023 and 2022 are as follows :

|  |  |  | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Subsidiaries | - | - | 1,171,385 | 1,632,231 |
| Total | - | - | 1,171,385 | 1,632,231 |

Movements in short-term loans and advance from related parties are summarized as follows :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Balance as at 1 January | - | 29,838 | 1,632,231 | 950,039 |
| Add : Additional borrowings | - | - | 215,981 | 724,955 |
| Less : Repayments | - | (25,662) | (635,819) | - |
| Less : Translation adjustment for foreign |  |  |  |  |
| currency financial statements | - | (4,176) | (41,008) | (42,763) |
| Balance as at 31 December | - | - | 1,171,385 | 1,632,231 |

1. **LONG-TERM LOANS**

As at 31 December 2023 and 2022, the outstanding balance of long-term loans are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Outstanding balances | 23,933,776 | 19,347,757 | 19,733,931 | 14,527,352 |
| Less : Current portion | (17,673,664) | (12,936,634) | (14,982,577) | (11,813,146) |
| Less : Reclassification from unable to |  |  |  |  |
| maintain financial ratios | (1,526,680) | - | (1,526,680) | - |
| Net | 4,733,432 | 6,411,123 | 3,224,674 | 2,714,206 |

Movements in the long-term loans for the years ended 31 December 2023 and 2022 are summarized as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Balance as at 1 January | 19,347,757 | 20,945,241 | 14,527,352 | 17,064,746 |
| Add : Additional borrowings | 10,144,081 | 8,718,392 | 9,221,103 | 6,828,647 |
| Less : Repayments | (5,497,868) | (10,173,292) | (4,014,524) | (9,366,041) |
| Less : Translation adjustment for foreign |  |  |  |  |
| currency financial statements | (60,194) | (142,584) | - | - |
| Balance as at 31 December | 23,933,776 | 19,347,757 | 19,733,931 | 14,527,352 |

The outstanding balance of long-term loans as at 31 December 2023 and 2022 are as follows :

|  |  |  |  |  | (Unit : Million Baht) | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | Consolidated F/S | | Separate F/S | |
| Loan | Credit amount | Interest rate (%) | Repayment condition | Guarantee | 2023 | 2022 | 2023 | 2022 |
| **Parent Company** | |  |  |  |  |  |  |  |
| 1 | Baht 1,918 million | MLR | Repayable within 2023 - 2024 | Assignment of collection from | 1,918 | 1,918 | 1,918 | 1,918 |
|  |  |  |  | construction contract |  |  |  |  |
| 2 | Baht 2,735 million | MLR - 1% per annum | Repayable within 2023 - 2025 or upon | Assignment of collection from | 2,580 | 2,350 | 2,580 | 2,350 |
|  |  |  | completion of the project, whichever is | construction contract |  |  |  |  |
|  |  |  | earlier |  |  |  |  |  |
| 3 | Baht 1,892 million | MLR - 1.25% per annum | Repayable within 2027 or upon | Assignment of collection from | 1,366 | 698 | 1,366 | 698 |
|  |  |  | completion of the project, whichever is | construction contract and |  |  |  |  |
|  |  |  | earlier | land |  |  |  |  |
| 4 | Baht 2,200 million (\*) | MLR - 1.47% per annum | Repayable within 2024 or upon | Assignment of collection from | 2,200 | 2,200 | 2,200 | 2,200 |
|  |  |  | completion of the project, whichever is | construction contract |  |  |  |  |
|  |  |  | earlier |  |  |  |  |  |
| 5 | Baht 3,694 million (\*) | MLR - 1.50% per annum | Repayable within 2023 - 2025 or upon | Assignment of collection from | 3,694 | 3,978 | 3,694 | 3,978 |
|  |  |  | completion of the project, whichever is | construction contract |  |  |  |  |
|  |  |  | earlier |  |  |  |  |  |
| 6 | Baht 229 million | MLR - 1.67% per annum | Repayable within 2024 | - | 229 | 466 | 229 | 466 |
| 7 | Baht 4,457 million | MLR - 1.87% per annum | Repayable within 2023 - 2025 or upon | Assignment of collection from | 4,454 | 1,608 | 4,454 | 1,608 |
|  |  |  | completion of the project, whichever is | construction contract |  |  |  |  |
|  |  |  | earlier |  |  |  |  |  |
| 8 | Baht 78 million | 2.75% per annum | Repayable within 2027 or upon | - | 78 | 118 | 78 | 118 |
|  |  |  | completion of the project, whichever is |  |  |  |  |  |
|  |  |  | earlier |  |  |  |  |  |
| 9 | - | Fixed rate | Repayable within 2023 | - | - | 650 | - | 650 |
| 10 | Baht 85 million (\*) | 3.00% per annum | Repayable within 2026 | - | 85 | 96 | 85 | 96 |
| 11 | Baht 111 million (\*) | 4.75% per annum | Repayable within 2027 | - | 111 | 115 | 111 | 115 |
| 12 | Baht 94 million | Specify when draw down | - | - | - | - | - | - |
| Total | Baht 17,493 million |  |  |  | 16,715 | 14,197 | 16,715 | 14,197 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Joint operation** | |  |  |  |  |  |  |  |
| 1 | Baht 530 million | MLR - 1.50% per annum | Repayable within 60 months after drawdown | Assignment of collection from |  |  |  |  |
|  |  |  | first time | construction contract | 530 | 330 | 530 | 330 |
| 2 | Baht 3,130 million | MLR - 1.50% per annum | Repayable within 72 months after drawdown | Assignment of collection from |  |  |  |  |
|  |  |  | first time | construction contract | 998 | - | 998 | - |
| 3 | Baht 1,491 million | MLR - 1.50 % per annum | Repayable by allocated from received | Assignment of collection from |  |  |  |  |
|  |  |  | payment | construction contract | 1,491 | - | 1,491 | - |
| **Subsidiaries** |  |  |  |  |  |  |  |  |
| 1 | Baht 542 million | MLR - 1% to MLR - 3.15 % per annum | Repayable within 2023 - 2025 | Guaranteed by parent company |  |  |  |  |
|  |  |  |  | machinery and equipment | 117 | 186 | - | - |
| 2 | Baht 1,058 million | MLR - 1.50% per annum | Repayable within 34 months after drawdown | Assignment of collection from |  |  |  |  |
|  |  |  | first time | construction contract | 1,058 | 1,210 | - | - |
| 3 | Baht 943 million | MLR - 1.50% per annum | Repayable within 2023 - 2026 | Guaranteed by parent company |  |  |  |  |
|  |  |  |  | machinery and Assignment of |  |  |  |  |
|  |  |  |  | collection from construction |  |  |  |  |
|  |  |  |  | contract | 943 | 1,492 | - | - |
| 4 | BDT 2,195 million | Floating rate of Bank of Bangladesh | Repayable per contract | Guaranteed by parent company |  |  |  |  |
|  |  | plus 6% per annum |  |  | 341 | 735 | - | - |
| 5 | Baht 500 million | 2.51% - 4.35% per annum | Repayable within 2023 - 2025 | Guaranteed by shareholders | 500 | 400 | - | - |
| 6 | Rupee 2,124 million | 9.00% - 10.25% per annum | Repayable within 2024 - 2030 | Land and movable assets of Project |  |  |  |  |
|  |  |  |  | CMRL-UG01 & 02 | 882 | 763 | - | - |
| 7 | USD 25 million | 0.95% per annum | Repayable within 15 years after drawdown | Stand by letter of Credit |  |  |  |  |
|  |  |  | first time | USD 5 million | 359 | 35 | - | - |
|  |  |  |  | Total | 23,934 | 19,348 | 19,734 | 14,527 |
|  |  |  |  | Less : Current portion | (19,200) | (12,937) | (16,509) | (11,813) |
|  |  |  |  | Net | 4,734 | 6,411 | 3,225 | 2,714 |

(\*) According to the agreements, The Group is required to comply with certain covenants pertaining to maintain of certain financial ratios and other conditions as specified in the agreements.

