

# ANNUAL REPORT 2019





## **Annual Report 2019**

**TongkahHarbour Public Company Limited**

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**Message from the Chairman of the Board of Directors**

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In the year 2019, the Company conducted various operations in its business operations including business expansion along with improving cost management for the Company to grow sustainably. In the area of business operations, Solar Power Generation Project has been completely installed and has started to recognize its income from the beginning of January 2019 onwards. In addition, the Company has started doing business in the second half of the year by providing its service to improve water quality with Pyrolusite mineral. This creates the most revenue for the Company since leaving the rehabilitation plan.

As for the performance in the year 2019, the Company has 467.7 million Baht revenue from sales of goods and services, an increase of 35 percent from the previous year resulting from an increase in sales of mineral. Moreover, a recognition of revenue from solar power plants is a significant part that generates a much higher profit for the Company from the previous year.

In terms of social and environmental responsibility, the Company has allocated funds to support the communities around the Company and consistently provide various assistance to communities as well as encouraging the employees of the Company to participate in activities with the community as a good member of the community. It is the intention of the Company to improve the quality of life for people in the community for both physical and mental health.

For re-trading on the Stock Exchange of Thailand, the Company has continuously improved various qualifications in order to meet the eligibility criteria for submitting an application for re-trading on the Stock Exchange. One of the features that the Company must not have is accumulated losses. This is for the Company to be able to pay dividends to shareholders when the Company has profits in the next accounting period.

Although the Company has been able to continuously generate profits since leaving the rehabilitation plan, the Company still has previous accumulated losses that occurred before entering the rehabilitation plan. For the Company to meet all qualifications without delay, the Company has established a way to clear all accumulated losses by proceeding with the capital reduction of the Company to offset the reduced capital with all accumulated losses or to have the smallest remaining balance. This is a method of reducing the cumulative losses used in the accounting process. By doing so, the Company will have complete qualifications considered by relevant agencies for returning to trading which will directly benefit the shareholders.

On behalf of the Board of Directors, I would like to pass on our thanks to shareholders, customers, business partners, business executives, staff, as well as related parties who have always supported the Company. Although the year 2020, the situation of COVID-19 will affect the economy and the businesses of the world, the Company promises to work to its fullest capacity and potential to benefit all parties involved.

**Mr. Wijit Jiemwjitkul**  
**Chairman of the Board of Directors and Chief Executive Officer**



## Report of the Audit Committee

### To Shareholders

The Audit Committee of Tongkah Harbour Public Company currently consists of 3 independent directors, namely Assoc. Prof. Dr. Tharinee Pongsupatt as Chairman of the Audit Committee, Mr. Ekachai Chotiyanon and Mr. Nipon Keeratipitayaporn audit committee. The Audit Committee acted in an independent under the standards established by the Board of Directors, SET and the Office of the Securities and Exchange Commission.

In the year 2019, the Audit Committee reviews issues and makes conclusion as follows.

**1. Review of financial reports** The Audit Committee has reviewed the quarterly and annual financial statements 2019 as well as consolidated financial statements of The Tongkah Harbour Public Company Limited and its subsidiaries. The committee reviews key issues and has joint meetings with the auditors in order to discuss freely about information in the preparation of financial statements and disclosures in accordance with International Financial Reporting Standards. The Audit Committee concluded that the financial reports of the Company show financial position and the results of operations correctly as it should be. All reports were prepared in accordance with the generally accepted accounting standards and represented all disclosure of action taken.

The Audit Committee met four times with the auditor without the management to discuss key issues about auditing, independence of duty and the auditor's opinion. It emphasizes the presentation of additional information in the auditor's report in accordance with new standards. (Key Audit Matters: KAMs)

**2. Review internal control system and internal audit** The Audit Committee has reviewed the results of the internal control system, based on the reported results of the audit for 2019 offered by the Internal Audit Department. The Audit Committee met with the internal audit department to discuss and exchange views and approved internal audit plan for the year 2020. The plan covers risk assessment and control mechanisms within the standard, a review of the potential conflict of interest and a review of compliance with the regulations including laws related to the business of the Company.

**3. Risk Management** The Audit Committee has reviewed the system of risk management. Based on the policies and risk management plans and guidelines for risk management, which found that the risk management of the Company was at the fair level. However, at present, the Board of Directors has recognized the importance of such matters. Therefore, a risk management committee was established in order to monitor, evaluate and suggest effective methods to reduce risks to an acceptable level of the organization.

**4. Considering the appointment of the auditor and the audit fee for the year 2020** The Audit Committee has considered the nomination and remuneration of the auditors for the year 2020 by evaluating their independence, skills, knowledge and experience in monitoring the company's business along with the auditor's support team. The Audit Committee has opinion that Auditor of the A. M. T & Associates Limited is qualified by reviewing past year performance attributed to the Company. The Board of Directors has approved the appointment of Mrs. Natsarak Sarochanunjeen Registration No. 4563 or Mr. Chaiyuth Angsuwithaya Registration No. 3885 or Miss Daranee Somkamnerd Registration No. 5007 or Miss Jarunee Nuammae Registration No. 5596 to be the auditor for the year 2020 with the audit fee total 3,700,000 Baht.

On behalf of the Audit Committee



(Assoc. Prof. Dr. Tharinee Pongsupatt)

Chairman of the Audit Committee

April 7, 2020







## Directors of Tongkah Harbour PCL



**Mr. WIJIT JIEMWIJITKUL**  
 - Chief Executive Officer  
 - Chairman of the Executive Committee  
 - Chairman of the Nomination Committee  
 - Chairman of the Remuneration Committee



**Mr. Ekachai Chotiyanon**  
 - Vice Chairman of the Board of Directors  
 - Audit Committee Member  
 - Member of Good Governance Committee  
 - Independent Director

**Assoc. Prof. Dr. Tharinee Pongsupatt**  
 - Chairman of the Audit Committee  
 - Chairman of Good Governance Committee  
 - Independent Director



**Mr. Nipon Keeratipitayaporn**  
 - Member of Audit Committee  
 - Member of Good Governance Committee  
 - Independent Director

**Mr. Wichai Cherdshewasart**  
 - Vice Chairman of the Board of Directors  
 - Independent Director



**Mr. Prot Pattakaree**  
 - Director  
 - Director of the Remuneration Committee

**Mr. Kerati Kijmanawat**  
 - Director



**Mr. Paisan Etitim**  
 - Executive Director  
 - Director of the Nomination Committee

**Mr. Suthep Buramarn**  
 - Executive Director  
 - Director of the Remuneration Committee  
 - Director of the Nomination Committee



## Part 1 Business

### 1. Policy and Business Overview

#### 1.1 Background

TongkahHarbour Company has been operating tin business for more than 111 years, beginning with tin mining in the Phuket Bay area since 1906 by Captain Edward T. Miles, Australian, the founder of the company from observing of the mining methods of the Chinese in Phuket in 1903 and then developed tools and invested in doing business.

Later in 1906, Captain Miles established the "TongkahHarbour tin trading Co., Ltd." at Hobart, Tasmania and contacted the Royal Thai Government to apply for a tin mining license in Phuket Bay in 1907, the company began to exploit tin mining by sea by "Krapor Boat", the first of the world and bring many inscribed experiences and achievements.

After 1907, the company invested to increase production capacity in tin mining with the purchase of seven additional drilling rigs boat to be used in Phuket. Later, the London tin group Tycoon Group, English Company (Managed by the Anglo-Oriental Company), controlled and transferred the company to Malaysia and changed its name to "TongkahHarbour Tin Trading Co., Ltd.", later, then changed to be more formal to "TongkahHarbour Tin Trading Berhad Company", and was subsequently merged by Malaysian Mining Corporation (MMC)

In 1980, the shareholding structure of the Company was changed in order to meet the investment policy of the mining industry in Thailand, after being registered as a limited company in Thailand. The name was changed to "Tongkah Harbor Public Company Limited"

In 1981, the Company was registered on the Stock Exchange of Thailand and the Company's shares were traded on the SET.

In 1990 when the tin market was bad in the mid-1980s, so the company expanded the business to real estate development in a form of Condominium in Bangkok and the construction of "Tongkah Tower" or now known as "True Tower"

In 1991, Tungsum Limited was established and acquired concession for exploration of gold and other minerals in Loei Province.

In 1994, the Company informed the Department of Commercial Registration to change its name to "Tongkah Harbor Public Company Limited"

In 1995, Tungsum Limited received a license for mineral exploration. Later on the Company has succeeded in exploring the gold mine in Loei Province. The company has submitted its mining plan and submitted applications for 6 gold mining licenses to the Department of Mineral Resources.

In 1998, the quarry business started to produce stone and sold it to domestic customers.

In 2003, the Ministry of Industry approved the gold mining license granted to Tungsum Co.Ltd. can develop mining in it area.

In 2005, the Company acquired a majority stake in Sea Mineral Limited. , which has applied for more than 50,000 rai (8,000 hectares) of tin mining in the Andaman Sea.

In the 1,200 wells, about 49,672 tons of tin reserves are expected to be available in the area.

In September 2006, TungsumCo.Ltd, started operation of the gold miner at Loei Province and gold production of Tungsum Co.Ltd has helped turn the company's financial status from loss to profitability at the end of 2006.





In the second quarter of 2009, Tungcum Co.Ltd. completed installation of drilling equipment for separating copper compounds in minerals. The process will result in lower production costs for gold, but more gold ore. As a result, revenue from the sale of copper increased.

Tungcum Co., Ltd. is trading copper ore with gold and copper alloy and export to overseas. It was the first exported since October 2009.

## 1.2 Major developments over the last 5 years



### Year 2013

- August : The company has entered the real estate development business in the form of residential and commercial buildings. The Skycliff Company has studied business planning for real estate investment and considered the project details on allocation of land with buildings by considering the suitability of doing business and investing with The89 Capricorn Development Co., Ltd.
- October : On October 24, 2013, the Company decided to enter the voluntary business rehabilitation process by submitting the petition for rehabilitation to the Central Bankruptcy Court for the purpose of debt restructuring.



### Year 2014

- March : Real estate development by 89. Capicorn Development has begun to develop the land in Phuket which are housing and commercial project under the name "The Bay Skycliff"
- November : The Central Bankruptcy Court ordered to rehabilitate of the Company according to the company's request by establishing the company as the planner.



### Year 2015

- June : Real estate development by the 89 Capicorn Development Company has begun to develop in Phuket in the form of commercial building project under the name "The Bay District"
- August : The creditors' meeting approved the rehabilitation plan and the Central Bankruptcy Court approved the plan.
- September : The Bankruptcy Court has set up the Company as a plan administrator.
- October : On 28 October 2015, the Company changed its capital structure by registered capital increasing to Department of Business Development, Ministry of Commerce to raise funds for doing business.



### Year 2016

- March : On 18 March 2016, the Company successfully raised funds according to the rehabilitation plan. On March 29, 2016, the Company completed all repayment under the rehabilitation plan. On March 31, 2016, the Company and Cholsin Co., Ltd. sold the investment in Tungcum Limited, in accordance with the resolution of the Board of Directors of the Company and Cholsin Co., Ltd
- August : The company has started to expand its business to neighboring countries. On August 1, 2016, the Company entered into a share purchase agreement with Lao Ngam Kwang Tung Mineral Co., Ltd., holding 70% of total registered shares. It intends to expand its business and invest in copper mining in the Lao People's Democratic Republic.
- September : On September 18, 2016, the Company signed the management of tin mine in Marid with the company in Myanmar.
- October : On October 10, 2016, the Company filed a petition for cancellation of the rehabilitation plan with the Central Bankruptcy Court.





## Year 2017

- March : On March 6, 2017, the Company began to produce tin at the mine in Myanmar.
- May : On May 8, 2017, the Central Bankruptcy Court ordered the cancellation of the rehabilitation of the Company because the successful completion of the rehabilitation plan has been completed.
- September : On September 27, 2017, the Company signed a Memorandum of Understanding (MoU) with Sawasdee Energy Holdings Co., Ltd., which is a sponsor of the Solar Farm project of Poon Sook Cooperative, Chumphon province. The Company will provide financial support to Sawasdee Energy Holdings Co., Ltd.
- October : On 3 October 2017, the Company was granted a renewal of the Andeside Mine, Saraburi, which was expired on May 23, 2009. The Ministry of Industry has renewed its license for another 15 years, which expires in 2067. The area has an estimated reserve of 4.68 million tons. It is expected to continuously generate revenue to the Company.
- November: On November 2, 2017, the Company established The THL Power Limited With a registered capital of Baht 100 million, the Company is a 98% shareholder, divided into 1 million common shares with a par value of Baht 100 per share. The purpose is to invest in energy business.



## Year 2018

- February : On 9 February 2018, The company started to invest in the mineral processing plant at Phato District, Chumphon Province. The objective is to install machines to extract and purify metal minerals. By doing so, it also creates “mineral by-products” which will increase income for the company in future.

: On 12 February 2018, a subsidiary of Tongkah Harbour Public Co., Ltd. named THL Power Company Limited has entered into a transaction to purchase shares of Sawasdee Energy Holding Company Limited which engages in the business of advising on renewable energy systems, construction, electrical systems, water supply system. The Subsidiary was granted the right to enter into the Power Purchase Agreement (PPA) with the Electricity Authority of Thailand for a 5 Megawatts Solar Power Plant Project.

: On February 26, 2018, Sawasdee Energy Holding Company Limited signed the Power Purchase Agreement (PPA) with the Provincial Electricity Authority (PEA) in order to sell entire electricity produced from the 5 Megawatts Solar Power Plant Project in Chumphon province to PEA.

July: On July 18, 2018, the Company received an investment promotion from the Board of Investment (BOI) for the 5 Megawatts Solar Power Plant Project in Chumphon province, category 7.1.1.2 : Electricity generating business or electricity and steam generated from renewable energy.

August: On 16 August 2018, the Company registered the establishment of THL Myanmar Co., Ltd. The Company held a 100% of shares with a registered capital of USD 1 million. The objective is to explore and operate the mining and energy business in Myanmar.

November: The Company has expanded its operations to the mining business by undertaking the management of manganese ore production. On 1<sup>st</sup> November, 2018, Cholsin Company Limited signed a contract for the production of manganese ore in Chiang Mai with a company who owns a production license.

December : On 27 December, 2018, the 5 Megawatts Solar Power Plant Project in Chumphon Province has commenced the Commercial Operation Date (COD) for PEA.





## Year 2019

May: On 10 May 2019, the company registered the reduction of capital from the original 24,482,667,127 Baht to 20,661,397,549 Baht by eliminating ordinary shares that have not been sold total of 3,821,269,578 shares to the Department of Business Development - Ministry of Commerce.

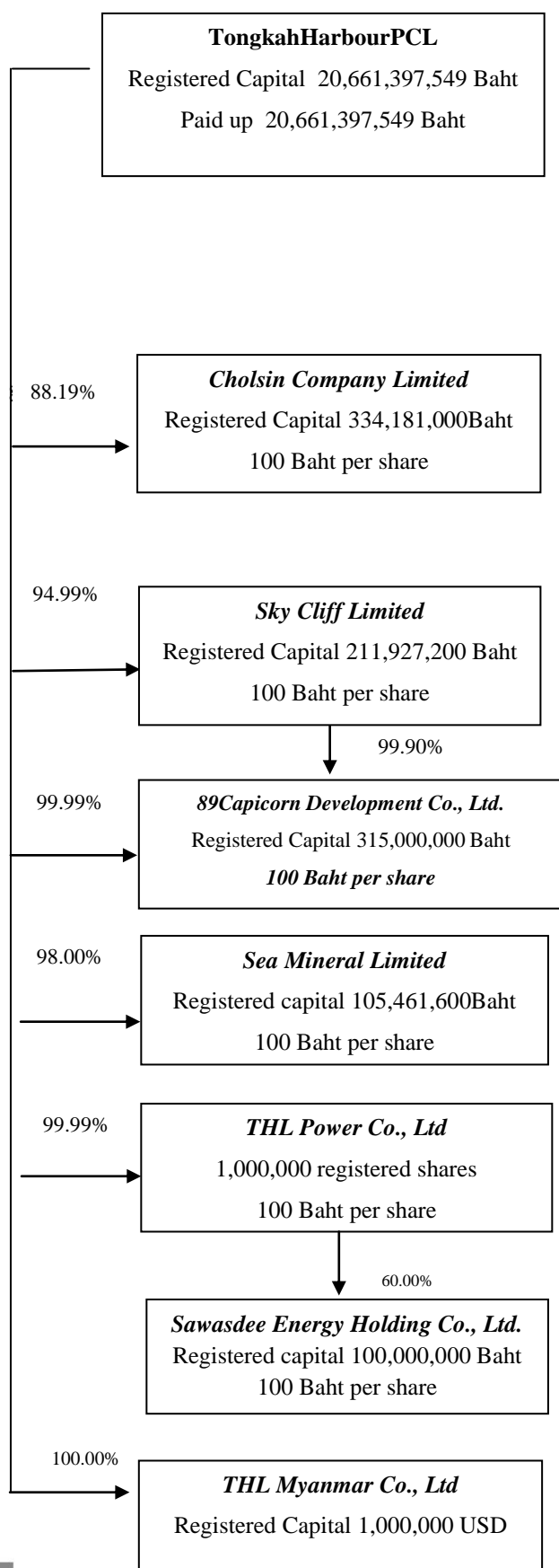


## Year 2020

February: On 17 February 2020, the company expanded its investment in mining business by buying 25 percent of stakes in RoyalCarats Gems Company who is a gold mining operator located in the Republic of Zambia.

### 1.3 Shareholding structure of the Company Group

Shareholding Structure of the Company, Subsidiaries, and Associated Companies as of December 31, 2019



#### Nature of Business: Mining Business

##### Current business

Andeside Mining located in Kaeng Khoi district. Saraburi. The total reserve of two exploration wells was initially estimated at about 30.07 million tons. It has operated since June 1998. Total output of rock is about 4.45 million tons. The annual production capacity is about 400,000 tons.

Tin mine : Today, the company has been mining tin in Myanmar

Trading of tin ore and other ore products : The company has expanded the business to sell tin and other ore byproducts in order to create additional income for the company.

#### Nature of business: crushed stone business

Operated a stone crusher plant at Andeside Mining for Tongkah Harbour PCL

Manganese mine: The company entered into a hiring contract to produce manganese in Chiang Mai province.

Business for sale of Pyrolusite and water system improvement. The company began the business of selling Pyrolusite ore and providing nationwide services to improve water filter system.

#### Nature of Business: Property Development

Property development in Mae Sot area, Tak, in modern style of commercial buildings.

**Nature of Business: Property Development** Property development in Phuket, "The Bay Skycliff" project, a modern twin house and commercial building and "The Bay District" in the form of commercial buildings.

**Nature of business: tin mining** Tongkah Harbour PCL holds 99.99% of the shares. The company is in the process of applying for a 50,000-rai mining license with a tin reserve of 49,672 tons at a cut-off grade of 0.193 kilograms per cubic meter.

**Nature of business: Generating and delivering electricity from renewable energy.** To operate a business of producing and distributing electricity from renewable energy, such as wind energy, water energy, waste energy, and solar energy.

**Nature of business: Solar energy business, Solar power generation and transmission business** Operates as a 5 megawatt solar energy producer in Amphoe Phato, Chumphon Province for PEA.

**Nature of business : Mining and energy business** Engages in mining and energy businesses in Myanmar







## **1.4 Policy, Vision, Mission, Values, Objectives, Goals, and Strategies**

### **1.4.1 Policy**

The company's policy is to build sustainable business growth with full potential. To create value added to the organization and coupled with taking into accounts the collective benefits. It is also responsible for society and the environment.

The mining industry is an important upstream industry in Thailand that makes Thailand has a stable raw material for the industry and reduces the import of ore from abroad. The company has set a strategy to continue growing, while emphasizing on risk management that hinders the development of corporate sustainability by alternative investing in energy and real estate. This approach is not only beneficial to the organization but also benefits the community, society and environment as a whole.

### **1.4.2 Vision**

To be a leading enterprise in the field of mineral resources development, renewable energy and real estate. Corporate Governance, focus on the involvement of stakeholders. Focus on the involvement of stakeholder by taking into account of the social and environmental aspects in order to create a return to shareholders and sustainable growth.

### **1.4.3 Mission**

1. Carry out business with emphasis on excellence in all aspects according to international standards and corporate governance.
2. To manage effectively and efficiently by developing organizations and personnel continuously.
3. A good member of the community and society, in addition to care and maintain for the environment.

### **1.4.4 Value**

#### **1. Sustainability Development**

- Consider sustainability development, The balance of social, environmental and economic.

#### **2. Excellent performance.**

- Dedicated and continually elevate the organization in every aspect for sustainable operations and business profits.

#### **3. Teamwork**

- Focus on individual values. Focus on teamwork and featuring with all personnel.

### **1.4.5 Objectives and Goals**

The company must be socially responsible by excellent operation while commit to achieving the ultimate goal.

- Improve current mining in order to have effective procedures and save money.
- Supporting community and local by protecting and improving the quality of the environment.
- Focus on career opportunities and career advancement.
- Promote a safe and healthy workplace for employees.
- Educational Aid Provide support to the communities where employees are living and working.
- Promote employee pride, reconciliation and taking responsibility for society and the environment.

### **1.4.6 strategy for implementation**

#### **1.4.6.1 Manage existing assets to full capacity**

- Improve the performance of current assets to maximize potential and maximize value.
- Utilizing existing assets to maximize profits.



## 1.4.6.2 Focus on developing and expanding the project

### Mining Group

- Focus on investment by the company as a proprietor or major shareholder in a potential project for the mineral that is needed by the global market.
- Full service mining with expertise.

### Renewable Energy Group

- Expanding both domestic and international renewable energy.

### Real Estate Business Group

- Focus on investing in potential projects and it can generate returns efficiently.

## 1.4.6.3 Find a partner to expand investment.

- Focus on joint ventures with potential business partners in order to expand more capacity and market
- Potential projects including mining, renewable energy and property development.
- Seeking joint venture opportunities with partners in order to expand business with domestic and foreign companies.

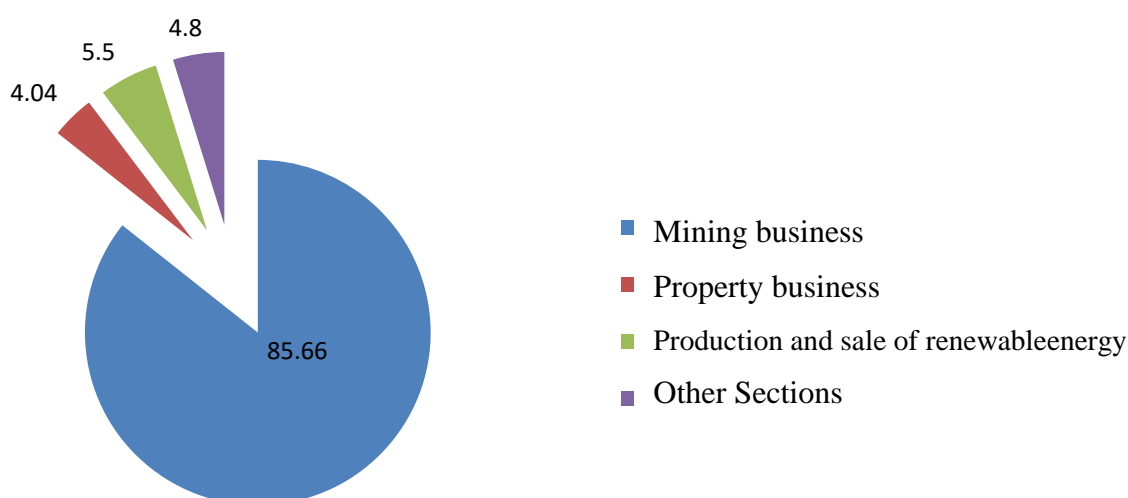
## 2. Nature of business operations

Annual income structure 2019

Unit : Million Baht

Business type	Income from sales	Income from mining operation service in overseas countries	Income from domestic mining service	Income from water filter installation service	Other income	Total income	Proportion of Income(%)
Mining business	163.48	210.29	45.24	1.81		420.82	85.66
Property development business	19.84					19.84	4.04
Production and sales of Renewable energy	27.06				23.56	27.06	5.50
Other sections						23.56	4.80
Total in the consolidated financial statements	210.38	210.29	45.24	1.81	23.56	491.28	100.00

Income



Each business operation can be summarized as below





## 2.1 Mining Business



### 2.1.1 Andesite Mining Business

The Andesite mining of Tongkah Harbor Public Company Limited is located in Kaeng Khoi District, Saraburi Province. About 140 kilometers from Bangkok, 20 kilometers from Kaeng Khoi Railway Station, the mine has a total area of about 243 rai. There is also a stone mill, Office space, Employees housing, maintenance building, and areas for various types of stone products. It is expected that the mineral reserves in the concession area of 28676/15268 card will be about 4.68 million tons. Approximately 25.39 million tons of the total of 28675/15632 card have been assessed. The mine has been in operation since June 1998. The total production is about 4.45 million tons. At present, the production capacity is about 400,000 tons, which has enough capacity for production approximately 25.62 million tons

Area					Status
Card number	Rai	Ngan	Square Wa	Expired date	
28676/15268	88	3	81	May 23, 2024	-
28675/15632	154	2	67	January 21, 2014	under renewal

The Andesite Quarry Mining Company under the 2 Conclusion of License No. 28676/15268, which was granted a 15-year extension until May 23, 2024, and the license No. 28675/15632 which is in the process of being renew. Currently, the company has a stone in possession that can be produced to customers continuously.

After the renewal of the license, it assures the offering of various stone products to large and small customers to meet the needs. Including twin rail train projects, several routes in the mills nearby. In the past year, sales increased from the previous year. The company plans and evaluates market demand trends to increase capacity to meet demand. It also sets the appropriate selling price to create a good return to the company.

For license no. 28675/15632, the Company has submitted the related items to the Department of Primary Industries and Mines for approval in the next step.

#### 2.1.1.1 Characteristics of the product or service:

Andesite is volcanic Granite formation (volcanic rock) with intermediate chemical compositions (Intermediate Igneous Rock). It has a silica content of between 55% and 65%, while the rest is feldspar, quartz and other rock minerals so Andesite has outstanding property; toughness, Compressive Strength and durable to decay by high natural processes.

The Company has hired Cholasin Co., Ltd. which company owns 88.19% The company has been engaged in stone crushing since June 1998. At present, the quarry has a capacity of about 30,000 tons per month. The ratio of different stones which made by milling machine and sieve. It can be adjusted to meet the needs of the market. Current products include: Ballast, Well Grade 3/4 inches, Coarse Dust 3/8-inch, Fine Dust and Road Base to make concrete pillows and the rail pillow. There are also other products, such as Dirt and Stone, which are larger than 60 mm (Primary). It makes money with another part.



In year 2019, the total sales from Andesite was 102.25 million Baht which derived from the stone demand as a raw material in many approved projects to supporting double railway constructions. In this regards, the Company had an income from various projects.

(Unit : Million Baht)

Date	Project	Business Partner	Rock type	value
28 Jan 2019	Construction Project for a new locomotive repair plant in Kaeng Khoi	Power Line Engineering PCL.	Ballast, Crushed stone	7.05
31 Jan 2019	Construction Project for a new locomotive repair plant in Kaeng Khoi	Nawarat Patanakarn PCL.	Ballast, Crushed stone	9.02
7 May 2019	Railway construction project - Khok Sa-at station	SPN Association Co., Ltd.	Ballast	7.18
10 June 2019	Track Strengthening Project Between Wongwianyai Station - Mahachai Station	Sakdaporn Co., Ltd.	Ballast	27.99
27 Jun 2019	High speed railway construction project at See-Que -Kudjik-Korat	Civil Engineering Co., Ltd.	Ballast	4.41
8 Nov 2019	Production of concrete sleepers for railway tracks	Thai Peecon and Industrial Co., Ltd.	$\frac{3}{4}$ WG, 3/8	4.06
13 Nov 2019	Railway construction project at Lopburi - Pak Nam Pho	C-S&NJS Co., Ltd.	Ballast	30.00

The main product that generates revenue for the company is the Ballast which is the stone used in the construction of double railroad tracks and repair of railways. The other product is Rock  $\frac{3}{4}$ W/G used for road construction for Modified Asphalt Concrete type and also used as construction stones.

In the future, the government also has plans for double rail railway projects such as the Bang Saphan Noi – Chumporn double Railroad Project, Thai-Chinese high speed railroad project at Kaeng Khoi - Klang Dong section and Pang Asoke–Bandai ma, etc. Thus, the demand for rock is continuously rising and the company has accelerated production to meet the needs of users.





### **Projects that support future revenue and market expansion of the Andesite Quarry**

No.	Project name	Type of work	Customer Name	Type of rock	Amount		Year
					(Ton)	(Baht)	
1	Construction of double railroad tracks at Lopburi - Pak Nam Pho	Construction project	CS & NJS Trading	Ballast	60,000.00	18,000,000.00	2020
2	Construction of the Red Line Railway at Bang Sue - Rangsit	Construction project	CS & NJS Trading	Ballast	20,000.00	6,000,000.00	2020
3	Construction of double railroad tracks at, Bang Saphan Noi – Chumphon	Construction project	CS & NJS Trading	Ballast	100,000.00	25,000,000.00	2020
4	Construction of double railroad tracks at Canal parallel Chit-Chumphon - Jira Road	Construction project	Postpone the auction	Ballast	259,050.00	77,715,000.00	2020-2023
5	Road maintenance work at North-East	Road maintenance work	Not yet have a bidding winner	Ballast	10,000.00	3,200,000.00	2020
6	Road maintenance work at Nakornsawan	Road maintenance work	Not yet have a bidding winner	Ballast	13,377.00	4,280,640.00	2020
7	Thai-Chinese high speed railroad construction at Klangdong-Pang Asoke	Thai – China Construction Project	Department of Highways	Ballast	17,500.00	5,250,000.00	2020-2024
8	Thai-Chinese high speed railroad construction at Sikhio-Kutjik	Thai – China Construction Project	Civil Engineering Co., Ltd.	Ballast	55,000.00	16,500,000.00	2020-2024
9	Thai-Chinese high speed railroad construction at Kaeng Khoi - Klang Dong and Pang Asoke – Bandai ma	Thai – China Construction Project	In the process of opening an auction	Ballast	151,050.00	45,315,000.00	2020-2024
10	Thai-Chinese high speed railroad construction at Lam Takhong-Sikhi and Kudjik-Khok Kruat	Thai – China Construction Project	In the process of opening an auction	Ballast	187,250.00	56,175,000.00	2020-2024
11	Thai-Chinese high speed railroad construction at Khok Kruat-Nakhon Ratchasima	Thai – China Construction Project	In the process of opening an auction	Ballast	68,450.00	20,535,000.00	2020-2024
12	Thai-Chinese high speed railroad construction at Ban Pho - Phra Kaew	Thai – China Construction Project	In the process of opening an auction	Ballast	66,500.00	19,950,000.00	2020-2024
13	Thai-Chinese high speed railway construction at Phra Kaew - Saraburi	Thai – China Construction Project	In the process of opening an auction	Ballast	158,000.00	47,400,000.00	2020-2024



No.	Project name	Type of work	Customer Name	Type of rock	Amount		Year
					(Ton)	(Baht)	
14	Thai-Chinese high speed railroad construction at Saraburi - Kaeng Khoi	Thai – China Construction Project	In the process of opening an auction	Ballast	64,950.00	19,485,000.00	2020-2024
15	Construction of Highway No. 304, Pak Kred District - Chaeng Watthana Government Complex	Modified Asphalt Concrete	Boonchai Panich Company Ltd. (1979)	Rock 3/4	7,920.00	3,445,200.00	2020-2021
				Rock 3/8	7,920.00	2,732,000.00	
16	Construction of a special highway number 9, Bang Pa-in - Phra Pradaeng section	Modified Asphalt Concrete	Modified Asphalt Concrete	Rock 3/4	1,394.00	606,390.00	2020
				Rock 3/8	1,394.00	480,930.00	
17	Construction of a special highway number 9, Bang Pa-in - Phra Pradaeng section	Modified Asphalt Concrete	Modified Asphalt Concrete	Rock 3/4	800.00	348,000.00	2020
				Rock 3/8	800.00	276,000.00	
18	Construction of a special highway number 9, Bang Pa-in - Phra Pradaeng, Krok-kruat section	Modified Asphalt Concrete	Modified Asphalt Concrete	Rock 3/4	5,000.00	2,175,000.00	2020
				Rock 3/8	5,000.00	1,725,000.00	
19	Construction of a special highway between the cities, Bang Pa-in - Saraburi section	Modified Asphalt Concrete	In the process of opening an auction	Rock 3/4	5,000.00	2,175,000.00	2020
				Rock 3/8	5,000.00	1,725,000.00	
20	Manufacture of concrete sleepers for railway tracks	Manufacture of concrete sleepers	In the process of opening an auction	Rock 3/4	26,100.00	8,613,000.00	2020
				Rock 3/8	8,700.00	1,957,500.00	
21	Read-mix Concrete/concrete/Precast concrete slabs	Concrete mixing	In the process of opening an auction	Rock 3/4	48,000.00	8,640,000.00	2020
22	General Construction work	General Construction work	Asia Cement Co.,Ltd.	Paving stone	43,000.00	3,870,000.00	2020
23	Ingredients for the production of cement powder	Cement powder mixing	Chor-Pinres Partnership Ltd.	Paving stone	50,000.00	3,500,000.00	2020
24	Adjust area	General Construction work	Chor-Pinres Partnership Ltd.	Soil surface	100,000.00	700,000.00	2020
25	Ingredients for the production of cement powder	Cement powder mixing	True-Stone Co.,Ltd.	Cement Soil	120,000.00	3,600,000.00	2020
26	Ingredients for the production of cement powder	Cement powder mixing	Kaewtarn Partnership Ltd.	Cement Soil	120,000.00	3,600,000.00	2020
				<b>Total</b>	<b>1,787,155.00</b>	<b>414,975,060.00</b>	





### **2.1.1.2 Market and Competition**

#### **(A) policy and characteristics of product marketing**

The Andesite Company's quarries is a good sources of stone suitable for construction that requires extra strength and durability. As a result, our quarries are one of the major stone manufacturers and distributors in Central Thailand. The company's products can be used in construction, road works and railroad jobs such as rocking path, concrete pillars. Products of the company manufactured according to standards and specifications as determined by the State Railway of Thailand, Department of Highways, Department of Rural Roads and the Mass Rapid Transit Authority of Thailand. The company's stone meets the requirements of the Department of Highways and Railways.

This year, the construction of expressway, the highway project of the Department of Highways is commencing. The demand for 3/4 inch stone and 3/8 inch stone is the main raw material and the long-term project of the State Railway of Thailand; double track railway project in the central and northeastern regions and nearby railroad repair in the area. The project has demanded a large number of ballast forks and has been in operation for about 5 years. Therefore, the production of open pit mines extends large and deep so it can meet the needs of customers and considering the quality of the rock and the location of the quarry. The company has a high competitive advantage both in terms of transportation and quality standards.

#### **(B) Competition**

The company's Andesite has several marketing advantages which the cost of transportation is, the location of the quarry is close to the double track railway project, Bang Pa In - Korat special highway project (Motorway) and large state projects. Including quarries are also located between the areas to expand and develop as an industrial area, north and northeast of Bangkok. There are also other manufacturers in the vicinity. But it is used mainly for the company's own projects.

Rocks that meet the requirements of the State Railway of Thailand, such as Andesite, is not much in the central region. For other competitors, there are igneous rocks such as diorite, granite and basalt stone. But limestone has no such features and the company's Andesite stone has been tested. It was Qualified and suitable for road surface works by the Department of Highways. When business opportunities improve Mines plan to increase production capacity to meet future market demand.

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#### **2.1.1.3 Supply Products or Service**

##### **(A) Acquisition of Products**

Andesite rocksitesdiscoveredintheconcessionarehills and rocksfromthesurfacedownto a depth of more than.40 meters. The rocks are spread over a wide area in both the horizontal and vertical. When calculating the amount of the reserve mineralization from the surface down to a depth of 30 meters, with ore reserves estimated at 30.07 million tons and the proved reserves in mines is about 25.97 million tons.

Mining is a Open Pitstepped down from the surface. It consists of adjustable floor to suit the soil conditions and transportation so that the truck can run. Control drilling quarrying, the digging and transportation of raw materials to enter the stone crusher or prepare a raw material storage piles. The Department of Primary Industries and Minesstandard,Mining and crushed stone are met customer orders and shipments in order to meet the operating costs.

##### **(B) Environmentalimpact**

The quarrysite, the Andesite have very little environment alimpact. The mine area is relatively flat are as with no forest or vegetation in the area. It is an area with extensive agricultur all and use, suchasrice, corn and mango are also sparse population around the minearea. The quarry without the use of chemical sintheprocess. Only nusen watern spray to reduce the spread of dust caused by transport ation and crushed stone.

Quarrying is done only once a dayat thetime of 16:00 to 17:00 hrs., Which is base don the mining project wasfiled with the Department of Primary Industries and Mines and in accordance with the corrective measures and reduce environment alimpact. The proposed policy with the Office of Natural Resources and Environment, the explosion is done only during the time thatis required to enter the stone mill.

So it does not blow every day and quarrying could have animpact on noise and vibrationin a way. However, it is a short time, and the whole operation under the supervision of the Department of Primary Industries and Mines, provincial Labor Office

Measurestoprevent and reduceenvironmentalimpactandsafetyintheworkplaceareimportant.

1. Tree plantingis a lineararoundtheprojectarea. Which had begun before mining operations. To help reduce the volume of crushed stone and reduce the amount of dust blowing out of the project area.
2. The strikercollectedsoilmining and mine reconditioning the floorising good condition for safe operation and rehabilitation later.







3. Control quarrying correct technical basis to reduce vibration and reduce flying debris blown out of the project area.
4. Spraying water at various points. In the process, crushed rock to reduce dust.
5. The supply of protective equipment to employees while on duty such as helmets, safety shoes. Dustmask, Plug-ear hearing protection, etc. In addition the company provide for the annual check of the mine as well.
6. Monitoring and measuring of Dust intensity, sound level and water contaminant from the production process of the crushing plant are performed by the Pollution Control Department every 4 months. In addition, a report of rehabilitation plan with environmental impact will be provided and sent to the Provincial Industry and the Ministry of Natural Resources and Environment of the province twice a year.

### **2.1.2 Business of mining operation services and tin production**

The company signed a contract for mining operation and tin ore production with Ngwe Kabar Myanmar Co., Ltd. Ngwe Kabar Myanmar Co., Ltd owns tin mining license for a period of 11 years starting from 8 February 2017.