As at 31 December 2023, The Company cannot able to maintain debt to equity ratio as stipulated in loan agreements resulting in long term loan amount baht 1,526.68 million in the statement of financial position was reclassified from non-current liabilities to current liabilities.

However, in February and March 2024, two bank have passed a resolution to approve waive the covenants of maintain debt to equity ratio. The detail was showed in Note 49.

As at 31 December 2023, The Group had unused credit line total amount as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| THB | 3,334.86 | 1,473.00 | 2,909.86 | 1,047.00 |
| USD | 14.50 | 24.00 | - | - |
| BDT | 1,099.78 | 3,405.45 | - | - |

The Group placed collateral as deposit bank, investment property, property, plant, building and equipment, assignment of collection, and registration of business collateral agreement as specified with the financial institution. However, bank deposit as such collateral can be revoked according to the purposes and conditions specified in the loan agreement.

Assets used as collateral for debts as at 31 December as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Cash and cash equivalents | 320.97 | 324.47 | 151.11 | 150.39 |
| Property, plant and equipment | 3,807.94 | 3,868.66 | - | - |
| Investment property | 56.03 | 871.13 | 56.03 | 871.13 |
| Total | 4,184.94 | 5,064.26 | 207.14 | 1,021.52 |

1. **DEBENTURES**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | (Unit : Thousand Baht) | |
|  |  |  |  | Interest | Consolidated and Separate F/S | |
| Debenture | Duration | Date of issue | Maturity date | rate | 2023 | 2022 |
|  |  |  |  | (% p.a.) |  |  |
| 1 | 5 years | 15 February 2019 | 15 February 2024 | 5.25 | 1,999,815 | 1,998,316 |
| 2 | 2 years 9 months | 23 September 2020 | 23 June 2023 | 5.50 | - | 2,461,637 |
| 3 | 2 years 3 days | 4 June 2021 | 7 June 2023 | 5.10 | - | 1,541,407 |
| 4 | 3 years 6 months | 4 June 2021 | 4 December 2024 | 5.80 | 2,447,981 | 2,440,424 |
| 5 | 3 years | 29 April 2022 | 29 April 2025 | 5.50 | 5,971,870 | 5,950,656 |
| 6 | 1 years 6 months 2 days | 2 June 2023 | 4 December 2024 | 5.00 | 1,206,845 | - |
| 7 | 3 years | 2 June 2023 | 2 June 2026 | 6.20 | 2,760,737 | - |
| Total |  |  |  |  | 14,387,248 | 14,392,440 |
| Less : Current portion | |  |  |  | (5,654,642) | (4,003,045) |
| Less : Reclassification from unable to maintain financial ratios | | | |  | (8,732,606) | - |
| Debentures - net | |  |  |  | - | 10,389,395 |

Movements of debentures for the years ended 31 December 2023 and 2022 are as follows :

|  |  |  |
| --- | --- | --- |
|  | (Unit : Thousand Baht) | |
|  | Consolidated and  Separate F/S | |
|  |
|  | 2023 | 2022 |
|  |  |  |
| Balance as at 1 January | 14,392,440 | 14,415,539 |
| Add : Newly issued debentures | 4,000,000 | 6,000,000 |
| Less : Redemption of former debentures | (4,010,200) | (6,000,000) |
| Less : Cost of issuing debentures | (43,409) | (63,700) |
| Add : Amortization of costs of issuing debentures | 48,417 | 40,601 |
| Balance as at 31 December | 14,387,248 | 14,392,440 |
| Less : Current Portion | (5,654,642) | (4,003,045) |
| Less : Reclassification from unable to |  |  |
| maintain financial ratios | (8,732,606) | - |
| Net | - | 10,389,395 |

At the Annual General Meeting of Shareholders for the year 2022 on 18 April 2022, the Shareholders approved the additional credit line for issuance and offering of debentures in an amount of Baht 10,000 million (or in equivalent amount in other currencies), totally credit line not exceeding Baht 30,000 million  
(or in equivalent amount in other currencies).

In Subsequently in 2022, the Company has issued the debentures to specific persons, unsecured, unsubordinated with the representative holders, for a principal amount of Baht 6,000 million with 3 years tenure and with a face value of Baht 1,000. These bear interest at a rate of 5.50 percent per annum which is payable every 3 months. The debentures will be due for redemption on 29 April 2025. The Company has issued the debenture and received the payment from the debenture’s holders on 29 April 2022. The Company will use the proceeds from this debenture issuance to repay the debts. The debentures were issued with covenants relating to various matters such as the maintain financial ratio, restriction of the decrease in share capital, merger, the payment of dividend and limitations on the execution of new loan obligation.

On 2 June 2023, the Company issued the debentures to specific persons, unsecured, unsubordinated with the representative holders for 2 series as following :

* Debenture Series 1 for a principal amount of Baht 1,215 million with 1 year 6 months 2 days tenure and with a face value of Baht 1,000. These bear interest at a rate of 5.00% per annum which is payable every 3 months. The debentures will be due for redemption on 4 December 2024.
* Debenture Series 2 for a principal amount of Baht 2,785 million with 3 years tenure and with a face value of Baht 1,000. These bear interest at a rate of 6.20% per annum which is payable every 3 months. The debentures will be due for redemption on 2 June 2026.

The objective of issuing debentures is to repay the debentures which have maturity during the period. The issue was approved in the resolution of the Board of Directors Meeting on 4 March 2022, which granted the Company the special right to issue such debentures for revolving repayment to matured debenture under the appointed amount up to Baht 30,000 million.

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

As at 31 December 2023, the Company has breached of covenants as specified in the Terms and Conditions, resulting in the reclassification all series of Bonds of the Company of Baht 8,732.61 million in the consolidated ﬁnancial statements from non-current to current liabilities as the Bondholders has right to call for immediate repayment of outstanding bonds.

However, in January 2024, the Bondholders’ approved the waiver of maintenance of Debt to Equity (D/E) Ratio and the extension of Bond’s redemption date for the all series of Bonds of the Company, including Bonds No. 1/2019 Due 2024 (“ITD242A”), Bonds No. 1/2021 Tranche 2 Due 2024 (“ITD24DA”), Bonds No. 1/2022 Due 2025 (“ITD254A”), Bonds No. 1/2023 Tranche 1 Due 2024 (“ITD24DB”), and 5. Bonds No. 1/2023 Tranche 2 Due 2026 (“ITD266A”). The details have been disclosed in Note 49.

1. **LIABILITIES PAYABLE AS CONCESSION CERTIFICATE**

This provision is the indirect subsidiary’s commitment relating to compensation payable to land title deed’s owner for the Potash mining project as mentioned in Note 25.

Movement of liabilities payable as concession certificate for the year ended 31 December 2023 are as follows :

|  |  |
| --- | --- |
|  | (Unit : Thousand Baht) |
|  | Consolidated F/S |
|  |  |
| Balance as at 1 January 2023 | 1,115,290 |
| Paid during the year | (20,198) |
| Balance as at 31 December 2023 | 1,095,092 |
| Less : Current portion | (169,269) |
| Net | 925,823 |

1. **EMPLOYEE BENEFITS OBLIGATION**

|  | (Unit : Thousand Baht) | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Present value of employee benefits obligation |  |  |  |  |
| as at 31 December | 1,779,392 | 1,856,355 | 1,196,263 | 1,312,591 |
| Fair value of plan assets as at 31 December | (159,304) | (139,334) | - | - |
| Obligation - net | 1,620,088 | 1,717,021 | 1,196,263 | 1,312,591 |
| Less : Current portion of employee benefits |  |  |  |  |
| obligation | (619,019) | (657,282) | (507,173) | (569,023) |
| Net | 1,004,069 | 1,059,739 | 689,090 | 743,568 |
|  |  |  |  |  |
| Employee benefits obligation |  |  |  |  |
| Balance as at 1 January | 1,856,355 | 1,858,561 | 1,312,591 | 1,332,072 |
| Current service costs | 142,828 | 181,187 | 108,023 | 134,377 |
| Interest on obligation | 56,004 | 41,893 | 29,961 | 19,217 |
| Actuarial loss (gain) | 22,736 | (2,199) | 7,399 | (6,912) |
| Benefit paid | (294,377) | (205,031) | (261,711) | (166,163) |
| Translation adjustments for foreign currency |  |  |  |  |
| financial statements | (4,154) | (18,056) | - | - |
| Balance as at 31 December | 1,779,392 | 1,856,355 | 1,196,263 | 1,312,591 |
| Less : Current Portion | (619,019) | (657,282) | (507,173) | (569,023) |
| Net | 1,163,373 | 1,199,073 | 689,090 | 743,568 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  | |
|  |  |  |  |  |
|  |  |  |  |  |
| Plan assets |  |  |  |  |
| Balance as at 1 January | 139,334 | 141,781 | - | - |
| Expected returns on plan assets | 10,485 | 9,848 | - | - |
| Contribution | 26,323 | 26,796 | - | - |
| Benefit paid | (15,697) | (24,376) | - | - |
| Actuarial loss (gain) | 862 | (5,538) | - | - |
| Translation adjustments for foreign currency |  |  |  |  |
| financial statements | (2,003) | (9,177) | - | - |
| Balance as at 31 December | 159,304 | 139,334 | - | - |

Plan assets invested with two insurance companies as at 31 December 2023 and 2022 are Baht 159.30 million and Baht 139.33 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 an overseas subsidiary for the current and previous 3 years are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | 2023 | 2022 | 2021 | 2020 |
|  |  |  |  |  |
| Employee benefits obligation | 324,894 | 274,174 | 267,677 | 244,136 |
| Plan assets | 159,304 | 139,334 | 141,781 | 118,488 |
| Deficit | (165,590) | (134,840) | (125,896) | (125,648) |
| Experience adjustments on plan assets | (862) | 5,538 | 730 | (14,416) |
| Experience adjustment on plan liabilities | 28,976 | 10,226 | 11,102 | (9,897) |

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 of 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 | |
| --- | --- | --- | --- | --- |
|  | 2023 | 2022 | 2023 | 2022 |
| Financial assumptions |  |  |  |  |
| Discount rates | 0.92 - 8.20% | 0.66 - 8.20% | 2.52 - 2.74% | 1.98 - 2.96% |
|  | per annum | per annum | per annum | per annum |
| Future average salary | 0.00 - 8.00% | 0.00 - 8.00% | 1.33 - 1.73% | 1.67 - 3.31% |
| increment rates | per annum | per annum | per annum | per annum |
|  |  |  |  |  |
| Demographic assumptions |  |  |  |  |
| 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) | 2 - 24 years | 5 - 28 years | 6 - 10 years | 6 - 12 years |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | |
|  | Consolidated F/S | | |  | Separate F/S | | |
|  | 2023 |  | 2022 |  | 2023 |  | 2022 |
|  |  |  |  |  |  |  |  |
| Current service cost | 116,505 |  | 154,391 |  | 108,023 |  | 134,377 |
| Net interest expense | 45,519 |  | 32,045 |  | 29,961 |  | 19,217 |
| Total expenses recognized in profit or loss | 162,024 |  | 186,436 |  | 137,984 |  | 153,594 |

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 | | |
|  | 2023 |  | 2022 |  | 2023 |  | 2022 |
|  |  |  |  |  |  |  |  |
| Actuarial loss (gain) from changes in |  |  |  |  |  |  |  |
| experience assumptions | 146,912 |  | (45,791) |  | 117,406 |  | 17,003 |
| Actuarial loss (gain) from changes in |  |  |  |  |  |  |  |
| demographic assumptions | (11,659) |  | 3,710 |  | (12,530) |  | (4,596) |
| Actuarial loss (gain) from changes in |  |  |  |  |  |  |  |
| financial assumptions | (113,379) |  | 38,491 |  | (97,477) |  | (19,319) |
| Translation adjustments for foreign |  |  |  |  |  |  |  |
| currency financial statement | - |  | 251 |  | - |  | - |
| Total loss (gain) recognized in other |  |  |  |  |  |  |  |
| comprehensive income | 21,874 |  | (3,339) |  | 7,399 |  | (6,912) |

All expenses summarized 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 | | | | | |
|  | 2023 | |  | 2022 | |  | 2023 | |  | 2022 | | |
|  | Increase 0.5% -1% | Decrease 0.5% -1% |  | Increase 0.5% -1% | Decrease 0.5% -1% |  | Increase 0.5% | Decrease 0.5% |  | Increase 0.5% | Decrease 0.5% | |
| **Discount rate** |  |  |  |  | |  |  | |  |  | | |
| Increment (decrement) of |  |  |  |  | |  |  | |  |  | | |
| employee benefit obligation | 75,768 | 199,349 |  | 82,188 | 209,538 |  | (29,226) | 30,836 |  | (31,887) | | 33,651 |
| **Future salary growth** |  | |  |  | |  |  | |  |  | | |
| Increment (decrement) of |  | |  |  | |  |  | |  |  | | |
| employee benefit obligation | 199,601 | 74,830 |  | 209,855 | 81,174 |  | 30,003 | (28,744) |  | 32,721 | | (31,342) |

* As at 31 December 2023 and 2022, expected maturity of employee benefits obligation before discount are as follows :

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht) | | | | | | |
|  | Consolidated F/S | | |  | Separate F/S | | |
|  | 2023 |  | 2022 |  | 2023 |  | 2022 |
|  |  |  |  |  |  |  |  |
| Within 1 year | 616,019 |  | 657,282 |  | 507,173 |  | 569,022 |
| Between 2 - 5 years | 651,834 |  | 576,676 |  | 450,348 |  | 465,928 |
| Between 6 - 10 years | 752,619 |  | 690,814 |  | 485,438 |  | 530,017 |
| Between 11 - 15 years | 528,645 |  | 291,059 |  | 165,825 |  | 199,914 |