The mine area of the employer is located in Myeik Province, Tanaosri District, the Republic of the Union of Myanmar. The mine areas comprise of 14 licensed plots with a total area of 812.14 Acres (3.29 Square kilometer). The license is valid from 9 May 2013 and will expire on 8 May 2023. At present, the license has been renewed.

For the current project status, tin ore production has been carried out by using the process of 1.2.3 (A) with 3 production lines.

#### **2.1.2.1 Characteristics of products or services**

Tin deposits accumulated in the concession area are available both in primary sources and secondary sources. For primary sources: tin is formed in pegmatite with interlocking crystals usually larger than 2.5 cm in size. Aside from tin, pegmatite also gives tantalite and columbite.

Secondary source (Secondary, placer): Secondary ore deposits are the main ore production source in the first phase of the mine opening. Ores can be found in different sources in various forms such as rock fragments falling down to accumulate around the foothills (Colluvium) or sediments that flow and accumulate together along the edge of river bank (Placer).

In this regard, Tongkah Harbour Public Company Limited has been hired by the Ngwe Kabar Myanmar Co., Ltd. on an average production rate of approximately 60 tons per month. The scope of responsibilities of the company covers from overseeing the topsoil work, loading ore into trucks and transporting them to the production plant until tin ore is obtained for sale as shown in the process in the heading 1.2.3(A)



### **2.1.2.2 Marketing and competition**

TongkahHarborPublic Company Limited is a company with expertise, experience, capability, and reliability in mining business for longer than 100 years. The company signed a contract with Ngwe Kabar Myanmar Co., Ltd to perform mining operation for 11 years by choosing to use machines as well as designing quality and standard production processes for the employer.

However, the production of tin ore is a complex process since ore production has to be set up and fine tune the machine system to fit the characteristics of the ore in each area. Therefore, it is necessary for the mining and tin production operator to use knowledgeable and capable personnel who has an expertise in process design and machinery. As we can see that there are only a few operators in this type of business due to the limitation of quality human resources.

### **2.1.2.3 Procurement of products or services**

#### **(A) Obtaining the products**

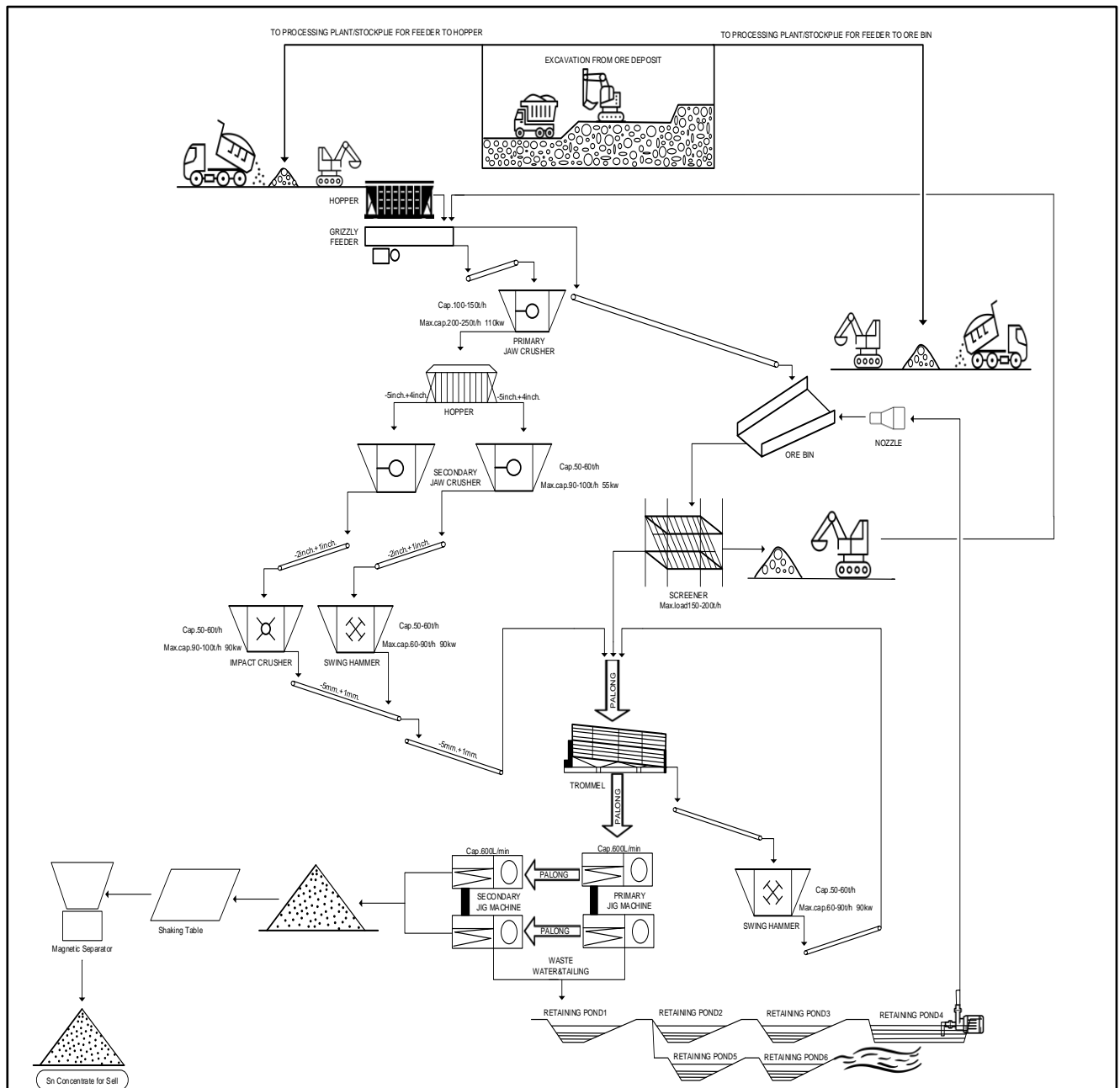
According to the geological features of the region and an overview of tin-tungsten deposits in Republic of the Union of Myanmar, the concession tin ore deposits is located in Shan-Tenasserim Metal Ore County in the state of Shan-Tenasserim. It is positioned as a zone in the North-south direction leaning from Thailand to Yunnan province located in the North of China and it was controlled by fault line in the East-Northeast around the North area of Lashio city and Shan Boundary Fault in the west. In the North-South direction, this metal ore county is wider than 300 Kilometers and longer than 1,500 Kilometers. The rocks in this ore county consist of a continuous series of sedimentary rocks and carbonate rocks with a granite mass inserted in the sedimentary rock layer multiple times. These sedimentary rock have high curvature and are trans for made specially in the west which regarded as part of tin ore-Tungsten production process in Republic of Union of Myanmar.

For tin deposits that accumulate in the area of the concession area are both primary sources (Primary) and secondary sources (Secondary, placer). Production processes of the two sources are slightly different as shown in the photo below.





## Diagram illustrating the production process of tinore



The picture shows the production process of tin ore.



Open the top soil, select and transport Ore Material From the mine face to the ore shed by the geologist In front of the event will be sorting the type of Ore Material As Primary (Hard rock) or Secondary (Weathered stone or layers: Placer) Before loading into the truck for delivery to the workshop.

Ore Material that is Primary (Hard rock) will be delivered to the grinding production line

Ore Material that is Secondary (Weathered stone or floor Kasa: Placer) will be delivered to the production line for the injection work.



Vibrating feeder

Soil



Ore Bin

Ore Material that is Primary (Hard rock) will be graded by a machine called Vibrating feeder to separate the soil and stones from each other in which the soil will be delivered to the production line for the injection work.

Ore Material That is Secondary (Weathered stone or floor Kasa: Placer) Will be injected to crack at the area Ore injection yard (Ore Bin)



Primary jaw crusher



Intermedia jaw crusher



Tertiary crusher



Grizzly

Primary Ore Material (solid rock) that has been separated by soil will be sent to Primary Jaw Crusher, Intermedia Jaw Crusher and Tertiary Crusher respectively to grind to the size of 5

Ore Material Injected from Ore bin Will flow into grille Grizzly In order to select items that are too large 25 mm. The injection does not break into the grinding process

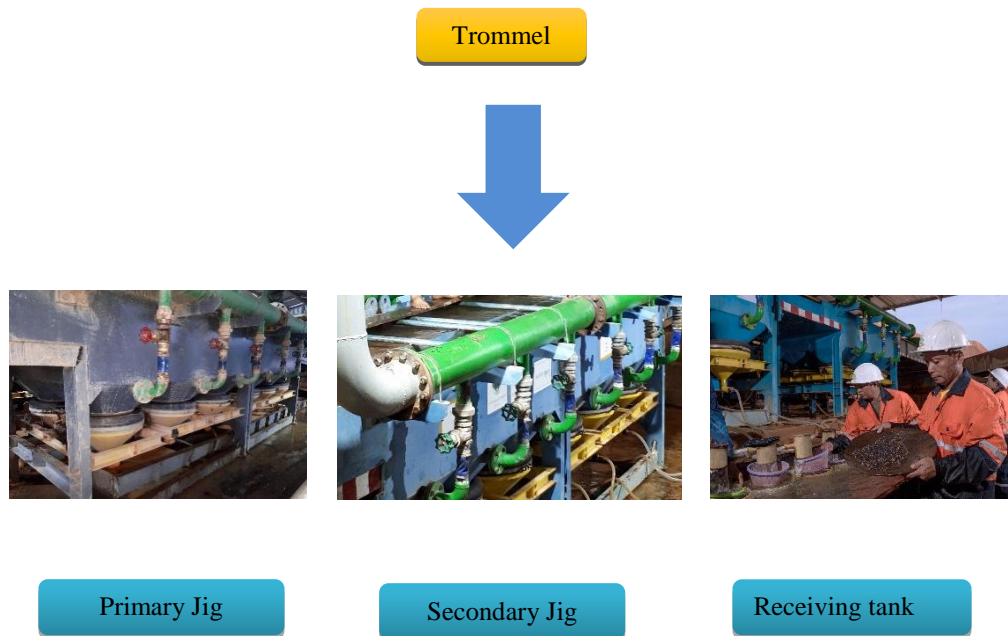
stone or floor Kasa ที่ถูกฉีดจนมีขนาด



Trommel

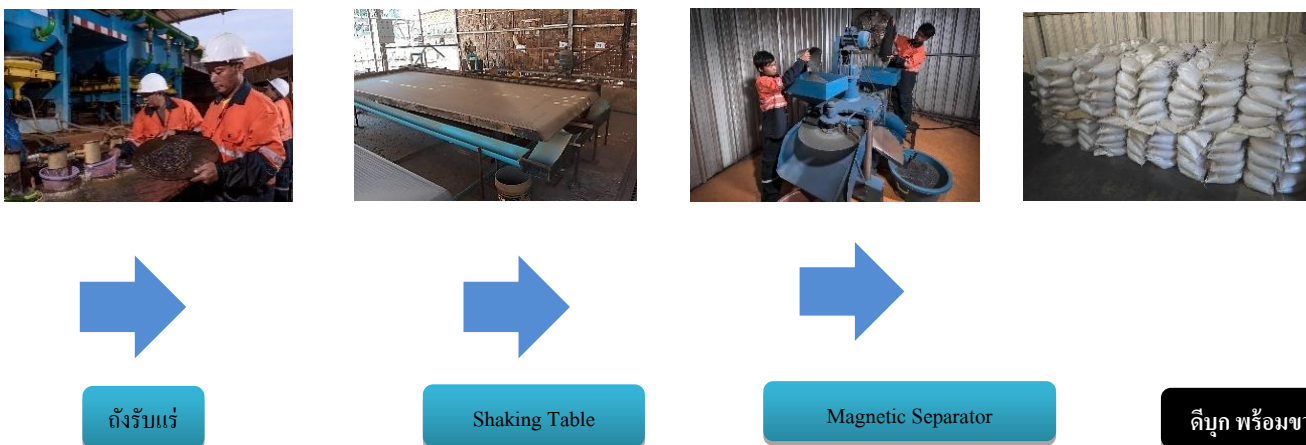


Trommel is a wet sieve that receives Ore Material from the crushing and injection lines by selecting ore material that is larger than 5 mm. for crushing. As for those that are smaller than 5 mm., they will be forwarded to the next process



Ore materials that are smaller than 5 mm. will be sent to a machine called Jig. It will start at Primary Jig, Secondary Jig, receiving tank respectively. Ore tailing (Waste, Tailing) will flow into the sediment trap and bring recycle water to be used again.

From the above mentioned ore dressing process, the minerals in the ore receiving tank are mixed with tin and other heavy minerals, therefore, to obtain a high percentage clean tin ore that can be sold at a good price, therefore, the ore must be taken from the receiving tank for cleaning by using a machine called Shaking Table. The mineral concentrate consisting of tin and magnetic minerals obtained from the shaking table will go through a magnetic separation process by using the Magnetic Separator to separate the ore that has the property to attach magnet until tin ore is obtained as required.





## (B) Impact on the environment

The production of tin ore has very small impact towards the environment. Due to the wide area of the mine, there are enough areas for the tailings piles occurred from the production process. In addition, there is also space available to build a water treatment pond for reuse in Production process and some water from the mine can also be diverted to share with the villagers in the mine neighborhood.

There is also a government agency called The Environmental Conservation Department (ECD) who enters to check the environment and the impact from the mining regularly for at least once a year.

## 2.1.3 Business of Manganese Mining Operation Service

The company has signed a contract for manganese mining and production service with May Plus 2005 Co., Ltd., the owner of Manganese mining license. The hiring contract is 4 years and 10 months starting from November 1, 2018. This contract is made under the name of Cholsin Company Limited, a direct subsidiary of the Company. The manganese mine area is in the concession license number 31257/16052 located in Inthakhin Sub-district, Mae Taeng District, Chiang Mai Province with a total area of 52 Rai 1 Ngan and 99 Square Wah which accounted for a total of 83,997 Square meters

### 2.1.3.1 Characteristics of Product or service

Manganese Ore processing is derived from substituting hot mineral water containing metals, manganese and iron to the internal components of the original shale (replacement) or similar hot mineral water accumulates along with the shale (precipitation). Then there is fracture, decay in the mineral layer which later is borne to accumulate quickly and form as a secondary mineral source. In the current mineral area, the average physical composition in a mineral consists of 60% shale and 40% manganese - iron ore. In some areas, this mineral layer may be found in lateritic soil mixed with manganese - iron ore beneath the mineral layer with a thickness of a gravel layer of about 10-20 centimeters.

Currently, Cholsin Company Limited, the Company is holding 88.19 percentage of shares, has been hired to produce manganese ore from May Plus Company.2005. The current products are Manganese ore of 0.5-1.0 mm., 1.0-3.0 mm., 3.0-5.0 mm., and 5.0-10.0 mm. The total production capacity of all 3 products is 800-1,000 tons per month.

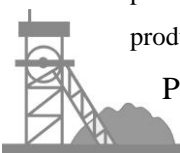
### 2.1.3.2 Marketing and competition

Contracting business for the mining and production of manganese ore requires personnel with knowledge, ability and expertise in the process design and selection of machinery. Therefore, there are very few operators of this type of business due to the limited quality human resources. In this regard, Thungkah Harbor Public Company Limited is a company that has expertise and experience in mining for more than 100 years of experience and therefore, it is competent and reliable in doing this type of business.

### 2.1.3.3 Procurement of products or services

#### (A) Product acquisition

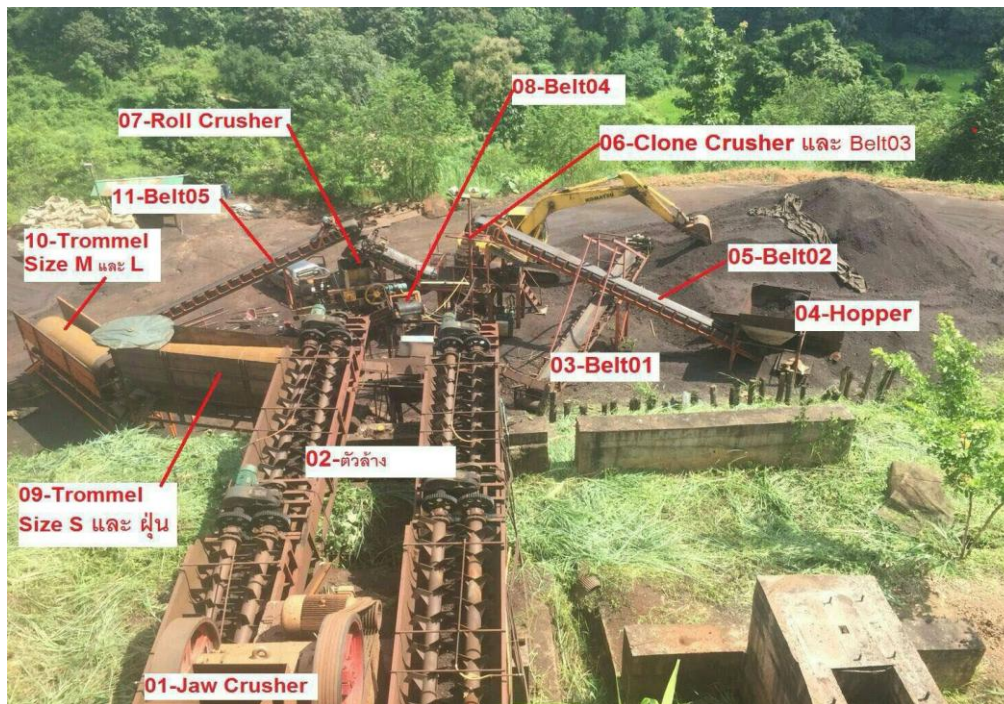
The general concession area is with a mountainous terrain and on the hill slopes with no water passage through the area. The altitude of the area is 430-460 Meters above mean sea level. The concession area is surrounded by longan and corn plantations. In the concession area, the land surface was excavated for mining and also for digging some ore deposits for production, especially in the middle of the area. In addition, the area has been adjusted for use in traveling within the







mine. The scope of responsibility of Cholsin Company Limited is the production of ores that are delivered from the mine by using the following procedures.



Working procedures of ore processing plants by machine sequence number

1. Jaw Crusher : Responsible for crushing ores from the work site
2. Log Washer (washer) : Ore that has been crushed by Jaw Crusher will be sent to this section for washing
3. Belt conveyor 01 : Washed ores will flow into the belt for sun dry
4. Hopper : Once the ores have dried, scoop the ores into the hopper to pass through the belt. (Machinery number 5)
5. Belt Conveyor 02 : Receive ores from Hopper to send to Cone Crusher (Machine no.6)
6. Cone Crusher : Ores scooped into the Hopper delivered via Belt Conveyor 02 will be crushed at the Cone crusher (machinenumber6) and forward to Belt Conveyor 03
7. Roll Crusher : Ores transported via Belt Conveyor 03 will be crushed repeatedly at Roll Crusher (machine no. 7).
8. Belt Conveyor 03 : Conveying ores that has been crushed from Roll Crusher to Trommel.
9. Trommel Size S : There are 2 layers of sieve in this trommel in order to sort the size of dust ores, S size ores (0.5-1mm.) and Ores that is larger than S size will be sent to the next trommel.
10. Trommel Size M, L : This trommel receives the large size ores from S Size Trommel in order to select the M size ores (1-3 mm.) and L size ores (3-5 mm.) Ores that are larger than L size will be conveyed by Belt Conveyor 05 to take back to crush again at Roller Crusher.

The project status is currently in the process of improving the efficiency of the machinery used in the production to support more ores production in the future.