1. **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 | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short-term loans |  | Long-term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2023 | 1,470,889 |  | 1,696,713 |  | 5,920,362 |  | 19,347,757 |  | 14,392,440 |  | 42,828,161 |
| Cash flows : |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (536,921) |  | (571,416) |  | (12,261,245) |  | (5,497,868) |  | (4,010,200) |  | (22,877,650) |
| - Proceeds | - |  | - |  | 12,132,450 |  | 10,144,081 |  | 3,956,591 |  | 26,233,122 |
| Non-cash : |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 276,779 |  | 115,417 |  | - |  | - |  | - |  | 392,196 |
| - Decrease from contract |  |  |  |  |  |  |  |  |  |  |  |
| termination | (27,783) |  | - |  | - |  | - |  | - |  | (27,783) |
| - Amortization cost of |  |  |  |  |  |  |  |  |  |  |  |
| issuing debentures | - |  | - |  | - |  | - |  | 48,417 |  | 48,417 |
| - Translation adjustment for |  |  |  |  |  |  |  |  |  |  |  |
| foreign currency |  |  |  |  |  |  |  |  |  |  |  |
| financial statement | (5,274) |  | - |  | (19,103) |  | (60,194) |  | - |  | (84,571) |
| 31 December 2023 | 1,177,690 |  | 1,240,714 |  | 5,772,464 |  | 23,933,776 |  | 14,387,248 |  | 46,511,892 |
|  |  | | | | | | | | | | |
|  | (Unit : Thousand Baht) | | | | | | | | | | |
|  | Consolidated F/S | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short-term loans |  | Long-term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2022 | 1,734,336 |  | 1,805,316 |  | 6,507,877 |  | 20,945,241 |  | 14,415,539 |  | 45,408,309 |
| Cash flows : |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (740,489) |  | (733,031) |  | (18,866,961) |  | (10,173,292) |  | (6,000,000) |  | (36,553,773) |
| - Proceeds | 164,910 |  | - |  | 18,457,148 |  | 8,718,392 |  | 5,936,300 |  | 33,276,750 |
| Non-cash : |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 448,405 |  | 664,428 |  | - |  | - |  | - |  | 1,112,833 |
| - Decrease from contract |  |  |  |  |  |  |  |  |  |  |  |
| termination | (110,287) |  | - |  | - |  | - |  | - |  | (110,287) |
| - Amortization cost of |  |  |  |  |  |  |  |  |  |  |  |
| issuing debentures | - |  | - |  | - |  | - |  | 40,601 |  | 40,601 |
| - Translation adjustment for |  |  |  |  |  |  |  |  |  |  |  |
| foreign currency |  |  |  |  |  |  |  |  |  |  |  |
| financial statement | (25,985) |  | - |  | (177,702) |  | (142,584) |  | - |  | (346,272) |
| 31 December 2022 | 1,470,889 |  | 1,696,713 |  | 5,920,362 |  | 19,347,757 |  | 14,392,440 |  | 42,828,161 |

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short-term loans |  | Long-term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2023 | 664,628 |  | 1,504,232 |  | 4,088,981 |  | 14,527,352 |  | 14,392,440 |  | 35,177,633 |
| Cash flows : |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (355,005) |  | (677,965) |  | (7,841,962) |  | (4,014,524) |  | (4,010,200) |  | (16,899,656) |
| - Proceeds | - |  | - |  | 7,441,591 |  | 9,221,103 |  | 3,956,591 |  | 20,619,285 |
| Non-cash : |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 160,868 |  | 115,417 |  | - |  | - |  | - |  | 276,285 |
| - Decrease from contract |  |  |  |  |  |  |  |  |  |  |  |
| termination | (1,148) |  | - |  | - |  | - |  | - |  | (1,148) |
| - Amortization cost of |  |  |  |  |  |  |  |  |  |  |  |
| issuing debentures | - |  | - |  | - |  | - |  | 48,417 |  | 48,417 |
| - Translation adjustment for |  |  |  |  |  |  |  |  |  |  |  |
| foreign currency |  |  |  |  |  |  |  |  |  |  |  |
| financial statement | (309) |  | - |  | (21,311) |  | - |  | - |  | (21,620) |
| 31 December 2023 | 469,034 |  | 941,684 |  | 3,667,299 |  | 19,733,931 |  | 14,387,248 |  | 39,199,196 |

|  | (Unit : Thousand Baht) | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate F/S | | | | | | | | | | |
|  | Lease liabilities |  | Other finance liabilities |  | Short-term loans |  | Long-term loans |  | Debentures |  | Total |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1 January 2022 | 982,601 |  | 1,562,226 |  | 4,535,216 |  | 17,064,746 |  | 14,415,539 |  | 38,560,328 |
| Cash flows : |  |  |  |  |  |  |  |  |  |  |  |
| - Repayment | (570,967) |  | (722,423) |  | (13,794,342) |  | (9,366,041) |  | (6,000,000) |  | (30,453,773) |
| - Proceeds | - |  | - |  | 13,447,026 |  | 6,828,647 |  | 5,936,300 |  | 26,211,973 |
| Non-cash : |  |  |  |  |  |  |  |  |  |  |  |
| - Acquisition | 256,002 |  | 664,429 |  | - |  | - |  | - |  | 920,431 |
| - Amortization cost of |  |  |  |  |  |  |  |  |  |  |  |
| issuing debentures | - |  | - |  | - |  | - |  | 40,601 |  | 40,601 |
| - Translation adjustment for |  |  |  |  |  |  |  |  |  |  |  |
| foreign currency |  |  |  |  |  |  |  |  |  |  |  |
| statement financial | (3,008) |  | - |  | (98,919) |  | - |  | - |  | (101,927) |
| 31 December 2022 | 664,628 |  | 1,504,232 |  | 4,088,981 |  | 14,527,352 |  | 14,392,440 |  | 35,177,633 |

1. **INCOME TAX**

Applicable tax rates for the Group are as follows :

|  |  |  |
| --- | --- | --- |
|  | Tax rate (%) | |
|  | 2023 | 2022 |
|  |  |  |
| Income tax under the Revenue Code of the Company and subsidiaries   in Thailand | 20 | 20 |
| Corporate income tax in foreign countries | 20 - 30 | 20 - 30 |

However, the income tax of an overseas entity which is calculated based on local tax regulation that calculate from the cash collection, the revenues or the net profit based on tax rate, whichever is higher.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Deferred tax assets | 348,254 | 271,045 | - | - |
| Deferred tax liabilities | (895,744) | (968,423) | (92,417) | (120,071) |
| Deferred tax - net | (547,490) | (697,378) | (92,417) | (120,071) |

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

|  |  |  | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | |
|  |  | Recognized as income (expense) | |  |
|  | 1 January 2023 | Profit or loss | Comprehensive income | 31 December 2023 |
|  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |
| From allowance for impairment loss | 68,720 | 54,407 | (1,802) | 121,325 |
| From allowance for obsolete inventories | 218 | 6 | - | 224 |
| From depreciation of assets | 63,160 | (14,438) | (452) | 48,270 |
| From employee benefits obligations | 91,818 | 13,932 | 5,622 | 111,372 |
| From finance lease liabilities | 47,129 | 18,036 | - | 65,165 |
| From other timing differences | - | 1,934 | (36) | 1,898 |
| Total | 271,045 | 73,877 | 3,332 | 348,254 |
|  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| From unrealized loss from changes |  |  |  |  |
| in the value of investments through OCI | (9) | - | (918) | (927) |
| From unrealized gain on changes |  |  |  |  |
| in the value of investments through PL | 14,909 | - | - | 14,909 |
| From finance lease liabilities | 93,123 | 11,210 | - | 104,333 |
| From depreciation of machinery | 150,815 | (30,616) | (872) | 119,327 |
| From debentures | 14,552 | (1,001) | - | 13,551 |
| From potash mining right | 458,699 | - | - | 458,699 |
| From investment properties | 222,836 | (58,353) | 8,886 | 173,369 |
| From other timing differences | 13,498 | (877) | (138) | 12,483 |
| Total | 968,423 | (79,637) | 6,958 | 895,744 |