### (B) Environmental impact

Manganese mining has very little environmental impact since the mine area is relatively flat. There are no forests or important plant lives in the area. The mining area is an area used extensively for agricultural such as longan and corn plantations. There is also a low density of population around the mining area. Manganese mining does not use bombs and chemical in its production processes, only water spraying is used to reduce the spread of dust caused by transportation and stone crushing.

Important measures to prevent and reduce environmental impacts, and work safety measures:

1. Working hours in each day are controlled to be only 6 hours to reduce the occurrence of dust in the air
2. Spraying water at different points in the stone crushing process helps to reduce the amount of dust
3. Planting trees around the project area which has already begun prior to the mining operation. This is to help reducing the amount of dust that is diffusing outside the project area.
4. The earth piles in the mining area are properly kept and the mine surface is adjusted and conditioned for a purpose of safety and restoration in future.
5. Foreemployees while performing their duties, protective equipment such as helmet, safety shoes, dust masks, etc., are provided. In addition, the company also provides an annual health check for mine workers.
6. Monitoring and measuring of dust intensity, sound level and water contaminant from the production process of the crushing plant are performed by the Pollution Control Department every 4 months. In addition, a report of rehabilitation plan with environmental impact will be provided and sent to the Provincial Industry and the Ministry of Natural Resources and Environment of the province twice a year.

### 2.1.4 Tin ore and other ore trading business

#### 2.1.4.1 Characteristics of products or services

Tin ore (Tin: Sn) is a metal among the IV<sup>4</sup> in the element table and is between the germanium and the lead. The pure tin looks like a silvery white solid with high softness. Tin has low melting point and can be mixed and sticks to other metals well, therefore, it is popular to use tin to coat or mix with other metals to help changing metal properties in various fields such as strength, corrosion resistance, rust prevention, etc.

#### *Benefits of Tin*

1. Metal coating to make food containers.
2. mixed with lead for solder
3. mixed with copper as bronze to make mechanical parts and Buddha amulets
4. Mixed with copper and antimony to make pewter
5. Mixed with zinc and antimony used to galvanized roofs.
6. Mixed with titanium and aluminum to make aircraft and spacecraft parts.
7. Mixed with zirconium to make a container for fuel sticks in an atomic reactor, use tin to coat steel sheets called tinplate
8. Used in industry such as production of solid glass, earthenware, coating ware, textiles, plastic, house paint.

For other by-products that the company has distributed is tantalite ore (Ta<sub>2</sub>O<sub>5</sub>)





Tantalite Ore ( $Ta_2O_5$ ), Tantalum compound or commonly known as tantalum ore is generally found forming together with niobium (Niobium) or Columbia (Columbium). Tantalum is a transition metal (Transition Metals) with a silver-gray color, a metal that has a very high heat resistance property. It is strong and tough with corrosion resistance. It is good for electrical and thermal conductivity and has a property of electrical capacitance. In addition, it can be used to mix with other metals.

#### *Benefits of tantalum*

1. Used for making Tantalum Capacitor Power used in the production of electrical capacitors.
2. Used in the form of tantalum metal) Tantalum Metal), making chemical tools and equipment which needs resistance. It is well resisted to chemical corrosion and different kinds of chemicals. It can be also used to make reagent containers and certain chemical compounds.
3. Used for making Tantalum Carbide that is hard and with good resistance to corrosion or mix with other carbide metals
4. Used for making alloys (Special Tantalum Niobium Alloy) specifically used in engines and the body of the spacecraft as well as vehicles that require to be resistant to heat caused by friction, such as airplanes, cars or high-speed trains. It can be also used for heating coils, condensers, valves and special metal pumps using tantalum mixed with other metals such as cobalt, iron, nickel, titanium and niobium, etc.
5. Used for making special tools or for other special purposes such as a bone connector or bone suture thread, surgery tools, tooth fillings, synthetic fibers and laboratory equipment, etc.

#### **2.1.4.2 Marketing and competition**

Since tin and tantalum ore are highly demanded in the market, no matter how much or how little the product is available, it can be bought-sold throughout the year. The buying and selling of tantalum ore is based on world market prices. The selling price of tin can be referenced from 3 acceptable sources which are the LME market (London metal exchange, Shanghai Market (Shanghai Metal Exchange (SHME), And the Malaysian market (Kuala Lumpur Tin Market (KLTM) and has a definite buyer market such as Thailand Smelting and Refining Co., Ltd. (Thaisarco), Malaysia smelting Corporation (MSC) and HC Starck (Thailand) Co., Ltd. with branches in many regions. etc.

#### **2.1.4.3 Procurement of products or services**

At present Tongkah Harbour Public Company Limited has purchased tin ore and other by-products Ngwe Kabat Myanmar Co., Ltd. in Republic of Union of Myanmar and brought into the ore dressing process for more purification by using Ore processing services at mineral processing factories in Chumphon, Prachuap Khiri Khan Province and Phang Nga province as seen appropriate to sell the processed ores.

#### **2.1.5 Business for sale of Pyrolusite and water system improvement**

The Pyrolusite ore is a dark-brown metal that is hard and brittle and contains a mixture of manganese dioxide of approximately 40.65%. In geology, Pyrolusite ore can be used for filtering water to eliminate metal substances. It can also be mixed with steel to make steel more tough, more flexible and more durable, such as railway tracks, excavator heads, forged steel drilling heads, etc. In addition, It is used for purifying steel.

Currently, Cholsin Company Limited has purchased Pyrolusite ore and sell it to agencies that involved in the water production in the country. In the future, the group of customers will be expanded to other regions in neighboring countries such as Cambodia, etc., including providing wholesale to water treatment systems operators in different regions both domestically and internationally.



## 2.1.5.1 Characteristics of Products or services

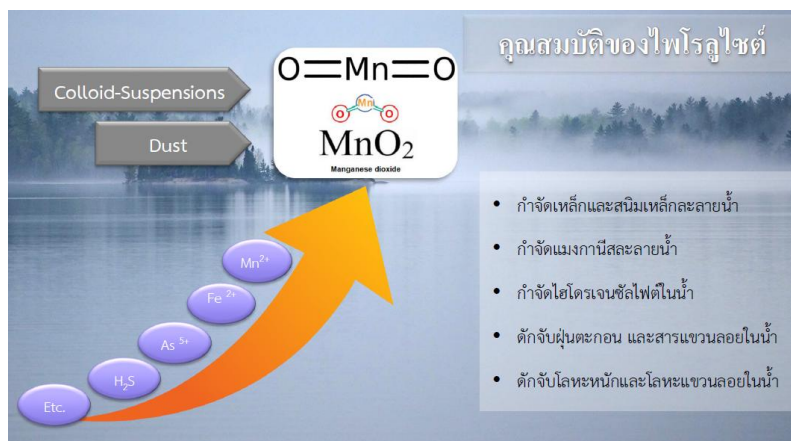
The buying-selling of Pyrolusite ores was registered as a mineral purchasing shop by using the name of Cholsin Company Limited. The scope of work is the sale of Pyrolusite to the water filter system operators by focusing on the water production for consumption where underground water is a raw water source. In addition, the service for filter replacement is also provided to different organizations such as schools, factories, and provincial administrative organizations, etc.

Pyrolusite ore has the following characteristics, composition, and properties.



Pyrolusite is the name of an ore from the Greek word Pyro meaning fire, and Lousis meaning washing which refers to the use of Pyrolusite to remove tints from glass. Most components are Manganese dioxide ( $MnO_2$ ) of approximately 40-65% by weight. Pyrolusite comes either in a shade of black or dark brown. It is hard like sand, rough sizes, metallic luster, and amorphous appearing. Most of Pyrolusite are found in a granular, fibrous or columnar structure, but sometimes may reform into crusts. The powder color is black or bluish-black streak and readily soils the fingers.

Since Pyrolusite has a variety of arrangements, a large surface area is available for the absorption and oxidation of iron and dissolving manganese in water. Pyrolusite can get rid of iron at higher concentrations 20 milligrams per liter. In addition, it is an adsorbent that can be recovered by backwashing so that the absorbent expands to scrub the filter and for the filter to be rearranged. It also increases the surface area to maintain the absorption of iron and manganese. In addition, Pyrolusite minerals can filter dust, absorb arsenic ( $As^{2+}$ ) and hydrogen sulfide ( $H_2S$ ).



The picture shows the properties of Pyrolusite

### Physical Specification (Characteristics of Pyrolusite)

Volume $MnO_2$	40-65%	
specific gravity (Specific Gravity)		4.72
Shipping Weight (kg/L)	40kg/L	
Effective size	8-20 mesh	



Size S 0.5-1 mm.



Size M 1-3 mm.



Size L 3-5 mm.







Density(Density)	1,922 kg/m <sup>3</sup>
	(120 Pond/ft <sup>3</sup> )
Bulk density	4.91 MT/m <sup>3</sup>
Specific Surface Area (m <sup>2</sup> /g)	
Size S (0.5-1 mm.)	145 m <sup>2</sup> /g
Size M (1-3 mm.)	106.3 m <sup>2</sup> /g
Size L (3-5 mm.)	140.99 m <sup>2</sup> /g
Total pore volume (cm <sup>3</sup> /g)	
Size S (0.5-1 mm.)	0.1915 cm <sup>3</sup> /g
Size M (1-3 mm.)	0.1407 cm <sup>3</sup> /g
Size L (3-5 mm.)	0.2362 cm <sup>3</sup> /g
Micro pore size (nm.)	
Size S (0.5-1 mm.)	5.283 nm.
Size M (1-3 mm.)	5.297 nm.
Size L (3-5 mm.)	6.7 nm.
Backwashingrate	25-30 gallons /minute/ft <sup>2</sup>
Decayrate	2-3 % /year

### 2.1.5.2 Marketing and Competition

#### (A) Policy and marketing characteristics

Currently, the overall trend of the demand for Pyrolusite is higher due to the use, development and improvement of water filtration systems in rural and remote areas both domestically and internationally. To enable people to receive water as WHO standard for safe use, water purifiers using pyrolusite are the equipment that plays a role in keeping the water clean, which is considered as one of many developments that most people are aware and give more importance to health resulting in the more market expansion.

For Pyrolusite ore, the current target group are departments, companies, organizations involved in water production. By focusing on the customers who use water from the underground water source, mainly in the country and abroad as per the given sample pictures of the previous work;

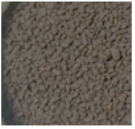


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## (B) Competition

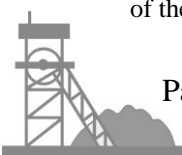
Generally, in the market, water filters that are used for removing rust and iron and manganese contaminated in water are available in 3 types which are Manganese Green Sand, Manganese Zeolite, and Pyrolusite. When comparing the properties, it was found that Pyrolusite ore has superior properties in filtering that can filter many substances with a higher filtering rate and can be easily maintained. Also, it has a long working life and the most important thing is that the cost of using Pyrolusite is twice cheaper than other types of filters. This is considered as a competitive advantage, as shown in the table comparing the properties and prices between pyrolusite, manganese, green sand and zeolite manganese.

The table shows the comparison of properties and prices between pyrolusite, manganese, green sand and zeolite manganese.

Form of filter	Filter ability	Filter rate (Filtration Rate)	Care	Lifetime to backwash 1 time	Lifetime	Total Cost ที่ at 2 years
 ไพโรลูไซต์	<ul style="list-style-type: none"> <li>- Manganese</li> <li>- Iron</li> <li>- Hydrogensulfide</li> <li>- Arsenic</li> </ul>	300-600	- Clear back	314 hours	2 years	4X
 แมงกานีส กรีนแซนด์	<ul style="list-style-type: none"> <li>- Manganese</li> <li>- Iron</li> <li>- Arsenic</li> </ul>	22-23	<ul style="list-style-type: none"> <li>- Clear back</li> <li>- Performance recovery with potassium permanganate</li> <li>- Increase efficiency with chlorine injection.</li> </ul>	73 hours	4 months	6X
 แมงกานีส ซีโอไลต์	<ul style="list-style-type: none"> <li>- Manganese</li> <li>- Iron</li> <li>- Arsenic</li> </ul>	22-23	<ul style="list-style-type: none"> <li>- Clear back</li> <li>- Performance recovery with potassium permanganate</li> <li>- Increase efficiency with chlorine injection.</li> </ul>	73 hours	6 months	8X

### 2.1.5.3 Procurement of products or services

The Cholsin Company Limited has procured pyrolusite from May Plus 2005 Company Limited to distribute to both large and small water filter system manufacturers since the company foresees that pyrolusite mineral can substitute other types of the filter substances in the aspect of price and standard of water treatment.







## 2.2. Real estate development business



### 2.2.1 Description of products or services

#### 2.2.1.1 Housing and commercial building projects

##### (A) The Bay skycliff Project

The Bay Skycliff project is located in Mueang district, Phuket. It consists of 32 housing units and 24 commercial buildings. The total project value is approximately 346 million baht. The project is located in a good location in Mueang district, Phuket, therefore, it is surrounded by many facilities such as public parks and stadiums of the province, colleges, shopping centers and many government offices. The company's policy is to sell the project to middle income people. Currently, the project has been completed and sales have been closed at approximately 73%.



#### Commercial building project

Project : The Bay District

Project : "The Bay District", located in Phuket is a commercial building project of 9 units. The project value is approximately 62.10 million baht. Currently, the project has been completed and sold approximately 56%.



## 2.2.2 Marketing and Competition

The company has conducted market and competitor analysis regularly both the conditions and various statistics that are the indicators of the trend of real estate business based on past data and projections from reliable public and private sectors. In addition, the company also conducted surveys and collected data from competitors around Phuket for effective project development and to keep up with the competitors in the market.

However, the current real estate market conditions are slow moving because most buyers are informed of the news that affects their buying decisions such as land and building tax which will be started in 2020, measures to set the credit limit on Loan-to-Value (LTV) of the Bank of Thailand (BOT) which affects the down payment of the buyer, the increase in interest rates, policy and the situation of Phuket tourism that has fewer tourists.

In the past year, the company has a marketing policy for real estate by adding more advertisements to the neighboring area of the project as well as public areas that are crowded such as Phuket Airport. This is to create brand awareness for consumers.

## 2.2.3 Procurement of products or services

### 2.2.3.1 Land Acquisition

Having its original land, the company foresees business opportunities in making the investment in developing housing projects without having to invest very high and being able to expect for a valuable return. The projects are on an outstanding location within the Mueang district, Phuket, therefore the company has strengths and advantages over other competitors in this market. The company has also searched for additional land with good location at a competitive price to develop other real estate projects both for sale and/or for rent. The company studies the appropriateness for the project development to ensure it will be released to the market at the most appropriate time.

### 2.2.3.2 Procurement of Construction Materials

Most of the construction materials are procured by the main contractor to procure good materials at reasonable prices. The company has created a database of construction materials prices, which are obtained from government agencies and other reliable sources. The company works closely with reliable suppliers who deliver quality products and on time in a suitable budget. However, in some cases, the company has also procured some materials on its own.

## 2.3.3 House delivery

Houses and commercial buildings that have been sold and delivered since the beginning of the project until the end of the year 2019 are as follows:

Project/Type of House	Project Sales summary									
	Year 2015		Year 2016		Year 2017		Year 2018		Year 2019	
	No. of houses	%	No. of houses	%	No. of houses	%	No. of houses	%	No. of houses	%
The Bay Project – Phase I										
Commercial buildings	10	41.67	10	41.67	-	-	1	4.17	1	4.17
Home – Type A – 12 units	1	8.33	2	11.67	-	-	1	4.17	-	-
Home – Type B – 20 units	3	15.00	6	30.00	4	20.00	-	-	2	8.33

Project/Type of House	Project Sales summary									
	Year 2015		Year 2016		Year 2017		Year 2018		Year 2019	
	No. of houses	%	No. of houses	%	No. of houses	%	No. of houses	%	No. of houses	%
The Bay District (Kwang Road)										
Commercial Buildings – 9 units	-	-	1	11.11	-	-	3	33.33	1	11.11





### 2.3. Production and sale of renewable energy business



The company is engaged in the production and distribution of electricity generated from solar power energy, 1 project with a capacity of 5MW.

#### 2.3.1 Characteristics of product or service

The Group of company operates in the production and distribution of electricity from alternative energy to sell to the government agency which is the Provincial Electricity Authority (PEA) in accordance with the policy to support the production and use of renewable energy with the following details;

Project	Production size	status / project progress
1. Solar power plant 5 megawatts Chumphon	Commencing for COD	Since 27 December 2018

#### (1) 5 Megawatts Solar Power Plant – Chumphon :

- Operates the business under Sawasdee Energy Holding Company Limited, an indirect subsidiary of the Company as a “Very Small Power Producer” (VSPP). The project is located at 126 Moo 10, Phatoh Sub-district, Phatoh District, Chumphon Province with a total area of approximately 50 Rai.
- Entered into a Power Purchase Agreement (PPA) between Sawasdee Energy Holding Co., Ltd. and Provincial Electricity Authority (PEA) for a 25-year contract.
- Commenced the Commercial Operation Date (COD) on 27<sup>th</sup> December, 2018
- Receive tax benefits from the Board of Investment (BOI) to be exempted from corporate income tax for 8 years from the date of earning an income.

#### Benefits from receiving the promotion from the Board of Investment (BOI)

Type of business that receives the Promotion	Promotion Certificate No.	Production Capacity that receives the Promotion	Date approved by the Committee
1. Solar power	61-0843-1-00-1-0	5 Megawatts	18 <sup>th</sup> July 2018

The rights and benefits received from the investment promotion for the Solar Power Generating business, category 7.1.1.2 : Electricity generating business or electricity and steam generated from renewable energy; except waste or fuel generated from waste are as follows:

1. The company has been granted the right to permit the aliens who are skilled craftsmen to enter the Kingdom to work in their positions for the permitted duration during their employment.
2. The company receives an exemption of machinery import duty as approved by the Board.
3. The company receives an exemption of corporate income tax on net profits from the operation that received the business promotion of totaling not more than a 100% of the investment excluding cost of land and working capital for 8 years commencing from the date the business earns from its operation.
4. The company that receives the promotion is granted an exemption not to use dividends incurred for tax calculation throughout the period of corporate tax exemption.