|  |  |  | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | |
|  |  | Recognized as income (expense) | |  |
|  | 1 January 2022 | Profit or loss | Comprehensive income | 31 December 2022 |
|  |  |  |  |  |
| **Deferred tax assets** |  |  |  |  |
| From allowance for impairment loss | 73,191 | 62 | (4,533) | 68,720 |
| From allowance for obsolete inventories | 751 | (533) | - | 218 |
| From depreciation of assets | 73,437 | (6,118) | (4,159) | 63,160 |
| From employee benefits obligations | 111,635 | (19,265) | (552) | 91,818 |
| From finance lease liabilities | 60,580 | (13,451) | - | 47,129 |
| From other timing differences | 3,449 | (3,441) | (8) | - |
| Total | 323,043 | (42,746) | (9,252) | 271,045 |
|  |  |  |  |  |
| **Deferred tax liabilities** |  |  |  |  |
| From unrealized gain (loss) on changes |  |  |  |  |
| in the value of investments through OCI | 27,925 | - | (27,934) | (9) |
| From unrealized gain on changes |  |  |  |  |
| in the value of investments through PL | 14,909 | - | - | 14,909 |
| From finance lease liabilities | 119,318 | (26,195) | - | 93,123 |
| From depreciation of machinery | 153,471 | 5,487 | (8,143) | 150,815 |
| From debentures | 9,932 | 4,620 | - | 14,552 |
| From potash mining right | 458,699 | - | - | 458,699 |
| From investment properties | 217,998 | 4,838 | - | 222,836 |
| From other timing differences | 13,461 | 925 | (888) | 13,498 |
| Total | 1,015,713 | (10,325) | (36,965) | 968,423 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | | (Unit : Thousand Baht) | | |
|  | Separate F/S | | | | | | |
|  |  | | Recognized as income (expense) | | |  | |
|  | 1 January 2023 | | Profit or loss | | Comprehensive income | 31 December 2023 | |
|  | |  |  | |  | | |  | |
| **Deferred tax liabilities** | |  |  | |  | | |  | |
| From unrealized gain on changes | |  |  | |  | | |  | |
| in the value of investments through PL | | 14,909 | - | | - | | | 14,909 | |
| From finance lease liabilities | | 45,320 | (6,559) | | - | | | 38,761 | |
| From depreciation of machinery | | 18,490 | (2,180) | | - | | | 16,310 | |
| From debentures | | 14,552 | (1,001) | | - | | | 13,551 | |
| From Investment properties | | 26,800 | (26,800) | | 8,886 | | | 8,886 | |
| Total | | 120,071 | (36,540) | | 8,886 | | | 92,417 | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | | (Unit : Thousand Baht) | | |
|  | Separate F/S | | | | | | |
|  |  | | Recognized as income (expense) | | |  | |
|  | 1 January 2022 | | Profit or loss | | Comprehensive income | 31 December 2022 | |
|  | |  |  | |  | | |  | |
| **Deferred tax liabilities** | |  |  | |  | | |  | |
| From unrealized gain on changes | |  |  | |  | | |  | |
| in the value of investments through OCI | | 26,308 | - | | (26,308) | | | - | |
| From unrealized gain on changes | |  |  | |  | | |  | |
| in the value of investments through PL | | 14,909 | - | | - | | | 14,909 | |
| From finance lease payables | | 53,825 | (8,505) | | - | | | 45,320 | |
| From depreciation of machinery | | 20,471 | (1,981) | | - | | | 18,490 | |
| From debentures | | 9,932 | 4,620 | | - | | | 14,552 | |
| From Investment properties | | 58,770 | (31,970) | | - | | | 26,800 | |
| Total | | 184,215 | (37,836) | | (26,308) | | | 120,071 | |

Income tax consist of

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Income tax from local entities** |  |  |  |  |
| Current income tax | 73,684 | 104,346 | 49,143 | 71,421 |
|  |  |  |  |  |
| **Income tax from overseas entities** |  |  |  |  |
| Current income tax | 764,205 | 561,157 | 164,568 | 225,776 |
|  | 837,889 | 665,503 | 213,711 | 297,197 |
| **Deferred tax** |  |  |  |  |
| Change in temporary differences | (153,514) | 32,421 | (36,540) | (37,836) |
| Total | 684,375 | 697,924 | 177,171 | 259,361 |
|  |  |  |  |  |
| **Income tax recognized in other comprehensive income** | | |  |  |
| Unrealized gain (loss) on changes in | | |  |  |
| value of investments | 918 | 27,934 | - | 26,308 |
| Actuarial gain (loss) | 5,622 | (552) | - | - |
| Others | (5,943) | 331 | (4,663) | - |
| Total | 597 | 27,713 | (4,663) | 26,308 |

Reconciliation of effective tax rate

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Accounting profit (loss) before income tax | 262,839 | (3,777,414) | (17,703) | (3,362,980) |
| Tax rate for parent company (%) | 20 | 20 | 20 | 20 |
| Tax expense | 52,568 | (755,483) | (3,541) | (672,596) |
| Tax on adjustment for tax-rate difference in |  |  |  |  |
| foreign jurisdictions | 297,436 | 388,920 | 127,434 | 188,749 |
| Tax on adjustment for eliminate transaction | 228,135 | 288,105 | (678) | 2,218 |
| Tax on exempted for revenue and additional |  |  |  |  |
| deductible expense under revenue code | (395,455) | (67,180) | (340,496) | (36,263) |
| Tax on expenses not subject to tax and |  |  |  |  |
| taxable income for revenue code | 278,883 | 116,761 | 267,695 | 116,761 |
| Tax on utilized loss carry forward of previously |  |  |  |  |
| which deferred tax assets unrecognized |  |  |  |  |
| loss carry forward | 203,539 | 198,020 | 107,489 | 131,710 |
| Tax on current year losses for which no deferred tax |  |  |  |  |
| asset was recognized | 19,269 | 528,781 | 19,268 | 528,782 |
| Tax expense | 684,375 | 697,924 | 177,171 | 259,361 |

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 | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Temporary differences | 727,931 | 756,624 | 672,972 | 724,099 |
| Unused loss taxable carried forward | 877,124 | 214,660 | 781,074 | 135,050 |
| Total | 1,605,055 | 971,284 | 1,454,046 | 859,149 |

The tax losses will expire in 2024 to 2028. 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.

1. **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 | | | |
|  | 2023 | 2022 | 2023 | 2022 |
| Transactions with subsidiaries |  |  |  |  |
| Construction services, sales and other income | - | - | 3,082 | 1,114 |
| Sales of equipment | - | - | 3 | 3 |
| Purchases of construction materials and services | - | - | 1,056 | 986 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Transactions with associated and joint control |  |  |  |  |
| companies and joint ventures | | | | |
| Construction services, sales and other income | 1,326 | 656 | 185 | 89 |
| Purchases of construction materials and services | 251 | 376 | 138 | 120 |
| Purchases of equipment | 11 | 142 | - | - |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Transactions with related parties |  |  |  |  |
| Construction services, sales and other income | 325 | 3,010 | 300 | 2,989 |
| Purchases of construction materials and services | 2,426 | 3,680 | 2,201 | 3,472 |
| Purchases of equipment | - | 23 | - | 13 |
| Sales of equipment | 36 | - | 36 | - |
|  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |
| Short-term employee benefits | 165 | 184 | 121 | 132 |
| Post-employment benefits | 16 | 16 | 3 | 3 |

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.

1. **RESERVED FOR PROJECTS EXPENSE**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Reserved for projects expense | 348,641 | 241,609 | 348,641 | 241,609 |

Movements of reserved for projects expense for the years ended 31 December 2023 and 2022 are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Balance as at 1 January | 241,609 | 51,260 | 241,609 | 50,770 |
| Less : Actual expenses during the year | (74,782) | (48,847) | (74,782) | (48,357) |
| Add : Provision for expenses | 181,895 | 240,991 | 181,895 | 240,991 |
| Add : Translation adjustment for foreign |  |  |  |  |
| currency financial statement | (81) | (1,795) | (81) | (1,795) |
| Balance as at 31 December | 348,641 | 241,609 | 348,641 | 241,609 |

1. **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, and subsidiaries, contributed to the fund monthly at the rate of 2% - 15% 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 2023 and 2022, the Company and its subsidiaries contributed Baht 161.38 million and Baht 179.02 million, respectively (Separate F/S : Baht 50.17 million and Baht 27.53 million, respectively).

1. **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.

1. **OTHER INCOME**

Significant other income for the years ended 31 December 2023 and 2022 are as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Income from sale scrap | 136,756 | 112,936 | 131,868 | 85,299 |
| Income from lawsuit compensation | 103,595 | - | 30,555 | - |
| Management income | 70,718 | - | 127,526 | 13,249 |
| Rental income | 39,000 | 70,969 | 56,751 | 46,780 |
| Service income | 35,235 | 16,568 | 1,242 | 121 |
| Insurance claim | 27,454 | 35,762 | 3,229 | 360 |
| Pile driving income | 19,594 | 11,072 | - | - |
| Consulting income | 15,414 | 29,207 | 26,759 | 18,420 |
| Royalty income | - | - | 134,030 | 82,809 |
| Others | 113,505 | 193,838 | 34,633 | 129,530 |
| Total | 561,271 | 470,352 | 546,593 | 376,568 |

1. **EXPENSES BY NATURE**

Significant expenses by nature for the years ended 31 December 2023 and 2022 are as follows :

|  |  | | (Unit : Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Materials and supplies used | 22,936,381 | 20,354,733 | 8,531,380 | 10,665,931 |
| Subcontract costs | 17,093,344 | 21,630,836 | 6,224,938 | 13,708,910 |
| Salaries, wages and other employee benefits | 9,736,047 | 11,533,545 | 5,956,467 | 8,306,000 |
| Depreciation | 4,737,853 | 4,407,211 | 2,938,398 | 2,881,250 |
| Rental expenses | 1,603,899 | 1,647,673 | 1,076,666 | 1,195,498 |
| Fuel expenses | 1,695,692 | 1,359,816 | 367,798 | 410,474 |
| Utilities expenses | 1,643,344 | 1,703,893 | 981,969 | 1,073,374 |
| Professional fee | 742,226 | 756,021 | 149,449 | 150,234 |
| Transportation expenses | 724,842 | 656,551 | 241,770 | 280,172 |
| Repair and maintenance expenses | 460,317 | 511,037 | 64,053 | 148,888 |
| Amortization | 175,757 | 1,288,365 | 155,518 | 1,274,628 |
| Prebid expenses | 7,984 | 20,671 | 6,958 | 20,456 |

1. **FINANCE COST**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |
| Loans from bank | 1,573,406 | 1,270,450 | 966,878 | 715,875 |
| Debentures | 860,179 | 863,982 | 860,179 | 863,982 |
| Finance liabilities | 103,149 | 109,928 | 63,439 | 70,896 |
| Other | 453,198 | 261,881 | 286,290 | 174,407 |
| Total | 2,989,932 | 2,506,241 | 2,176,786 | 1,825,160 |

1. **EARNINGS (LOSS) PER SHARE**

*Basic earnings (loss) per share*

Basic earnings (loss) per share attributable to equity holders of the parent is calculated by dividing the net profit (loss) attributable to owners of the parent by the weighted average number of ordinary shares issued during the year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | (Unit : Thousand Baht) | |
|  | Consolidated F/S | | Separate F/S | |
|  | For the year ended 31 December | | | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Basic earnings (loss) per share** |  |  |  |  |
| Profit (loss) attributable to shareholder of |  |  |  |  |
| the parent company | (1,072,367) | (4,758,851) | (194,874) | (3,622,582) |
| Weighted average number of ordinary shares |  |  |  |  |
| (share) | 5,279,869 | 5,279,869 | 5,279,869 | 5,279,869 |
|  |  |  |  |  |
| Basic earnings (loss) (Baht per share) | (0.2031) | (0.9013) | (0.0369) | (0.6861) |

1. **GUARANTEES**

As at 31 December 2023, the Group has letter of guarantees totaling approximately Baht 81,968.63 million issued by financial institutions on behalf of the Company and subsidiaries in respect of certain performance bonds required in the normal course of business. The Company and its subsidiaries do not expect to incur losses from these guarantees.

As at 31 December 2023, the Company has outstanding guarantees approximately Baht 17,903.04 million issued to financial institutions to bank overdraft, loan, letter of guarantee, letter of credit, trust receipt and promissory note by those financial institutions to the subsidiaries and joint venture. The Company issued guarantees in proportion to its shareholding (except for Italthai Trevi Co. Ltd., Italthai Marine Co., Ltd.,   
ITD-ITD Cem Joint venture, ITD-Cemindia Joint venture for which the Company issued full guarantees for the credit facilities).

1. **COMMITMENTS**
   1. As at 31 December 2023, the Group and the Company have outstanding commitments with major subcontractors, classified by currencies as follows :

(Unit : Million Baht)

|  |  |  |
| --- | --- | --- |
|  | Baht Equivalent | |
|  | Consolidated F/S | Separate F/S |
| Currency |  |  |
| THB | 13,094.01 | 12,499.53 |
| INR | 10,666.31 | - |
| BDT | 723.76 | 723.76 |

As at 31 December 2023, the Group have the following outstanding commitments, proportionately, for purchases of materials, machinery, related services, low value leasing, short-term leasing and service contracts with significant amount accorded to business proportion presented by the foreign currency as below :

(Unit : Million Baht)

|  |  |  |
| --- | --- | --- |
|  | Baht Equivalent | |
|  | Consolidated F/S | Separate F/S |
| Currency |  |  |
| THB | 1,517.48 | 1,195.24 |
| USD | 512.41 | 20.80 |
| INR | 113.08 | - |
| BDT | 27.42 | 27.42 |
| EUR | 9.60 | 3.15 |
| SGD | 0.05 | - |

* 1. As at 31 December 2023, the Company has outstanding commitments in respect of the un-call portion of investments in 6 subsidiary companies of Baht 2.25 million, USD 0.31 million, MMK 344.17 million and investment in a joint control company as shareholder agreement of BDT 6,642.32 million.
  2. As at 31 December 2023, the Company has outstanding commitments of USD 8.35 million for share purchase agreement with a joint shareholder of an associated company.
  3. A subsidiary company has a commitment to apply for and to obtain the mining concessions from the Government of Thailand as follows :
     1. The subsidiary company shall pay an annual subsidizing to the Education Fund for the Department of Primary Industries and Mines of USD 0.20 million.
     2. The subsidiary must pay subsidies for mining inspections with a limit of Baht 50 million.
     3. The subsidiary are required to provide insurance during the mining project throughout the concession period the total amount is not less than Baht 500 million.
     4. The subsidiary is required to deposit collateral for rehabilitation of the mining area throughout the project life and to heal those affected by the mining in the total amount of Baht 1,851 million.
     5. Subsidiary must establish 7 funds in accordance with the prevention and monitoring  
        environmental impacts, totaling of Baht 1,900 million throughout the project life.
  4. Several indirect subsidiary companies entered into service agreements for project consultant with commitment to pay fee at the rate as specified in agreements.
  5. An overseas subsidiary has a commitment to pay fees for the Environmental and Social Impact Assessment license (ESIA License) for the construction of Deep-Sea Port and Heavy Haul Railway at USD 0.81 million and USD 3.90 million, respectively.
  6. Indirect overseas subsidiaries have a commitment to pay Concession Fee for all concession project of the Dawei Special Economic Zone Initial Phase to Dawei SEZ Management Committee totaling USD 12.96 million and shall pay a recurring annual concession fee as stipulated in Concession Agreements.

1. **CONTINGENT LIABILITIES**

The Group has received notices from various customers claims for compensation for breaches of contracts totaling Baht 4,944.97 million (the Company of Baht 4,470.76 million). Currently, these claims are under consideration of Civil Court of Baht 4,886.86 million and Arbitration Tribunal of Baht 58.11 million. The Group is unable to estimate the timings of cash outflows (if any) in respect of such claims since the results of the claims are depending on the decisions of the Court and Arbitration Tribunal which outcome cannot presently be concluded. However, the Group’s management believed that such claims will not cause significant damages to the Group because some cases are brought without proper justifiable grounds. The Group’s management does not make any provision for liabilities in the accounts.