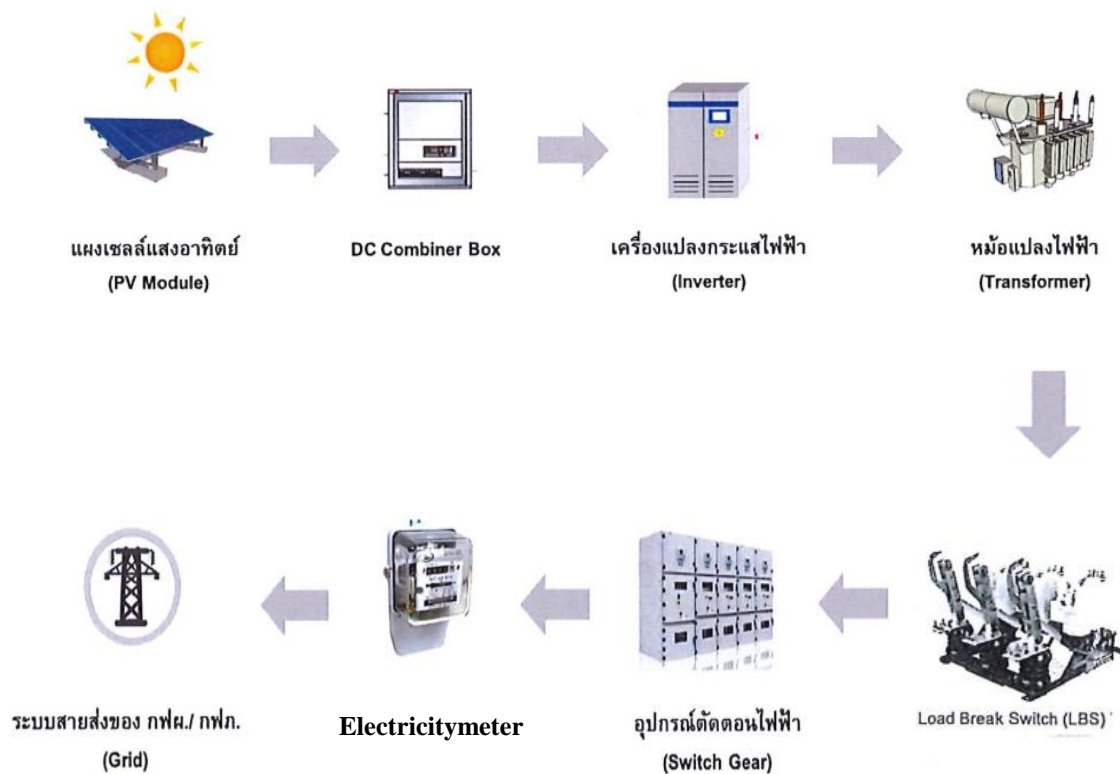




### Electricity production process

The company's current solar power plant uses solar cell power generation technology or Photovoltaics which is an energy conversion from sunlight into electrical energy by using Solar cells (Solar cell or Photovoltaic cell (PV)) with details of electricity production process as follows.

Diagram showing the process of electricity production from solar energy by Photovoltaics method



## 2.3.2 Market and Competitive Situation

### 2.3.2.1 Marketing policies and characteristics

Nowadays, the overall demand trend for the electricity continues to rise, and it is rising at a rate that is higher than the expansion rate of the power production capacity. Therefore, the government sector must make an expansion plan to support the future utilization. The expansion plan has included renewable energy. The Ministry of Energy therefore has improved the renewable energy development and Alternative Energy Development Plan (AEDP) Year 2036. The said plan requires that Thailand must have electricity produced from renewable energy in Year 2036 for a total of 19,684.40 Megawatts.

### 2.3.2.2 Competitive Situation

The Company's current business of producing and selling electricity is considered as the business that does not have direct competition with other operators as the Company sells all produced electricity to the government's electricity agency that is Provincial Electricity Authority (PEA) as specified in the Power Purchase Agreement (PPA) between the Group of Companies and the Government Sector. The company has a strong ambition to be a leading company in the alternative energy production by selecting quality manufacturers for the equipment and technology so that Company's power plant project can operate efficiently and be able to distribute electricity consistently and stably.

### 2.3.3 Procurement of Products or Services

The Company acquires construction equipment for the solar power plant business from both locals and overseas, such as PV Module, Inverter, Switch Gear, Combiner Box and Scada System. Those devices have been selected with good quality and reasonable price.

## 3. Risk Factors

Tongkah Harbour PCL. Recognized the importance of risk management of the business caused by internal factors and external factors to minimize impact to an acceptable level by the Company and its subsidiaries. The risk factors areas follows:

### 3.1 Mining

#### 3.1.1 Andesite Mining Business

##### 3.1.1.1 Risk competitors

The production site in the rocky Andesite, Saraburi. The entrepreneur who brought the stone to the construction of transport systems in central Thailand. Due to the location and geological features, the igneous rock types Andesite site which is distinguished from the nearby area, mostly lime stone sedimentary rock type sand other igneous which has the ability to apply different by Andesite quarry site of the company has an advantage in the market, the company managed. No risk of competitors in Saraburi province and central Thailand.

##### 3.1.1.2 Risk opportunity to expand their customer base.

According to the government's demand for making stone-increasing steadily. As a result, the market shortage of stone in the project. However, the Company has reviewed the issue price of the stone regularly to suit the market condition at all times, reduces the risk of the opportunity to expand it.

##### 3.1.1.3 Risks that will cost a lot.

The company has accumulated a stock of stones is increasing. This is a result of an increase in working hours and improved equipment for higher capacity to arrange delivery to meet customer needs. The company is considering investing in capacity expansion project at a later date.







#### **3.1.1.4 Environmental risks and the Masses**

Environmental risks find that there was no much impact due to the location of the quarry in the valley. The landscape features that can be used as a line of defense against the impacts of production and also stay away from the school, community and make a quarry continues to operate normally produced under the regulations of the relevant authorities.

#### **3.1.1.5 Credit Risk**

The Company's risks which may result from charging the debtor or the debtor does not comply with the conditions set so the Company's hedging policy may occur in the future. The process of considering granting credit to trade accounts receivable to be tightened even more. A collection of collateral, such as cash, check or bank guarantee from a financial institution to control and keep track of payments from debtors closely.

### **3.1.2 Tin Mining**

#### **3.1.2.1 Financial Risks**

The Company Contract manufacturing offshore tin mining requires huge investments, so it is quite risky, however. The company plans to prevent and reduce risk. By hedging, a contract mining company with extensive contracts. The partner companies will have to pay compensation at all if the operation does not conform to the contract, such as the amount of ore mined is found or if the company has canceled its contract mining prematurely.

#### **3.1.2.2 Risk from changes in government policies, regulations, and laws**

Due to the Company contracting for mining and producing tin ore in the Republic of Union of Myanmar whose political and governing system is different from Thailand, there is a risk of legal or regulatory changes that might be imposed on the Company. Therefore, the Company has established some guidelines to prevent risks by analyzing government policies and the impacts on the Company. Moreover, there is a secondary plan to support the said changes by updating laws or regulations consistently and by following up closely.

#### **3.1.2.3 Risk from restrictions on doing business in the Republic of the Union of Myanmar**

The Republic of the Union of Myanmar is a country that requires personnel with information technology knowledge and experience since the country has fallen behind in the structure of network system causing unfavorable access to information technology in the business sector which may affect the Company's production service. However, the Company has supporting measures to reduce the risk by building business alliances with IT service providers in the Republic of the Union of Myanmar which will help streamline the Company's production services.

### **3.1.3 Trading business of tin ore and other mineral products**

#### **3.1.3.1 Economic risk**

Currently, the buying – selling of various tin ore and various mineral byproducts is based on the world market price. The risk on price usually occurs when the economy fluctuates. Therefore, the Company has prevented such risks by finding other backup markets in many places and by selling other mineral byproducts instead of selling tin during the time that tin price weakens.

### **3.1.4 Manganese mine production business**

#### **3.1.4.1 Political and administrative risk**

Mining and mine trading business in Thailand must be conducted under the Mineral Act. 2017. Nevertheless, the business will be at risk when the law is changed or special regulations are announced. Therefore, the Company establishes risk prevention measures by providing legal update every 6 months and closely monitor changes in legal matters.

#### **3.1.4.2 Environmental and mass risk**

Environmental risk is found to give less impact. Generally, the risk is usually caused by the mining process which produces dust particles and disturbing noise to the villagers in the mining neighborhood. Therefore, while operating the



mining, the Company controls dust particles by making dust prevention equipment, spraying water while the machine is working, and reducing mineral production hours in order to reduce side effects from dust and noise.

### **3.1.5 Business of selling Pyrolusite**

#### **3.1.5.1 Transportation risks**

To operate a buying-selling business for Pyrolusite, a relationship with transportation must always be formed. Therefore, the risk may arise from a delay transportation, not as per set target or from the accidents while transporting goods. Therefore, the Company creates risk prevention measures by using standard quality carriers as well as arranging insurance for products while transporting.

#### **3.1.5.2 Competition risk**

At present, the use of Pyrolusite in water filtration systems has become widespread. In addition, with competing products occurring all the time, the Company therefore has measures to reduce the risk by developing product quality to suit retail customers (household units) and large customers (industry).

## **3.2 Property Development Business**

### **3.2.1 Business housing and commercial buildings**

#### **3.2.1.1 The risk of creating pre-sale.**

Land Phuket, Which THL Company believes that such land is likely to develop quickly. And to generate revenue for the company later on. 89 Capricorn Golden Limited, a subsidiary has purchased the said land and has developed into housing projects and commercial buildings 56. units under the program " The Bay Skycliff "across the street and the building of 9 units under the project" The Bay District "is completed. And deliver to customers the most.

However the land in Mae Sot, Tak and Phuket. This is a project for the future in the form Townhouse and Condo House is still a risk of creating pre-sale. The need to invest a lot prior to the recognition of revenue and cash inflow. The company may also face liquidity problems. Problems changing consumer behavior. Moreover, there is still the risk of external factors. As the real estate business has dominated the race locked up. However, the company has reduced the risks by studying consumer behavior thoroughly to study the needs of target customers especially like the location, format and project levels, etc. It aims to develop turnkey projects to meet the needs of different. customers The Company expects that the company can provide. And meet the needs of our customers in full.

#### **3.2.1.2 The risk of investment.**

The expansion of property development, such as the launch of new projects. The high risk Whether the cost is high. Since the acquisition of land, construction, sales, etc. Therefore, in order to prevent or reduce the risk, the Company has the following process steps are to study the feasibility of the project. A risk assessment of the economic situation in the region by the potential. The market demand Including the ability to purchase consumer. By the client's income on bank lending. Before starting a new project.

#### **3.2.1.3 Risks of conducting state.**

The current procedureNature of Business The company's property development business risk to be affected by changes to the law. And policy makers from the public sector. The process of the government. Whether it is the law on environmental protection. Law on Urban Planning Act Are factors that are beyond our control, which may affect the development of new projects of the Company, the Company plans to reduce risk. By giving priority to the selected location. Learn to change the policy of the state. And monitoring the various legal restrictions. Involved before investing To be able to plan the project properly if there is a change in law or government policy.





### 3.3 Production and sale of renewable energy electricity

#### 3.3.1 Renewable Energy Business

##### 3.3.1.1 Risk from Masses

Nowadays, problems arose from masses have become more intense and have alerted all sectors in the society. Conducting this type of business, the Company is fully aware that there are risks relating issues from masses, occupational safety and health, including the quality of life of the surrounding communities. As for this, the company has mitigated the risks and impacts by conducting public hearings with the surrounding communities in the area to do such energy projects.

In addition, the Company also has a CSR policy that focuses on living in harmony with the communities where the company runs the business

##### 3.3.1.2 Financial risks from the operation of power plant project

As there is a company from China investing in machinery and providing financial support for the construction in the Solar Power Plant Project in Chumphon Province, the Company, in the future, will have higher debt burden. Therefore, The Company has to manage its operations and cash flow in order to be able to pay debts in this part duly. Being aware of such risk, the Company intends to use cash flow concisely and in accordance with the plan so that the financial risk of the project and the company can be reduced.

#### 4. Assets used for business operations

Assets use for Company and its subsidiaries' operation, the cost and net book value as per Consolidated Financial Statement as of 31 December 2019 are shown below:

##### Land, Buildings and equipment

Type of asset	Net book value (million Baht)	Ownership	Obligation
Land and land improvement	69.24	Owned by the company	No obligation
Buildings and building improvement	35.51	Owned by the company	No obligation
Decoration and office equipment	2.88	Owned by the company	No obligation
Machinery and equipment	237.25	Owned by the company	No obligation
Vehicles	12.10	Owned by the company	No obligation
Cost of demolishment, relocation and renovation	-	Owned by the company	No obligation
Others	0.47	Owned by the company	No obligation
Work in progress – Construction, Machinery –under installation	164.75	Owned by the company	No obligation
<b>Total</b>	<b>522.20</b>		



## 4.1 Mining Business

### 4.1.1 Main Permanent Assets

Assets use for Company and its subsidiaries' operation, the cost and net book value as per Company's Financial Statement as of 31 December 2019 are shown below:

#### Land, Buildings and equipment

Type of asset	Net book value (million Baht)	Ownership	Obligation
Land and land improvement	34.47	Owned by the company	No obligation
Buildings and building improvement	27.22	Owned by the company	No obligation
Decoration and office equipment	1.70	Owned by the company	No obligation
Machinery and equipment	63.40	Owned by the company	No obligation
Vehicles	11.66	Owned by the company	No obligation
Cost of demolishment, relocation and renovation	-	Owned by the company	No obligation
Others	0.47	Owned by the company	No obligation
Work in progress – Construction, Machinery –under installation	164.33	Owned by the company	No obligation
<b>Total</b>	<b>303.25</b>		

Details of Company's main assets

#### 4.1.1.1 Land and land improvement

As of 31 December 2019, total land is 106 Rai 7 Ngan and 23.8 square wah, net book value is 34.47 million Baht, net book value of improved land is 13.77 million baht. Total net value of land and improved land is 48.24 million baht.

Details of land

Province that the land is located in	No. of plot	Area (Rai- Ngan-Square wah)	Net book value (million baht)	Ownership	Obligation
Phuket	3	11-2-64.8	11.15(89 C)	Company	With bank guarantee
Saraburi	4	88-3-89.0	22.05	Company	No obligation
Chumporn	1	7-0-70.0	12.42	Company	No obligation
<b>Total</b>		<b>106-7-23.8</b>	<b>34.47</b>		

**Remarks :** 100 square wah = 1 ngan, 4 ngan = 1 rai, 1 rai = 1,600 square meter, 1 square wah = 4 square meter





#### 4.1.1.2 Buildings and building improvements

Buildings and building improvements of the company located at 252/11 Muang Thai-Phatra Building 1, Floor 7, Ratchadaphisek Road, Huai Khwang, Bangkok, area 1,844.69 square meters, cost price is 63.68 million baht as of 31 December 2019 with net book value of 15.66 million baht

#### 4.1.1.3 Construction work in progress and machinery under installation

Net book value of 164.33 million baht for construction work in progress and machinery under installation, most of which are two machines for tin producing in Myanmar for the production of tin ore.

### 4.1.2 Intangible assets

#### 4.1.2.1 Andesite Mining Concession License

Andesite Mining concession license that the company has already received as follows

Concession number	area			Expiration date	status
	Rai	Ngan	Square wah		
28676/15268	88	3	81	23 May 2024	-
**28675/15632	154	2	67	21 Jan 2017	Under renewal

\*\* Sublease from Sintana Resources Company Limited

Renewal of concession license no. 28676/15268 was the company's significant progress. As for the licence no. 28675/15632 is in the process of renewal. The renewal enabled the company to submit the sale of various kinds of stone products to the large users in the double track railway projects according to government policy that requires them to use company's product because the Andesite stone has high strength and more durable compared to lime stone used in general construction.

Concession certificate number 28675/15632, appraising procedure for economic evaluation reports for permitting the concession certificate and the appropriateness of the technology used in operating the mining, has been approved. Currently, the Company is in the process of renewing the agreement for land use in Phra Phutthabat Industrial Estate, Saraburi province, which was expired on 15 December 2018. The renewal of the contract was submitted to the Department of Social Development and Welfare on January 21, 2020. Currently, it is waiting for the Board's consideration.

### 4.2 Realestate development business

#### 4.2.1 Main fixed assets

As of 31 December 2019, the main assets used in the business are land and costs during the development of commercial buildings. Houses and commercial buildings with land for sale under inventories are shown below:

Asset type	Net book value (Million baht)	Ownership	Obligation
Land under development	153.50	Own	No obligation
Houses and commercial building with land for sale	94.99	Own	No obligation
Development costs	83.33	Own	With mortgage obligations
<b>Total</b>	<b>331.82</b>		

#### 4.2.1.1 Land under development

Land under development is the cost of land purchased including land commission fees. As of 31 December 2019, a net book value is 153.50 million baht.

## 4.2.1.2 Houses and commercial buildings with land for sale

Houses and commercial buildings with land include houses for sale and commercial buildings and land for sale in real estate projects. As of December 31, 25 62 houses and commercial buildings have a net book value of 94.99 million baht, with the following details:

Asset type	Net book value (Million baht)	Ownership	Obligation
House and commercial building project The bay skycliff	74.15	B. 89 Capricorn	No obligation (House not yet sold)
Commercial building project The bay district	20.84	B. 89 Capricorn	Guaranteed loan of 28 million
Total	94.99		

## 4.2.1.3 Costs during development

Asset type	Net book value (Million baht)	Ownership	Obligation
Commercial building project - The Grand Marn-NHIC	1.93	B. 89 Capricorn	With mortgage obligations
Project - The Tree Mae Sot	81.40	Skycliff Co., Ltd.	No obligation
<b>Total</b>	<b>83.33</b>		

## 4.3 Investment policy in subsidiaries and associated companies

### 4.3.1 Investment policy

The company has a policy to invest in subsidiaries that have the potential to support the business of the group. The subsidiaries should have high growth, profitable potentials, and low risk. This is to strengthen the group for further business expansion. To invest in various businesses or projects, the Board of Directors will consider and approve according to proceeding authority.

### 4.3.2 Management policy

As a normal practice, a major shareholder will appoint an agent to be a director in a subsidiary and an associated company, in which the proportion of the appointed committee will depend on the shareholding in that company. Therefore, the subsidiary and associated companies will have a board of directors consisting of directors who are representatives from shareholders who determine business management policies in that company. Never the less, since the company is a major shareholder, it has the power to control the operations of subsidiary companies.

## 5. Legal dispute

### Pending lawsuits or disputes

5.1.1 Revocation of a loan act and share pledging between the Company, held shares in Sea Minerals Limited, with its subsidiaries and 2 related companies, was filed.

On May 11, 2012, a company that is in connection with a former director sent a notice to the Company claiming that the Company has an overdue loan of Baht 56.80 million as per the loan agreement and will enforce the share pledge of the Company held in its subsidiary (Sea Mineral Limited). On June 28, 2012, the said related company enforced the share pledge by issuing a public auction. As for the auction, the related company was the only bidder and won the bid at Baht 18.5 million.

The current Board of Directors of the Company agreed that the three loan agreements and the three share pledge agreements as referred by the related company including the former director of the company who took the share certificates from the company for public auction are unlawful agreement and deed that cause damages to the Company. Hence, the Company filed a lawsuit against the two related companies and against the former director of the Company. Details are as follows:

- (1) On 15 June 2012, the Company notified a complaint as a criminal case to the investigating officers of the Sutthisan Police Station for the charge of stealing other people's documents (share certificates) in a







manner likely to cause damage. However, as the former executives did not show up as per the issued summons, the inquiry official, therefore, issued an arrest warrant.

Later, the Company brought the case to be filed as a criminal case to the court, a black case number 3574/2558. The Court of First Instance had its verdict to dismiss the case. Regarding the case of share certificates, related companies will have the right to enforce pledge by putting up at auction whether or not rightfully shall be sued in a civil way.

The Company appealed the case. The Court of Appeals upheld the judgment of the Court of First Instance. The case was final.

- (2) On 25 September 2012, the Company filed a civil case requesting for the revocation of legal acts for 3 loan agreements and 3 pledge agreements. During the court's consideration, the company filed the case for the business rehabilitation. The court ordered to dispose the case.

The two related companies brought the debt under the 3 loan agreements as mentioned above and filed an application for repayment with the Official Receiver in the business rehabilitation case. The Official Receiver ordered that according to the loan agreements No. 1 and 2 the subsidiary borrowed and the debt has completely been settled. The third contract is a contract that is not dated (date, month, and year of the contract), only the signature of the notary of the lawyer, therefore, it cannot be claimed for debt repayment and it was ordered to dismiss the petition accordingly.