1. **SEGMENT REPORTING**

Consolidated financial statements as at 31 December 2023 and 2022 and for the years ended 31 December 2023 and 2022 combined geographic segment reporting as follows :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | |
|  | Consolidated F/S | | | |
|  | Revenues from construction work | | Non-current assets\* | | |
|  | 2023 | 2022 | 2023 | 2022 | |
|  |  |  |  |  | |
| Geographic information |  |  |  |  | |
| Thailand | 22,418 | 33,797 | 44,733 | 35,818 | |
| India | 30,338 | 21,177 | 3,913 | 4,642 | |
| Bangladesh | 3,111 | 3,192 | 758 | 5,488 | |
| Others | 1,069 | 1,128 | 6,473 | 9,362 | |
| Total | 56,936 | 59,294 | 55,877 | 55,310 | |

*\* 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.

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 recognize 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 operations are mainly engaged in a construction services and are conducted geographical segments for the years ended 31 December 2023 and 2022   
as follows :

|  |  |  | (Unit : Million Baht) | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated F/S | | | | | | | | | | | | | |
|  | For the years ended 31 December | | | | | | | | | | | | | |
|  | Thailand | | India | | Bangladesh | | Other countries | | Total | | Eliminate | | Grand Total | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue from construction work |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from third parties | 22,418 | 34,158 | 30,338 | 21,177 | 3,111 | 3,192 | 1,069 | 1,128 | 56,936 | 59,655 | - | - | 56,936 | 59,655 |
| Inter-segment revenues | 3,050 | 1,321 | 16 | 34 | 1,188 | 782 | - | - | 4,254 | 2,137 | (4,254) | (2,137) | - | - |
| Total gross segment revenues | 25,468 | 35,479 | 30,354 | 21,211 | 4,299 | 3,974 | 1,069 | 1,128 | 61,190 | 61,792 | (4,254) | (2,137) | 56,936 | 59,655 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue from sale and service |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues from third parties | 4,755 | 5,827 | - | - | - | - | 2,051 | 1,965 | 6,806 | 7,792 | - | - | 6,806 | 7,792 |
| Inter - segment revenues | 1,122 | 894 | - | - | - | - | - | - | 1,122 | 894 | (1,122) | (894) | - | - |
| Total gross segment revenues | 5,877 | 6,721 | - | - | - | - | 2,051 | 1,965 | 7,928 | 8,686 | (1,122) | (894) | 6,806 | 7,792 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross profit (loss) | 769 | 1,433 | 3,102 | 2,102 | 379 | (859) | 610 | 557 | 4,860 | 3,233 | (871) | (534) | 3,989 | 2,699 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue disaggregated by pattern of revenue recognition |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At point in time | 25,468 | 35,479 | 30,354 | 21,211 | 4,299 | 3,974 | 1,069 | 1,128 | 61,190 | 61,792 | (4,254) | (2,137) | 56,936 | 59,655 |
| Over time | 5,877 | 6,721 | - | - | - | - | 2,051 | 1,965 | 7,928 | 8,686 | (1,122) | (894) | 6,806 | 7,792 |
| Total | 31,345 | 42,200 | 30,354 | 21,211 | 4,299 | 3,974 | 3,120 | 3,093 | 69,118 | 70,478 | (5,376) | (3,031) | 63,742 | 67,447 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest income | 113 | 87 | 139 | 101 | - | - | 40 | 2 | 292 | 190 | (68) | (44) | 224 | 146 |
| Gain on revaluation of investment  properties | (53) | 184 | - | - | - | - | - | - | (53) | 184 | 53 | - | - | 184 |
| Gain on hedging instruments | - | 28 | - | - | - | - | - | - | - | 28 | - | - | - | 28 |
| Depreciation and amortization | (3,563) | (3,428) | (774) | (468) | (23) | (18) | (554) | (476) | (4,914) | (4,390) | - | (1,306) | (4,914) | (5,696) |
| Allowance for impairment loss | 131 | (15) | (235) | (61) | - | - | (5) | - | (109) | (76) | (36) | 8 | (145) | (68) |
| Allowance for impairment of investment | (111) | - | - | - | - | - | - | - | (111) | - | 111 | - | - | - |
| Loss from disposal of investment | - | (1) | - | - | - | - | - | - | - | (1) | - | - | - | (1) |
| Financial costs | (2,329) | (1,934) | (604) | (454) | (92) | (91) | (69) | (163) | (3,094) | (2,642) | 104 | 136 | (2,990) | (2,506) |
| Share of profit (loss) from investment in  associated and joint control companies  and joint ventures |  |  |  |  |  |  |  |  |  |  |  |  | (270) | (1,127) |
| Income tax expense |  |  |  |  |  |  |  |  |  |  |  |  | (684) | (698) |
| Loss for the year |  |  |  |  |  |  |  |  |  |  |  |  | (422) | (4,476) |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Million Baht) | | | | | | | | | | | | | |
|  | Consolidate F/S | | | | | | | | | | | | | |
|  | For the years ended 31 December | | | | | | | | | | | | | |
|  | Thailand | | India | | Bangladesh | | Other countries | | Total | | Elimination | | Grand total | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Property, plant and equipment - net | 17,170 | 19,178 | 4,377 | 3,580 | 479 | 559 | 3,456 | 4,028 | 25,482 | 27,345 | 9 | 10 | 25,491 | 27,355 |
| Other assets | 79,078 | 76,847 | 23,253 | 19,473 | 8,712 | 9,040 | 6,222 | 6,014 | 117,265 | 111,374 | (25,641) | (22,631) | 91,624 | 88,743 |
| Total assets | 96,248 | 96,025 | 27,630 | 23,053 | 9,191 | 9,599 | 9,678 | 10,042 | 142,747 | 138,719 | (25,632) | (22,621) | 117,115 | 116,098 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total liabilities | 69,754 | 87,785 | 25,353 | 16,375 | 12,519 | 2,678 | 9,551 | 7,175 | 117,177 | 114,013 | (10,429) | (8,926) | 106,748 | 105,087 |

Major Customer

For the year ended 31 December 2023, the Group revenues derived from Government agencies amounting of Baht 30,398.14 million (2022 : Baht 44,092.24 million) as percentage 47.69 of the total group revenues.

1. **FAIR VALUE MEASUREMENT**

The following table present assets and liabilities that are measured at fair value as at 31 December 2023 :

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht)  Consolidated F/S | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |
| Other financial assets | 237,811 |  | - |  | 789,647 |  | 1,027,458 |
|  |  |  |  |  |  |  |  |
| Non-financial asset |  |  |  |  |  |  |  |
| Investment properties | - |  | 1,977,730 |  | - |  | 1,977,730 |
| Total | 237,811 |  | 1,977,730 |  | 789,647 |  | 3,005,188 |
|  |  |  |  |  |  |  |  |
| **Liability** |  |  |  |  |  |  |  |
| Financial liability |  |  |  |  |  |  |  |
| Derivatives liabilities | - |  | 53 |  | - |  | 53 |
| Total | - |  | 53 |  | - |  | 53 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  |  |  | (Unit : Thousand Baht) | | |
|  | Separate F/S | | | | | | | |
|  | Level 1 | |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  | |  |  |  |  |  |  |
| Financial assets |  | |  |  |  |  |  |  |
| Other financial assets | 223,271 | |  | - |  | 385,744 |  | 609,015 |
|  |  | |  |  |  |  |  |  |
| Non-financial asset |  | |  |  |  |  |  |  |
| Investment properties | - | |  | 507,758 |  | - |  | 507,758 |
| Total | 223,271 | |  | 507,758 |  | 385,744 |  | 1,116,773 |
|  |  | |  |  |  |  |  |  |
| **Liability** |  | |  |  |  |  |  |  |
| Financial liability |  | |  |  |  |  |  |  |
| Derivatives liabilities | - | |  | 53 |  | - |  | 53 |
| Total | - | |  | 53 |  | - |  | 53 |
|  | |  |  |  |  |  |  |  |