The two related companies filed objections to the court's order with the Central Bankruptcy Court. Later, the Central Bankruptcy Court dismissed the petition. Both related companies did not appeal against the order. The case was final.

From the above decision of the Official Receiver, both related companies could not bring all 3 loan agreements to file a case and force the Company to repay the debt. Therefore, civil litigation is not beneficial to the Company and therefore the case is final.

- (3) On 26 October 2012, the Company filed a civil case requesting to withdraw the auction of the Company's share certificate. During the court's consideration, the Company has filed the business rehabilitation case. The court ordered to dispose the case.

Later, the Company exited the business rehabilitation plan and will continue taking legal action. However, since the related company has been removed from the registrar as a company (abandoned company) by the register officer, therefore it is no longer a juristic person. Thus, to continue taking civil action, petition must be submitted to the court requesting that the company return to its original state otherwise the case cannot be brought forward.

- (4) On June 12, 2013, the Company filed a Criminal Case for 2 charges of false statements in the documents following the Securities and Exchange Act. The case is under the inquiry of Inquiry Officer.

## 6. General and other important information

### 6.1 Company information of Tongkah Harbour Public Company Limited

Company name	Tongkah Harbour Public Company Limited
Head office location	7 <sup>th</sup> Floor Muang Thai-Phatra Office Building 1 252/11 Ratchadaphisek Road, Huai Khwang Bangkok 10310 Thailand
Business type	Comprehensive mining management business
Company registration number	0107537002087 (Original PLC. 455)
Phone	+66 (0) 2 695 4912-28
Fax	+66 (0) 2 694 4420
Website	www.tongkahharbour.com
Email	info@tongkahharbour.com
Registered capital	20,661,397,549 baht, divided into ordinary shares 20,661,397,549 shares At a par value of 1 baht per share
Paid up capital	20,661,397,549 baht, divided into ordinary shares 20,661,397,549 shares At a par value of 1 baht per share (As of 31 December 2019)



## 6.2 Information of subsidiaries

Presently, TongkahHarbor Company Public Company Limited has 7 subsidiary companies and the list of directors of each company as per attachment 2.

### 6.2.1 Cholsin Company Limited Information

Company name	Cholsin Company Limited
Headofficelocation	7 <sup>th</sup> Floor Muang Thai-Phatra Office Building 1 252/11 Ratchadaphisek Road
HuaiKhwang	Bangkok 10310 Thailand
Phone	+66 (0) 2 695 4912-28
Fax	+66 (0) 2 694 4420
Business type	Contracting for stone grinding, Contracting for Manganese mine production, Selling Pyrolusite and Improvingwatersystems
Registered capital	334, 181,000 baht, 3,341,810 common shares, 100 baht per share
Paid up capital	334, 181,000 baht, 3,341,810 common shares, 100 baht per share
Shareholder	88.19% held by TongkahHarbour Public Company Limited

### 6.2.2 Skycliff Company Limited Information

Company name	Skycliff Company Limited
Headofficelocation	7 <sup>th</sup> Floor Muang Thai-Phatra 1 Office Building 252/11 Ratchadaphisek Road
HuaiKhwang	Bangkok 10310 Thailand
Phone	+66 (0) 2 695 4912-28
Fax	+66 (0) 2 694 4420
Business type	Propertydevelopment
Registered capital	211, 927,200 baht, 2,119,272 ordinary shares, 100 baht per share
Paid up capital	211, 927,200 baht, 2,119,272 ordinary shares, 100 baht per share
Shareholder	94.99% held by TongkahHarbour Public Company Limited

### 6.2.3. Sea Minerals Company Limited Information

Company name	Ocean Resources Company Limited
Headofficelocation	7 <sup>th</sup> floor, Muang Thai-Phatra 1 Office Building 252/11 Ratchadaphisek Road
HuaiKhwang	Bangkok 10310 Thailand
Phone	+66 (0) 2 695 4912-28
Fax	+66 (0) 2 694 4420
Business type	Tinorein the sea
Registered capital	105,461,600 Bahtordinaryshares 1,054,616 shares at a price of 100 baht per share
Paidupcapital	105,461,600 Bahtordinaryshares1,054,616 shares at a price of 100 baht per share
Shareholder	99.99% held by TongkahHarbour Public Company Limited

### 6.2.4. 89 CapricornDevelopment Company LimitedInformation

Company name	89 CapricornDevelopment Co., Ltd.
Headofficelocation	Phuket Town, PhukphanHin, Phuket Road, Talat Yai Subdistrict, 83000
Phone	076-212355
Fax	076-212355
Business type	Propertydevelopment
Registered capital	315, 000,000 baht, ordinary shares 3,150,000 shares, value of 100 baht per share
Paidupcapital	315, 000,000 baht, ordinary shares 3,150,000 shares, value of 100 baht per share
Shareholder	99.90% held by Skycliff CompanyLtd.

### 6.2.5. THL Power Company Limited Information

Company name	THL Power Company Limited
Headofficelocation	7 <sup>th</sup> floor, Muang Thai-Phatra 1 Office Building 252/11 Ratchadaphisek Road
Phone	+66 (0) 2 695 4912-28
Fax	+66 (0) 2 694 4420
Business type	Investment inrenewableenergyelectricitybusiness
Registered capital	100, 000,000 baht, 1,000,000 ordinary shares, 100 baht per share
Paidupcapital	69,300,000 Bahtordinaryshares693,000 shares at a price of 100 baht per share
Shareholder	98.00% held by TongkahHarbour Public Company Limited





### 6.2.6. Sawasdee Energy Holding Company Limited Information

Company name	Sawasdee Energy Company Limited
Headoffice location	7 <sup>th</sup> Floor, Muang Thai-Phatra 1 Office Building 252/11 Ratchadaphisek Road Hua y Khwang, Bangkok 10310 Thailand
Phone	+66 (0) 2 695 4912-28
Fax	+66 (0) 2 694 4420
Business type	Producing and selling renewable energy
Registered capital	100,000,000 baht, 1,000,000 ordinary shares, 100 baht per share
Paid up capital	22,000,000 baht, 220,000 ordinary shares, 100 baht per share 19,500,000 baht, 780,000 ordinary shares, at a price of 25 baht per share 35,100,000 baht, 351,000 ordinary shares, 100 baht per share
Shareholder	60.00% held by THL Power Company Limited

### 6.2.7 THL MYANMAR Co., Ltd. Information

Company name	THL MYANMAR Co., Ltd.
Headoffice location	No.29 / 326, Pan Chan (6) street, Ward (2), ShwePyi Thar Township, Yangon, Myanmar
Business type	Mining and Energy
Registered capital	1,000,000 USD. 1,000,000 common shares, 1 par value each
Paid up capital	100,000 USD 100,000 ordinary shares, par value of 1 USD per share
Shareholder	100.00% held by Tongkah Harbour Public Company Limited

## 6.3 References

### 6.3.1. Registrar of shares

Company's name	Thailand Securities Depository Company Limited (TSD)
Address	62 The Stock Exchange of Thailand Building Ratchadaphisek Road, Khlong Toei, Bangkok 10110 Thailand
Phone	+66 (0) 2 229 2800 and +66 (0) 2 654 5599
Fax	+66 (0) 2 359 1259

### 6.3.2 Auditor

Auditor's name	AMT Associated Office
Address	491/27 Silom Plaza, Silom Road county Bang Rak, Bangkok 10500 Thailand
Phone	+66 (0) 2 234 1676, +66 (0) 2 234 1678 and 66 (0) 2 237 2132
Fax	+66 (0) 2 237 2133

## Part 2

### Management and Corporate Governance

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#### 7. Securities and Shareholder Information

##### 7.1 Number of registered capital and paid-up capital

###### 7.1.1 Registered Capital

as at December 31, 2018.

- Number of ordinary shares 20,661,397,549 shares with a par value of 1 baht par total of 20,661,397,549 baht.

- Capital Paid 20,661,397,549 shares fully paid shares at 1 baht par total of 20,661,397,549 baht.

###### 7.1.2 Status as a listed company

###### (1) The Stock Exchange of Thailand (SET)

Company Name : Tongkah Harbour Public Co., Ltd.

English name : Tongkah Harbour Public Co., Ltd.

Short name of security : THL

Registered number : 0107537002087 (former name was Bor Mor Jor.455)

Nature of main business : Mining Business

As assigned by The Stock Exchange of Thailand (SET) that the Company fall into the classification of rehabilitating its financial position and operations, stage 1 (NC stage 1) with a marking of “NC – Non-Compliance” since December 9, 2011, and with a marking of “SP – Suspension” for no trading of the Company’s securities. The company is given 3 years to rehabilitate its financial position and operations.

In this regards, the Stock Exchange of Thailand’s regulation for the company that are subject to possible delisting, the period of rehabilitation has been allocated into 2 phrases which are

(1) Period for rectifying the cause(s) of delisting and

(2) Period for the repossession of the required qualifications for Resume Stage.

On 20 June 2016, the Stock Exchange of Thailand extended the time to resolve the delisting until the date of March 31, 2017. Later, the Company requested to extend for another 1 year and was granted by the Stock Exchange of Thailand to extend the time to resolve the delisting until the date of March 31, 2018. On May 24, 2018, the Stock Exchange of Thailand announced that the Company was in the group of companies that had resolved the grounds for revocation and entered the phase to become certified to resume trading (Resume Stage) by providing the time for such steps until 31 March 2020.

Currently, the Company has carried out and passed most of the eligibility criteria to resume trading in the stock market. Nevertheless, some topics are still in the process which are as the followings

- The Company has a stable financial status and operating results which will be considered by cash flow and cumulative losses.
- Establish a good corporate governance system
- Providing an internal control system in accordance with the rules prescribed in the announcement of the Capital Market Commission





However, the Company is determined to complete all 3 topics promptly in order to have all the qualifications for relocating to trade in the Stock Exchange of Thailand and will file a request to return to trade by 31 March 2020.

While conducting the remaining 3 topics for completion and submitting a request to return to trade as per the said period, the Company has requested the Stock Exchange to consider the extension to repeal for another 1 year from the original date which will be met on 31 March 2020 in order to follow up on all 3 improvement topics to be in accordance with the criteria. Nevertheless, the Company has complete qualifications to request for 1-year extension.

## 7.2 Shareholders

List of first top 10 majorshareholders as of 31 December 31, 2019

	Share Holder	Share	% Share
1	UOB KAY HIAN PRIVATE LIMITED	2,700,000,000	13.07
2	Mr.Banyong Jiamwijitkul	1,974,000,000	9.55
3	Mr.Wanchai Panwichian	1,969,350,000	9.53
4	Mr.Wijit Jiemvijitkul	1,901,298,500	9.20
5	Miss Sutiree Jiamwijitkul	1,810,000,000	8.76
6	Mr.Titchuan Nanawaratorn	904,900,000	4.38
7	Mrs. Sasi-On Jiamwijitkul	600,025,900	2.90
8	Mr.Vasant Chawla	500,000,000	2.42
9	Mr.Paisan Etitum	438,100,000	2.12
10	Mr.Wichian Jiamwijitkul	400,000,000	1.94
	Other shareholders	7,463,723,149	36.12
	<b>Total As at December 31, 2019</b>	<b>20,661,397,549</b>	<b>100.00</b>
	<b>Total shareholding for all nationals of Thailand.</b>	<b>20,471,113,809</b>	<b>86.01</b>
	<b>Total shareholders' equity Foreign all.</b>	<b>2,890,283,740</b>	<b>13.99</b>

*Note: The reference shareholders of TSD.(Thailand) Ltd.*

## Restrictions on foreign shareholders.

Shareholders who are foreign ownership of shares of the Company. Amounting to not more than 30 per cent of the total issued and paid up as at December 31, 2019 the Company's shares held by Foreign Shareholders with approximately 13.99 percent of the issued and paid up.

## 7.3 Dividend Policy The Company and its subsidiaries.

The company plans to pay a dividend of at least 25 percent of net profit after tax of the previous year, and net reserves as defined by the law and the company. However, the dividend rate will depend on the cash flows. Investment obligation of the Company and its subsidiaries. Including legal restrictions Financial condition and other needs of the company.

The subsidiary does not have a policy of paying dividends at the fixed rate. But in general, will determine the dividend policy of the Company. Which is based on earnings from operations. Financial terms Capital requirements for future expansion.





## 8. The management structure and corporate governance.

### Board of Directors

#### The composition of the Board of Directors

1. Directors are shareholders of the company or not.
2. A Board of Directors consisting of not less than five directors and not less than one-half of the directors must be resident in the country.
3. The structure of the Board of Directors must be composed of at least one-third independent directors. Independent directors must be independent of the management. Major Shareholders It must not be involved or have a vested interest in the financial and business administration. The qualifications of the independent directors as specified in the Notification of the Capital Market Supervisory Board No. Thor Jor 28/2008 Re: Application for and Approval of Offer for Sale of Newly Issued Shares ("Notification No.ThorJor.")
4. Board of Directors The Audit Committee must consist of at least three members. The Audit Committee must be independent. The Company has the qualifications as specified in Notification No.28 / 2551 and the scope of duties and responsibilities of the Stock Exchange of Thailand. ("SET") Notification
5. The Board of Directors shall elect a Chairman. The Board of Directors considers it appropriate, the Board may choose one or several deputy chairman.

The current Board of Directors as at December 31, 2019 amounted follows.

- |     |                                     |   |
|-----|-------------------------------------|---|
| 8.1 | Mr.Wijit Jiemwijitkul               | Chairman of the Board / Chairman of the Executive Committee / Chief Executive Officer |
| 8.2 | Mr.Ekachai Chotiyanon               | Vice Chairman <sup>2</sup> / Audit Committee / Independent Director                   |
| 8.3 | Assoc. Prof. Dr Tharinee Pongsupatt | Chairman of Audit Committee / Independent.Director                                    |
| 8.4 | Mr.Nipon Keeratipitayaporn          | Audit Committee / Independent Director  |
| 8.5 | Mr.Wichai Cherdshewasart            | Independent Director  |
| 8.6 | Mr.Prot Pattakaree                  | Director  |
| 8.7 | Mr.Kirati Kijmanawat                | Director  |
| 8.8 | Mr.Paisan Etitham                   | Executive Committee   |
| 8.9 | Mr.Suthep Buramarn                  | Executive Committee   |

### 8.2 Executive

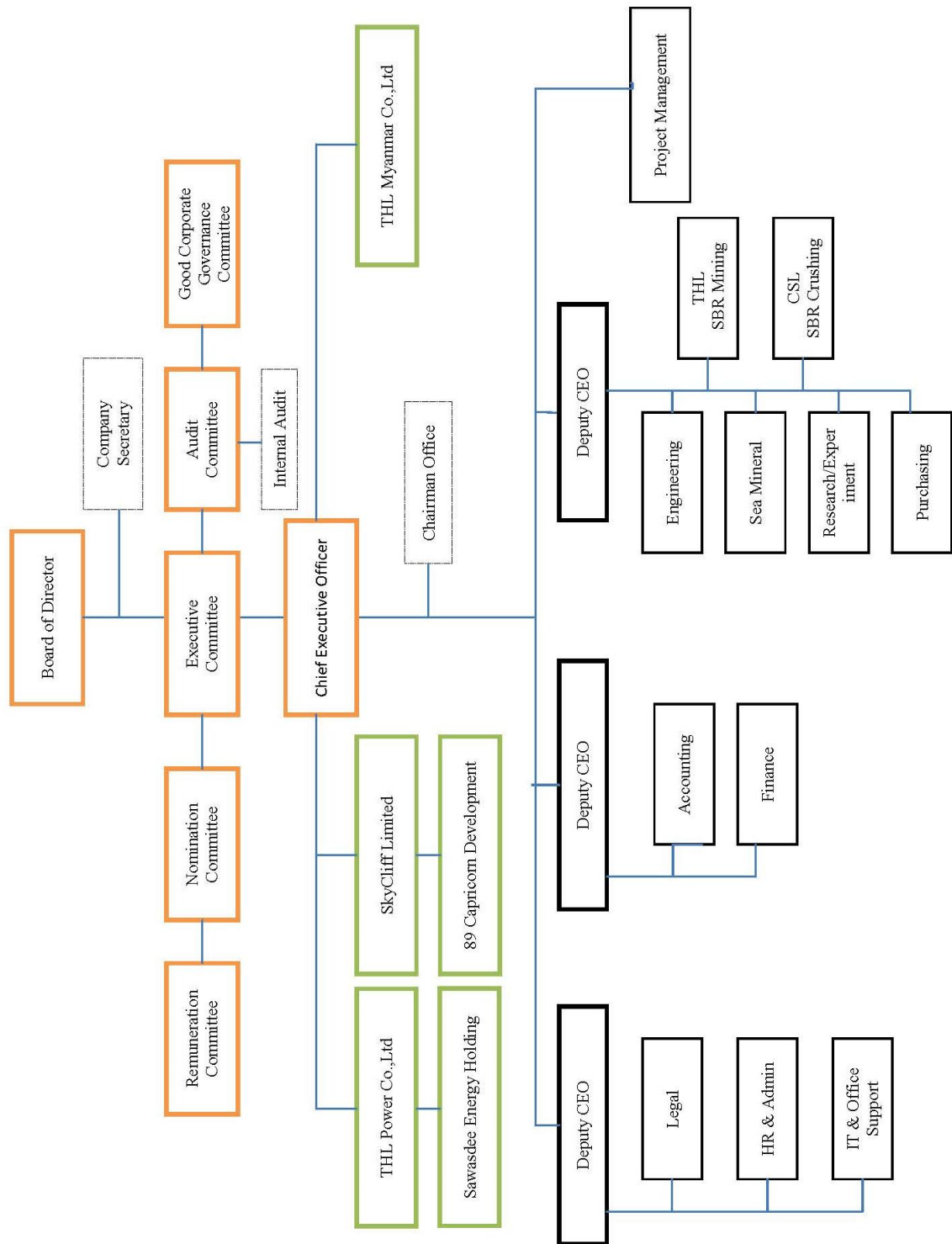
As of 31 December 2019, the company has 3 executives as follows

List of Executive	Position
1. Mr.Wijit Jiemwijitkul	Chief Executive Officer and Chairman of the Executive Committee
2. Mr.Paisan Etitham	Executive Committee
3. Mr.Suthep Buramarn	Executive Committee





THL



## 8.3 Company Secretary

The Company Secretary has played an important role in coordination effectively both internally between the Chairman of the Board of Directors and the Chief Executive Officer and the Managing Director or the management and external parties which includes between the company, shareholders and regulatory governance agencies.

The Board of Directors has appointed Mr. Somchai Kaisutthiwong to be the Company Secretary from 21 March 2018 in charge of overseeing and providing advices to the board and management regarding laws and regulations that the company must comply with, including providing information on situations related to good corporate governance. The role also includes ensuring smooth and efficient operations of the board and sub-committees to be in-line with the law and relevant regulations as well as corporate governance of the company. The Company Secretary is also responsible for organizing board meetings, specific board meetings, shareholder's meeting, preparing and storing important company documents, including reporting relevant information to regulatory agencies, providing an orientation for new directors and promoting knowledge and understanding of good corporate governance for directors, executives and staff.

## 8.4 Directors and management's remuneration

The policy on the remuneration of directors is as follows

- (1) Board of directors considered and appointed the Remuneration Committee, responsible for determining the remuneration of directors and high level executives.
- (2) Directors' remuneration must be appropriate to enable directors to perform their duties fully and efficiently.
- (3) Directors' remuneration will be compared with the rate of compensation in the same industry. Aside from this, the remuneration will also be considered from additional special assignment such as being a sub-committee to work on important matters
- (4) Executive committee members will receive compensation by considering the operating results of the company and the performance of each director
- (5) Directors and senior management remuneration follow the policy of the Board of Directors

### 8.4.1 Directors' remuneration

Monetary compensation

Meeting allowances for the year 2019 which paid according to the number of meeting attended times as below:

Name list of directors	position	Attended a meeting		Directors' remuneration (Baht)	
		Number of attended Meeting	Total number of meeting	Meeting allowance / time	Total
1 Mr. Wijit Jiemwjitkul	Director Chairman of the executive board of director	5	5	-	-
2 Associate Professor Dr. Tharinee Phongsuphat	Independent Director Chairman of the Audit Committee	4	5	20,000	80,000
3 Mr. Ekachai Chotiyanon	Independent Director Audit Committee	4	5	20,000	80,000
4 Mr. Nipon Keeratipitayaporn	Independent Director Audit Committee	4	5	20,000	80,000
5 Mr. Wichai Cherdshewasart	Director	5	5	20,000	100,000
6 Mr. Paisan Etitum	Executive director	3	5	-	-
7 Mr. Suthep Buraman	Executive director	5	5	-	-
8 Mr. Prot Pattakaree	Director	1	5	20,000	20,000





Name list of directors		position	Attended a meeting		Directors' remuneration (Baht)	
			Number of attended Meeting	Total number of meeting	Meetingallowance / time	Total
9	Mr. Kirati Kitmanawat	Director	0	5	-	-
10	Mr. Suphachai Jaisamut	ExecutiveCommittee	0	1	-	-
11	Mr. Chaikut Sukavanitchanan	Director	0	1	-	-
Total						360,000

#### 8.4.2 Executive remuneration

In the year 2019, the company has paid compensation consisting of salaries to executives as follows

Executive remuneration Tongkah Harbour Public Co., Ltd.	2019		2018	
	Number of executives	Total (baht)	Number of executives	Total (baht)
salary	3	10,103,136	2	7,703,136
Other benefits such as Social Security, Provident fund		94,152		94,152

Executive remuneration Sky Cliff Co., Ltd.	2019		2018	
	Sir	Total in money (baht)	Sir	Total (baht)
salary	-	-	1	2,400,000
Other benefits such as Social Security, Provident fund		-		-

Executive remuneration Cholsin Co., Ltd.	2019		2018	
	Sir	Total in money (baht)	Sir	Total (baht)
salary	-	-	-	-
Other benefits such as Social Security, Provident fund		-		-

### 8.5 Human Resources

In year 2019, the company had a total of 76 employees people and the Company paid a total of 45.84 million baht as compensation to employees. The compensation included salaries, over-time payments, etc.

#### 8.5.1 Number of employees and compensation

company	Number of employees	Compensation for employees
Tongkah Harbour PCL.	51	35.90
Cholsin Co., Ltd.	8	2.61
Skycliff Co., Ltd.	5	1.71
Sea Mineral Co., Ltd.	-	-
89 Capricorn Development Co., Ltd.	8	3.45
THL Power Company Limited	4	2.17
Sawasdee Energy Holding Co., Ltd.	-	-
Total	76	45.84



## 9. The management structure and corporate governance.

The Board of Directors consists of 7 sub-committees, comprising the Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Good Corporate Governance Committee and the Risk Management Committee. The charter committees are as follows.

### 9.1 Board of Directors

#### Charter Board of Directors

##### 9.1.1 Objective

The Board of Directors of the Company on behalf of shareholders who have a significant role in determining the direction of the company. As well as overseeing the management of the Company pursuant to the articles of association of the company to create value for the Company. And to the best interests of the Company and its shareholders in the long term.

The Board recognizes the importance of good governance to build trust with shareholders and stakeholders on all sides. Each Director shall perform his duties in a responsible manner, integrity And carefully preserving the interests of the company Including the need to comply with the laws and regulations of the Board of Directors. As well as the resolutions of the shareholders' meeting.

So this Charter, the Board aims to understand the role of directors. The duties and responsibilities towards the shareholders of the Company. And demonstrate that they can perform such functions effectively. Effective and transparent

##### 9.1.2 Element

1. Directors are shareholders of the company or not.
2. A Board of Directors consisting of not less than five directors and not less than one-half of the directors must be resident in the country.
3. The Board of Directors shall consist of independent directors, at least one-third of all directors. But shall not be less than three independent directors must be independent of the control of management. Its major shareholders And must not have been involved or have an interest in the financial and administrative affairs. The property is fully qualified according to the criteria prescribed by the Independent Commission Capital Market. 28/2551 concerning the request and permission of offering of newly issued shares (the "Jor. 28/2551. ")
4. Board of Directors Audit Committee shall consist of not less than three members of the audit committee must be independent. And qualified as announced Jor. 28/2551 The scope, duties and responsibilities under the Stock Exchange of Thailand. ( "SET") Notification.
5. The Board of Directors shall elect a Chairman. The Board of Directors considers it appropriate, the Board may choose one or several deputy chairman.

##### 9.1.3 Property

1. Directors must be individuals who have knowledge and experience that will benefit the business. Are honest, ethical business practices.
2. The director must possess qualifications and not be prohibited under the law governing public limited company. And the Securities and Exchange Act. In addition, there must not be any characteristic that indicates the lack of appropriate to be trusted to manage the business of shareholders as prescribed by the Securities and Exchange Commission. It must be a person named in the list of directors and executives of the company issuing the securities under the Notification of the Capital Market Supervisory Board regarding the criteria for listing the names of persons in the system, the list of directors and executives of the company. Issued securities
3. The director is not able to conduct business with the same conditions and compete with the Company's business. Or partnership or directors in other juristic persons who have the same conditions and are in competition with the business of the Company, whether for the benefit of one or the other. Except for the notice to the meeting of shareholders prior to the appointment.







4. The directors must inform the Company without delay. If you have an interest in a contract made by the Company, directly or indirectly, shares or debentures, increase or decrease in the company. Or its affiliates

#### 9.1.4 The term of office and election of directors

1. Election of Directors according to the Articles of Association. And laws However, it must be transparent and clear to the nomination. The need to consider the educational background and professional experience of the candidates. Including features and prohibitions. The details are given adequate consideration. For the purpose of the decision of the Board of Directors and shareholders.
2. In every annual general meeting. One-third of the members While freeing it from If the number of directors to vacate office may not fit into one of three. Then the number nearest to but not more than one-third. The directors to retire in the first and second year. After company registration The longest that anyone will leave the subsequent years, the directors who were in office longest shall retire from office. If at any time there are several directors remain in office for a long time as well. The number is more than the amount required to retire from office at that time. Such directors shall retire from office by a random drawing. And directors who retired by rotation may be re-elected to a new position.
3. Apart tenure ago. When a member vacates office
  - dead
  - resign
  - Disqualified or prohibited under the law on public companies. And / or regulation of the Securities and Exchange Commission.
  - At the meeting, shareholders voted to issue a vote of not less than three-fourths of the shareholders. Present and voting. And holding shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.
  - The court ordered the release
4. Any director who wishes to resign must submit a resignation letter to the company. The resignation is effective from the date of his resignation to the company. A member who resigns will announce the resignation of the registrar public mind with.
5. In cases where the position is vacant due to reasons other than retirement by rotation. The Committee shall select a person with the votes of not less than three-fourths of the remaining directors. Choose those who are qualified and not disqualified under the law on public companies. Law and Securities and Exchange Commission defines as directors in the board meeting the next time.

#### 9.1.5 Duties and Responsibilities

The Commission has the authority and responsibility to manage the company according to the law. And Articles of Association And the resolutions of the general meeting of shareholders that are legal with integrity and protecting the best interest of the company. Overall authority And responsibilities include:

1. Provide shareholders an annual general meeting within four months after the end of the accounting period of the company. To send a notice to the Board of Directors. And a notice calling the shareholders' meeting, including the agenda and documents in advance. As defined in the Articles of Association.
2. Provide accounting system Financial reporting and auditing are very reliable. The system ensures that a document that can verify the accuracy of the information later. Internal controls and internal audit. And manage risk effectively and efficiently.
3. Provide financial statements at the end of the accounting period. To be accurate to the financial position and results of operations in recent years has corresponded to reality. Complete and correct, according to the generally accepted accounting standards. And audited by the auditors of the Company prior to submission to the shareholders for consideration and approval.
4. Targeted policies, plans business. And the company's budget Supervisory Control Administration and management of the administration to adhere to the policy plan. And forecast budget with efficiency and effectiveness.

The committee also has the responsibility to oversee the company. The Company's subsidiaries and affiliates comply with the Securities and Exchange Commission. Notification of the Capital Market Supervisory Board The Exchange's regulations, such as the Transaction. And the acquisition or disposal of major assets or laws relating to the Company's business.



5. Review and approve the expansion plan investment projects, as well as joint investment with other operators as proposed by the management.
6. Policy enforcement and control mechanisms of corporate governance on the investment subsidiary.
  - 6.1 By performing the duties and responsibilities which have been designated for the director who has been approved by the Board of Directors of the Company. As the director Or management of the Company in proportion to their shareholding in the Company. In that subsidiary
  - 6.2 Tracking the performance of its subsidiaries, according to the plan continues.
  - 6.3 Monitoring the subsidiary disclose information about the financial position and results of operations. The transaction And the acquisition or disposition of assets that are significant to the Company a duly completed correctly.
  - 6.4 If that is the case, the subsidiary transactions with related parties. With the acquisition or disposition of assets. Or any other transaction that important. Board of Directors especially Directors or any other person who has been approved by the Board of Directors. For appointment as directors or executives of the subsidiaries are responsible for ensuring that companies comply with regulatory mechanisms on the transactions with the related parties. Acquisition and disposition of assets, including essential items which the Company has determined that the consideration of this transaction, the subsidiary of a similar transaction rules. The nature and size of the company. Must be approved by the Board of Directors or the shareholders of the company, as appropriate.
  - 6.5 To consider and approve the appointment of the person as a director and / or management of the subsidiaries. According stake in the subsidiary. Including the use of policy control mechanisms and corporate governance, the investment in the subsidiary. To illustrate how companies are subsidiaries of regulatory mechanisms stipulated in the Notice Jor. 28/2551 regarding the approval and permitting the sale of new shares.
7. Determine the management structure Has the power to appoint Executive Committee Chief Executive Officer And other appropriate committees such as the audit committee. The Nomination and Remuneration Committee. The risk management and corporate governance as well as the scope of authority. The remuneration of the executive committee. Chief Executive Officer And Committees are appointed. The delegation of authority to impose duties, must not be authorized by the Board of Directors. Chief Executive Officer And Committees You can approve transactions that may have conflict of interest or a conflict of interest with any other company. Or its subsidiaries (if any) unless the approval is based on policies and regulations of the Board of Directors considered and approved already. In the event the Board of Directors, the Chairman and Chief Executive Officer. Or others operating in the commission of any such delegation must be made in writing. Or save it as a joint committee of the board of directors clearly. And the scope of authority of the attorney clearly.
8. The Board of Directors may authorize one or more persons or any other person to act on its behalf by the Commission under the control and supervision of the board. Or may authorize such person so authorized by the Board of Directors and within the Board of Directors. The Board of Directors may revoke or modify the authorization for that. When appropriate  
The power of attorney must not be authorized to make such a person can be considered and approved the transaction in which he or any person who may have conflicts of interest. Stakeholders Or there may be a conflict of interest in any other way to make up the company. Or its subsidiaries (if any) except for normal business transactions according to trade conditions in general. Or the policies and guidelines of the Board of Directors considered and approved already. By the rules, conditions and procedures prescribed by the transaction. Acquisition and disposition of assets of listed companies under the Capital Market Commission. And / or announcements Any other relevant authorities.
9. Directors and management must report to the Company of its interest or individual relevance. The stakeholders involved in the management of the company. Or its subsidiaries in accordance with the rules, conditions and procedures for the notification of the Capital Market Commission.
10. Directors and management must jointly responsible party trading the Company's securities in any damage. This occurs due to the disclosure of information to shareholders and the general public with the message that is false in essence. Or concealed facts which should be disclosed in essence, as defined in the Securities and Exchange Law. Unless the directors and management will prove that he is not aware of the actual data or lack of data that should have prompted it.





11. Prohibiting directors and executives, including spouses and minor children of Directors. Or the management of information within the company. And its subsidiaries or associated companies. Both are derived from the act or acts in any other way. Has or may have a significant impact on the Company. Subsidiaries or associated companies To benefit themselves or others, whether directly or indirectly and whether they receive compensation or not.
12. Directors and executive officers of the Company, including related parties of such directors and executives have a duty to notify the company of their association. And transactions with companies Subsidiaries or associated companies which may give rise to conflicts of interests. And avoid transactions that may pose a conflict of interest with the company. Subsidiary or associate.

### 9.1.5 Meeting

1. The Board of Directors shall be in accordance with law. And articles of association, which normally set to be held at least once every 3 months. The Chairman shall convene the meeting of the Committee. If the office of President becomes vacant or is unable to perform his duties. If the Vice Chairman, the Vice Chairman shall convene the meeting. The Vice Chairman is absent or unable to perform their duties. Chief Executive Officer A conference call instead
2. In the meeting, the Chairman of the Board. Or who has been assigned Delivered the invitation letter by registered mail. Or delivered to the Directors by date, time, place and the parties to the Convention to the Committee not later than seven days before the meeting. Unless urgent need to protect the rights and interests of the company. The meeting will be informed by other means, and the meeting date earlier than that.
3. In the case of the Two or more requests to call a board meeting. The Chairman shall determine the date of the meeting within fourteen days from the date of receipt of the request.
4. The Board of Directors shall be not less than half of the total members to act as the terminals. If the Chairman is not present at the meeting. Or is unable to perform his duties If the Vice President, the Vice President, to preside over the meeting. If there is no vice president or unable to perform his duties, the members present shall elect one among themselves to chair the meeting.
5. The decision of the Board of Directors. Holding the majority The director has one vote, one vote. But a director who has an interest in any matter without the right to vote on the matter. If the votes are equal, the chairman of the meeting shall have an additional casting vote.
6. The Chairman Or director who has been tasked by the President to determine the date, time and place of the meeting of the Board of Directors, at a meeting that could be defined as something other than the locality where the head office of the Company or neighboring provinces. Any If the Chairman of the Board of Directors appointed by the President. Nor designated meeting place To take place at the headquarters of the company as a meeting place.
7. Company Secretary Serves to take notes and prepare a report within fourteen days kept the minutes. Annual General Meeting Following support for the Board to act in accordance with the laws and regulations. And the resolution of the shareholders' meeting. Including coordination with the relevant parties.

## 9.2 Executive Committee

The Executive Committee consists of 4 members as follows: Chairman of the Board

1. Mr. Wijit Jiemwijitkul Chairman of the Executive Committee and Chief Executive Officer
2. Mr. Paisan Etitham Executive Director
3. Mr Suthep Buramarn Executive Director

## Executive Board Charter

### 9.2.1 Purpose

The Board of Directors appoints the Executive Committee, which consists of qualified directors and executives, to manage and control the Company's business as assigned by the Board of Directors. This charter is intended to provide the Executive Board with an understanding of their roles and responsibilities, and to use this charter as a guideline for their duties.



## 9.2.2 Factors

1. The Executive Committee consists of not less than three directors.
2. The Board of Executive Directors shall elect one of them to be the Chairman of the Executive Committee. In the event that the Board of Directors deems it appropriate, one or several directors may be elected.
3. The Executive Chairman may be the same person as the Chief Executive Officer.

## 9.2.3 Qualities

1. Executive Committee must be a knowledgeable and experienced person who will be beneficial to the business operation of the company as well behaved Honest, ethically in business.
2. Executive Committee must have required qualification and no prohibited characteristics under the law governing public limited company -Also Securities and Exchange Act and other relevant laws.

## 9.2.4 Term of office and election directors

1. The Executive Board is appointed by the Board of Directors. This is in accordance with the Company's regulations. It specifies that a director may be assigned by a Board director or many of them acting on behalf of the board of directors.
2. The Executive Board shall vacate office upon
  - Death
  - resign
  - Lack of qualifications and prohibited characteristics as required by law.
  - The Board of Directors resolved to issue
3. An executive resigns from office need to submit a resignation letter to the company. The resignation will take effect from the date the letter is issued to the company.
4. When the Executive Director resigned -the Board of Directors selects any person who is qualified to be Executive Director.

## 9.2.5 Duties and Responsibilities

The Board of Directors has entrusted the Executive Committee with the power and duty to manage the Company's business and management affairs, set policies, business plans, budgets, management structure and management powers. To set criteria for business operation, to be in line with economic conditions and submit to the Board of Directors for approval and follow up the performance of the Company in accordance with the policy.

Summarize the important responsibilities and responsibilities as follows.

1. Provide guidelines for determining the powers, duties, supervision and coordination, and define the powers and duties of the working group. Or the management team. Consider and approve the proposals. Proposed by the management or working group.
2. Approve the proposal Proposed by various working groups. For the benefit of management and Doing business for the purpose of the company.
3. Feasibility study for new projects as deemed appropriate, including related legal acts.
4. Has the power to approve investment or invest with the company and various forms. The authority to approve the calculation of transaction size of the disclosure criteria for the acquisition or disposition of assets 2004 of the Stock Exchange of Thailand. "3calculate the size of the transaction according to the criterion and the value is lower than fifteen percent ", including the six months prior approval of the current transaction to the same value.
5. To consider and approve the Company's rules, regulations, policies, and business operations. Or any action. Binding company
6. Advise the policy. The duties of the Chief Executive Officer and the Special Working Group.
7. Has the power to approve the appointment of disciplinary commissioners. Salary, wages, benefits, bonuses, bonuses and other returns. The costs and facilities of officers or employees of companies with managerial positions. Including the Chief Executive Officer. Or special teams
8. Other tasks assigned by the Board of Directors.





9. Has the power to appoint any person or group of persons. To operate the Company under the control of the Executive Committee. Or may delegate authority to such person or group of persons have the power to act as the Executive Board deemed appropriate and have the power to change, cancel, and revoke such power.
10. Has power to appoint the chairman of the consultant or advisors of the Executive Committee, as appropriate and with authority to determine remuneration. Benefits, facilities and other expenses of consultants or consultants.
11. Executive Committee or the Chairman of the Executive Committee has the power to call the Executive Board meeting and / or the rules and regulations of the meeting as it deems appropriate.
12. To consider approving the power to manage the business according to the rules and regulations.
13. Has the power to approve and withdraw money from all accounts of the Company and use the credits at all banks or financial institutions where the Company exists, as well as to open accounts and / or apply for loans in various forms with any bank or financial institution as well. The Company's securities are pledged as collateral for such debt, both registered and unregistered.

### 9.2.6 Meeting

The Executive Board is scheduled to meet at least once a month. To consider Duties and Responsibilities of the Board of Directors. All the member from The Board of Directors shall consider and approve the matters that may be proposed to the Board of Directors for consideration and approval from employees of the Company, Associated or those who deem appropriate to attend the meeting. Comment or submit information as deemed relevant or necessary.

### 9.2.7 Executive Board Report

The Executive Committee shall report its performance to the Board of Directors and report the performance of the previous year to the shareholders in the Annual Report. The details are as follows.

1. Number of meetings
2. Number of times each executive board member attended the meeting.
3. The performance of duties as prescribed by the Charter.