The following table present financial assets and liabilities that are measured at fair value as at 31 December 2022 :

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit : Thousand Baht)  Consolidated F/S | | | | | | | |
|  | Level 1 | |  | Level 2 |  | Level 3 |  | Total |
| **Assets** |  | |  |  |  |  |  |  |
| Financial assets |  | |  |  |  |  |  |  |
| Other financial assets | 322,494 | |  | - |  | 789,647 |  | 1,112,141 |
| Derivatives assets | - | |  | 3,485 |  | - |  | 3,485 |
|  |  | |  |  |  |  |  |  |
| Non-financial asset |  | |  |  |  |  |  |  |
| Investment properties | - | |  | 2,347,940 |  | - |  | 2,347,940 |
| Total | 322,494 | |  | 2,351,425 |  | 789,647 |  | 3,463,566 |
|  |  | |  |  |  |  |  |  |
|  | |  |  |  |  | (Unit : Thousand Baht) | | |
|  | | Separate F/S | | | | | | |
|  | | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets** | |  |  |  |  |  |  |  |
| Financial assets | |  |  |  |  |  |  |  |
| Other financial assets | | 303,362 |  | - |  | 385,744 |  | 689,106 |
| Derivatives assets | | - |  | 3,485 |  | - |  | 3,485 |
|  | |  |  |  |  |  |  |  |
| Non-financial asset | |  |  |  |  |  |  |  |
| Investment properties | | - |  | 835,729 |  | - |  | 835,729 |
| Total | | 303,362 |  | 839,214 |  | 385,744 |  | 1,528,320 |

During the year 2023 and 2022, there were no transfers within the fair value hierarchy and there were no changes in valuation techniques during the year.

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.

1. **EVENTS AFTER REPORTING PERIOD**
2. The Bondholders’ Meeting of the Company held on 17 January 2024, the Bondholders’ approved the waiver of maintenance of Debt to Equity (D/E) Ratio and the extension of Bond’s redemption date for the all series of Bonds of the Company, including Bonds No. 1/2019 Due 2024 (“ITD242A”), Bonds No. 1/2021 Tranche 2 Due 2024 (“ITD24DA”), Bonds No. 1/2022 Due 2025 (“ITD254A”), Bonds No. 1/2023 Tranche 1 Due 2024 (“ITD24DB”), and Bonds No. 1/2023 Tranche 2 Due 2026 (“ITD266A”) with the following details :
3. Approved the waiver of maintenance of Debt to Equity (D/E) Ratio as specified in the Terms and Conditions, with effect from the end of 2023 accounting year until the end of 2025 accounting year, and waiver for the Issuer to commence negotiation or conclude agreements with creditors for debt restructuring, without triggering the event of default as per the Terms and Conditions
4. Approved the extension of Bond’s redemption date for two years, and : (a) the increase of Bond interests for 0.25% per annum from the original redemption date until the first-year anniversary of the original redemption date; and (b) the increase of Bond interests for 0.50% per annum from the first-year anniversary of the original redemption date until the revised redemption date. Accrued interest shall be paid once on the revised redemption date (as extended). Extension detail of Bond’s redemption are as follows :
   * Bonds No. ITD242A of Baht 2,000 million that has original redemption date on 15 February 2024 are extended to be matured on 15 February 2026
   * Bonds No. ITD24DA of Baht 2,455 million that has original redemption date on 4 December 2024 are extended to be matured on 4 December 2026
   * Bonds No. ITD254A of Baht 6,000 million that has original redemption date on 28 April 2025 are extended to be matured on 28 April 2027
   * Bonds No. ITD24DB of Baht 1,215 million that has original redemption date on 4 December 2024 are extended to be matured on 4 December 2026
   * Bonds No. ITD254A of Baht 2,785 million that has original redemption date on 2 June 2026 are extended to be matured on 2 June 2028

However, due to the lack of quorum for Agenda Item 2 of ITD254A, the meeting was postponed as per the terms and conditions specified and was subsequently approved by the Bondholders at the Bondholders’ Meeting of the Company held on 30 January 2024.

The Bondholders’ Meeting resolution shall become effective and binding to all Bondholders subject to the Terms and Conditions of the Bonds in each series, whether attending the meeting or not, on the date the Bondholders’ Meeting approved the resolution.

1. The Company has negotiated with the bank to waive the covenants of such financial ratios for loan agreements. The Company obtained letter for the waiver of the covenants from two banks dated 29 February 2024 and 18 March 2025 granting to relieve to all covenant conditions under the loan agreements for the period ended 31 December 2023.
2. **RECLASSIFICATION OF ACCOUNTS**

Certain accounts in the financial statements for the period from 1 January 2022 to 31 December 2022 have been reclassified to conform to the presentation in the 2023 financial statements. These were as follows:

|  |  | (Unit : Thousand Baht) | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated F/S | | | | |
|  |  | Before reclassification |  | Reclassification |  | After reclassification |
|  |  |  |  |  |  |  |
| **Statement of financial position** |  |  |  |  |  |  |
| Current assets |  |  |  |  |  |  |
| Contract assets - current |  | 29,689,661 |  | 240,991 |  | 29,930,652 |
|  |  |  |  |  |  |  |
| Current liabilities |  |  |  |  |  |  |
| Reserve for project expense |  | (618) |  | 618 |  | - |
|  |  |  |  |  |  |  |
| Non-current liabilities |  |  |  |  |  |  |
| Reserve for project expense |  | - |  | (241,609) |  | (241,609) |
|  |  |  |  |  |  |  |
| Equity |  |  |  |  |  |  |
| Appropriated retained earnings |  |  |  |  |  |  |
| - legal reserve |  | 529,293 |  | (26,600) |  | 502,693 |
| Unappropriated |  | (5,422,463) |  | 26,600 |  | (5,395,863) |
|  |  |  |  |  |  |  |
| **Statement of income** |  |  |  |  |  |  |
| Revenues from construction work |  | 59,293,587 |  | 361,691 |  | 59,655,278 |
| Revenues from sales and services |  | 7,780,381 |  | 11,628 |  | 7,792,009 |
| Costs of construction work |  | (57,713,727) |  | (240,991) |  | (57,954,718) |
| Other income |  | 607,623 |  | (137,271) |  | 470,352 |
| Administrative expenses |  | (3,380,968) |  | 4,943 |  | (3,376,025) |

|  |  | (Unit : Thousand Baht) | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Separated F/S | | | | |
|  |  | Before reclassification |  | Reclassification |  | After reclassification |
|  |  |  |  |  |  |  |
| **Statement of financial position** |  |  |  |  |  |  |
| Current assets |  |  |  |  |  |  |
| Contract assets - current |  | 21,962,114 |  | 240,991 |  | 22,203,105 |
|  |  |  |  |  |  |  |
| Current liabilities |  |  |  |  |  |  |
| Reserve for project expense |  | (618) |  | 618 |  | - |
|  |  |  |  |  |  |  |
| Non-current liabilities |  |  |  |  |  |  |
| Reserve for project expense |  | - |  | (241,609) |  | (241,609) |
|  |  |  |  |  |  |  |
| **Statement of income** |  |  |  |  |  |  |
| Revenues from construction work |  | 36,476,131 |  | 240,991 |  | 36,717,122 |
| Costs of construction work |  | (37,185,973) |  | (240,991) |  | (37,426,964) |

1. **AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company’s Board of Directors on 28 March 2024.