### 9.3 Audit Committee

The Board of Directors still requires the Audit Committee in accordance with the guidelines of the Stock Exchange of Thailand. At least three independent directors are required to be members of the Audit Committee. There are 3 members of the Audit Committee.

- |                                       |  |
|---------------------------------------|--|
| 1. Assoc.Prof.Dr. Tharinee Pongsupatt | Chairman of the Audit Committee and Independent Director |
| 2. Mr.Ekachai Chotiyanon              | Audit Committee and Independent Director                 |
| 3. Mr.Nipon Keeratipttayaporn         | Audit Committee and Independent Director                 |

Assist.Tharinee Phongsupatr is a member of the Audit Committee with knowledge and experience in reviewing the Company's financial statements.

### Charter of the Audit Committee

Board of Directors from Tongkah Harbour PCL is aware of the importance of Good Corporate Governance which is a tool or mechanism to lighten the burden of the Board. Also, to supervise the operation of the company. In order to have good administration, accuracy, transparency, as well as a reliable financial reporting system and to disclose information in financial reports. This is beneficial to investors and all related parties that comply with the rules of the Stock Exchange of Thailand.

#### 9.3.1 Factors

1. The Audit Committee consists of at least 3 independent directors, with at least one member of the Audit Committee. Experience in accounting or finance.
2. The Audit Committee member must be able to devote adequate time to the work for the Audit Committee.





## 9.3.2 Qualities

Audit Committee must meet the criteria. Capital Market Supervisory Board the Stock Exchange of Thailand and the regulators. The Audit Committee must be impartial. There is no direct or indirect benefit or interest. In such a manner that may affect the use of discretionary functions. And independent responsibility

## 9.3.3 Term of office and election of directors

1. The terms of each Audit Committee member shall be in accordance with the term of their director.
2. The Audit Committee may be reappointed as the Board of Directors deems appropriate.
3. The Nomination and Remuneration Committee shall vacate office upon
  - Death
  - resign
  - Lack of qualifications and prohibited characteristics as required by law.The Board of Directors Meeting resolved to issue
4. When the Audit Committee has completed his term of office or there is any reason why the Audit Committee cannot stay until the term of office. As a result, the number of Audit Committee members is less than 3 persons. To appoint a new member of the Audit Committee immediately or within 3 months from the date the Board of Directors fails. To ensure continuous operation of the Audit Committee. The person who becomes a member of the audit committee will be retained only for the remaining term of the audit committee member who vacates office.

## 9.3.4 Duties and Responsibilities

1. Review the financial statements accurately and adequately, coordinate with the auditors and the management responsible for preparing the financial reports.
2. Review the Company Have an internal control system. The internal audit system is sufficient, appropriate and effective.
3. Review the Company's performance. To comply with the Securities and Exchange Act the Stock Exchange of Thailand Including other laws. Related to the business of the company.
4. Consider the disclosure of the Company's information. There are connected transactions or transactions that may have conflict of interest.
5. Review the remuneration of the Company's auditor
6. Internal audit and approval of internal audit staff. Considered by top management of the company.
7. Supervise the performance of the Internal Audit Department. The availability of resources for internal audits. Consider the budget and the internal audit department.
8. To approve the Internal Audit Charter Freedom Including internal audit plans.
9. Consider and review the auditor's findings and recommendations. And the Internal Audit Department. Include follow up to ensure the management has proceeded with the suggestion sufficiently. Effective and within a reasonable time
10. Review and amend Audit Committee Charter at least once a year. To be up-to-date and appropriate for the corporate environment. To propose to the Board of Directors for approval.
11. Prepare report of Audit Committee it contains information. And the opinions of the Audit Committee in various aspects. These are disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.
12. Can invite management Head of Unit or employees of the company. The information is provided or commented to the meeting of the Audit Committee. Or ask for information. Relevant documents as deemed appropriate.
13. Any other operation as assigned by the Board of Directors and approved by the Audit Committee





### 9.3.5 Meeting

1. The Audit Committee shall hold or convene the meeting as it deems appropriate. At least 4 times a year and have the power to call additional meetings as needed. The quorum consists of not less than half of the members of the Audit Committee.
2. All directors should attend the meeting. The Chairman of the Audit Committee should be informed at least 3 days in advance.
3. The Chairman of the Audit Committee shall preside over the meeting. In the case where the Chairman of the Audit Committee is absent from the meeting or has the necessary task each member of the Audit Committee shall be elected as the Chairman of the meeting.
4. The meeting is specific to the management team and internal auditors. Auditor must be held regularly. At least 1 time per year
5. The resolution of the Audit Committee is by majority vote. If the votes are the same, the chairman of the meeting shall have a casting vote.
6. Submit meeting invitation not less than 7 days prior to the meeting. Unless necessary or urgent the meeting will be informed by other means to set a meeting date faster. The Secretary of the Audit Committee shall record every minutes of the meeting.

In the year 2019, there were 5 meetings, with reports to the Board of Directors and meeting with external auditors.

### 9.4 Nomination Committee

The Nomination Committee consists of 3 directors as follows:

- |                          |           |
|--------------------------|-----------|
| 1. Mr.Wijit Jiemwijitkul | Chairman  |
| 2. Mr.Paisan Etitham     | Committee |
| 3. Mr.Suthep Buramarn    | Committee |

### Charter of the Nominating Committee

#### 9.4.1 Purpose

The Board of Directors is of the opinion that the Charter of the Nominating Committee should be established to include the composition, duties and responsibilities as well as guidelines as assigned by the Board of Directors so that the Nominating Committee can perform its duty fairly, appropriately and transparently. Adherence to good corporate governance principles to ensure the reliability and credibility of the stakeholders.

#### 9.4.2 Factors

Nomination Committee Composition of Directors At least three

#### 9.4.3 Qualities

1. Nomination Committee Must be a knowledgeable and experienced person who will be beneficial to the business operation of the company as well. Honesty, ethics in business.
2. Nomination Committee must have qualification and no prohibited characteristics under the law governing public limited company. Securities and Exchange Act and other relevant laws.

#### 9.4.4 Term of office and election directors

1. The Board of Directors appoints the Nomination Committee. The term of office is three years.
2. The Nomination and Remuneration Committee shall vacate office upon
  - Death
  - resign
  - Lack of qualifications and prohibited characteristics as required by law.
  - The Board of Directors resolved to issue
3. Any recruiting committee member who resigns shall submit a resignation letter to the company. The resignation shall take effect from the date of resignation to the company.



4. If the position of the Nominating Committee It is less than the number of quorums. The remaining members of the Nominating Committee shall act on behalf of the Nominating Committee. Until the Board of Directors selects qualified candidates to replace them.

### 9.4.5 Duties and Reponsibilities

1. Consider recruitment criteria and procedures. The Company also selects qualified persons to be the Company's directors. To propose to the Board of Directors to propose the name to the shareholders meeting or to propose to the Board of Directors for appointment.
2. To select the appropriate person to be the Chief Executive Officer and propose to the Board of Directors for appointment.
3. Other tasks assigned by the Board of Directors.

### 9.4.6 Meeting

1. The Nominating Committee should meet at least once a year, possibly by the management or management. Or employees of the Company. Associated or those who deem appropriate to attend the meeting. Comment or submit information as deemed relevant or necessary.
2. Agenda, the meeting documents must be sent to the Nomination Committee at least seven days in advance of the meeting. Unless urgent need to maintain the rights or benefits of the company. The meeting will be informed by other means and the meeting date will be earlier than that.
3. At every meeting of the Nomination Committee. A quorum must consist of at least half of the total number of directors present. A quorum will be considered.
4. On the agenda of the Nominating Committee have a who stake in the consideration, Directors who have a conflict of interest shall not be entitled to vote on such agenda.

### 9.4.7 Nominating Committee Report

The Nomination Committee must report its performance to the Board of Directors and the Annual Report for the year to the shareholders in the Annual Report. The details are as follows.

1. Number of meetings
2. Number of times each member of the Nomination Committee attended the meeting.
3. The performance of duties as prescribed by the Charter.

## 9.5 Remuneration Committee

The Remuneration Committee consists of 3 directors as follows:

- |                          |           |
|--------------------------|-----------|
| 1. Mr.Wijit Jiemwijitkul | Chairman  |
| 2. Mr.Prot Pattakaree    | Committee |
| 3. Mr.Suthep Buramarn    | Committee |

### Charter of the Remuneration Committee

#### 9.5.1 Purpose

Board of Directors the charter of the Compensation Committee should be set up to include the composition, duties and responsibilities and guidelines as the Board of Directors. Assigned to the remuneration committee to perform duties fairly. Fair and transparent in line with good corporate governance principles. To build confidence and credibility among stakeholders.

#### 9.5.2 Factors

The Remuneration Committee consists of At least three of the Company's directors.





### 9.5.3 Qualities

1. The Remuneration Committee must be a person who has the knowledge, ability and experience to benefit the business operation of the Company. Honesty, ethics in business.
2. The Remuneration Committee must have qualifications and not be prohibited under the law governing public limited company. Securities and Exchange Act and other relevant laws.

### 9.5.3 Term of office and election of directors

1. The Board of Directors appointed the Remuneration Committee .The term of office is three years
2. The Compensation and Remuneration Committee shall vacate office upon
  - Death
  - Resign
  - Lack of qualifications and prohibited characteristics as required by law.
  - The Board of Directors resolved to issue
3. Any member of the Remuneration Committee shall resign from the position and submit the resignation letter to the Company, effective from the date of filing.

If the position of the Remuneration Committee is less than the number of quorums. The remaining Remuneration Committee members shall act on behalf of the Remuneration Committee. The Board of Directors will select the qualified persons to be the Remuneration Committee.

### 9.5.4 Duties and Reponsibilities

1. Consider the remuneration of all committees and proposed to the shareholders meeting.
2. To consider the remuneration of the Chief Executive Officer Salary adjustment, other returns and present to the Board of Directors.
3. To consider the remuneration of top executives Salary adjustment and other returns. Please submit to the Board of Directors.
4. Other tasks assigned by the Board of Directors.

### 9.5.5 Meeting

1. The Remuneration Committee Meetings should be held at least once a year, with management team, manager invited or employees of the Company. Associated or those who deem appropriate to attend the meeting. Comment or submit information as deemed relevant or necessary.
2. Agenda, the meeting documents must be sent to the Remuneration Committee at least seven days in advance of the meeting. Unless urgent need to maintain the rights or benefits of the company. The meeting will be informed by other means and the meeting date will be earlier than that.
3. At every meeting of the Remuneration Committee a quorum must consist of at least half of the total number of directors present. So that a quorum will be considered.

In the remuneration of the directors have a stake in the consideration. Directors who have a conflict of interest shall not be entitled to vote on such agenda. Except for the consideration of the remuneration of all directors.

### 9.5.6 Report of the Remuneration Committee

The Remuneration Committee shall report its performance to the Board of Directors and report the performance of the previous year to the shareholders in the Annual Report. The details are as follows.

1. Number of meetings
2. The number of times that each member of the remuneration committee has attended the meeting.
3. The performance of duties as prescribed by the Charter.



## 9.6 Good Corporate Governance Committee

The Corporate Governance Committee consists of 3 directors as follows:

- |                                       |           |
|---------------------------------------|-----------|
| 1. Assoc.Prof.Dr. Tharinee Pongsupatt | Chairman  |
| 2. Mr. Ekachai Chotiyanon             | Committee |
| 3. Mr. Nipon Keeratipittayaporn       | Committee |

## Charter of the Good Corporate Governance Committee

### 9.6.1 Purpose

The Board of Directors should appoint the Good Corporate Governance Committee and set up the Good Corporate Governance Committee Charter. To compile the composition, duties and guidelines as assigned by the Board of Directors, so that the good corporate governance committee can supervise and provide appropriate advice and guidelines for the good corporate governance. Transparency to create confidence and credibility among stakeholders.

### 9.6.2 Factors

1. The Good Corporate Governance Committee consists of at least three directors.
2. The Board of Directors selects one of the good corporate governance committees to chair the Corporate Governance Committee. In the event that the Board of Directors deems it appropriate, one or several directors may be elected.
3. The Chairman of the Good Corporate Governance Committee must be an independent director.

### 9.6.3 Qualities

1. The Good Corporate Governance Committee must be a person who has the knowledge, ability and experience to benefit the business operation of the Company. Be honest, honest, and ethical in business.
2. The Good Corporate Governance Committee must have qualifications and not be prohibited under the law on public limited company. Securities and Exchange Law and other relevant laws.

### 9.6.4 Term of office and vacancy

1. The Board of Directors appoints the Good Corporate Governance Committee, with a term of office of three years.
2. The Good Corporate Governance Committee shall vacate office upon
  - Death
  - resign
  - Lack of qualifications and prohibited characteristics as required by law.
  - The Board of Directors resolved to issue
3. Any member of the Corporate Governance Committee shall resign from office and submit a resignation letter to the Company. The resignation shall take effect from the date the letter is issued to the Company.
4. In the event that the position of the Good Corporate Governance Committee is less than the number of the quorum the remaining members of the Good Corporate Governance Committee shall act on behalf of the Good Corporate Governance Committee until the Board of Directors elects the person qualified to be the Corporate Governance Committee member.

### 9.6.5 Duties and responsibilities

1. Establish guidelines, recommend ethical and ethical business policies / guidelines to the Board of Directors and the management to set the organization's rules. Standards and guidelines are correct.
2. Supervising, consulting, evaluating and reviewing policies and practices of good corporate governance and business ethics to develop and upgrade the corporate governance system to international standards.
3. Perform other duties as assigned by the Board of Directors.
4. The Corporate Governance Committee is directly responsible to the Board of Directors for their duties and responsibilities.







### 9.6.6 Meeting

1. The Good Corporate Governance Committee Arrange or convene meetings at least once a year and have the power to call additional meetings as necessary. It may invite management or executives or employees of related companies or persons deemed appropriate to attend the meeting to provide opinions or submit information as deemed relevant or necessary.
2. At every meeting of the Good Corporate Governance Committee, a quorum must consist of not less than two-thirds of the total number of good corporate governance members present at that time. Quorum
3. In voting, the Corporate Governance Committee has the right to vote one vote and use the majority of votes in the case where the resolution is the same. The Chairman of the Good Corporate Governance Committee has the right to vote one vote. To judge

### 9.6.7 Report of the Good Corporate Governance Committee

The Good Corporate Governance Committee must report its performance to the Board of Directors and the Annual Report for the year to the shareholders in the Annual Report.

1. Number of meetings
2. Number of times that each Corporate Governance Committee member attended the meeting.
3. The performance of duties as prescribed by the Charter.

### 9.7 Risk Management Committee

The Board of Directors' Meeting No. 2/2020, held on 29 February 2020 had a resolution to appoint Risk Management Committee comprising of 3 Directors as follows :

- |                             |           |
|-----------------------------|-----------|
| 1. Mr.Wichai Cherdshewasart | Chairman  |
| 2. Mr.Prot Pattakaree       | Committee |
| 3. Mr.Grit Kongpattanayotin | Committee |

### Charter of the Risk Management Committee

#### 9.7.1 Purpose

The Board of Directors is of the opinion that the Charter of the Risk Management Committee should be set up to include the composition, duties and responsibilities. The Risk Management Committee can supervise the performance of the directors and the management to ensure that they comply with good corporate governance principles and to ensure that risk management is achieved. Success at the Enterprise Level

#### 9.7.2 Factors

The Risk Management Committee consists of at least three directors.

#### 9.7.3 Qualities

1. The Risk Management Committee must be a person with knowledge, competence and experience that would be beneficial to the business operation of the Company, honesty and ethics in business operations.
2. The Risk Management Committee must have qualifications and not be prohibited under the law governing public limited companies. Securities and Exchange Law and other relevant laws.

#### 9.7.4 Term of office and election of directors

1. The Board of Directors shall appoint the Risk Management Committee, with a term of office of three years.
2. The Risk Management Committee shall vacate upon



- Death
  - resign
  - Lack of qualifications and prohibited characteristics as required by law.
  - The Board of Directors resolved to issue
3. Any member of the Risk Management Committee shall resign from the position and submit a resignation letter to the Company. The resignation shall take effect from the date of resignation to the Company.
  4. In the event that the position of the Risk Management Committee is less than the number of the quorum, the remaining Risk Management Committee shall act on behalf of the Risk Management Committee until the Board of Directors selects the person to whom it is appropriate. Qualified as a Risk Management Committee Member.

### 9.7.5 Duties and responsibilities

1. Establishing the Company's risk management policy and framework, and advising the Board and Management on risk management.
2. To oversee and support the successful implementation of risk management, focusing on increasing the importance and consideration of each risk factor in order to make appropriate decisions.
3. Consider the key risks of a company that is aligned with its business. Such as investment, finance, security Law and regulation To provide suggestions on how to prevent and reduce the level of risk to an acceptable level, to monitor, evaluate and improve the operational plan to reduce the risk continuously and suit the business conditions.
4. Report on risk assessment and operational procedures to reduce risk. The Board of Directors, in case of significant issues affecting the Company, must report to the Board of Directors. To consider as soon as possible

The Risk Management Committee shall have the power to set up a working group as it sees fit.

### 9.7.6 Meeting

1. Risk Management Committee Meet at least twice a year, and invite the management or executives or employees of related companies or persons deemed appropriate to attend the meeting to provide opinions or submit information as deemed relevant or necessary.
2. Agenda and meeting documents must be submitted to the Risk Management Committee at least 7 business days prior to the meeting.
3. At every meeting of the Risk Management Committee, a quorum must consist of not less than one half of the number of members of the Nominating and Remuneration Committee.
4. The Risk Management Committee, which has a stake in any matter, shall not vote on such matter.
5. In casting votes, the Risk Management Committee votes with one vote, and the majority votes in the case where the resolution is the same. The Chairman of the Risk Management Committee has the right to vote one more vote.

### 9.7.8 Risk Management Committee Report

The Risk Management Committee shall report its performance to the Board of Directors and the Annual Report for the year to the shareholders in the Annual Report.

1. Number of meetings
2. Number of times the Risk Management Committee members attended the meeting.
3. The performance of duties as prescribed by the Charter.

## 9.8 Good Corporate Governance Policy

The Board of Directors approves the Good Corporate Governance and Code of Best Practice for directors of the public companies in accordance with the regulations of the Stock Exchange of Thailand, the Articles of Association of the Company, and other relevant laws to protect the interests of the Company. Stakeholders, employees, partners and customers





The Company has adopted these guidelines to improve the company's regulations, business practices and corporate governance to match the company's condition and changing circumstances to help improve the Company's performance.

#### 9.8.1 Disclosure and transparency of the company.

The Company has a policy to disclose information to shareholders and investors.

- (1) Providing opportunities for shareholders and stakeholders to carefully scrutinize the Company's activities.
- (2) Determine the role And the responsibilities of the disclosure agent.
- (3) Provide opportunities for open inquiries without difficulty.
- (4) To properly supervise the operation of the Company.

In disclosing information, the Company follows the guidelines of the Stock Exchange of Thailand and the regulations of the Ministry of Commerce and the Department of Primary Industries and Mines. The Board of Directors is confident that the disclosure is complete, accurate, adequate, timely and disseminated.

The Board of Directors believes that the information is as follows. It is regularly published to the people involved.

- (1) Annual Registration Statement
- (2) Financial Statements Quarterly report And to report the news to the SET.
- (3) Shareholder structure
- (4) List of Directors and Management and Compensation
- (5) Business Plan and Risk Management
- (6) Important issues related to employees and stakeholders;
- (7) Corporate Governance Policy
- (8) Other Information The rules require disclosure.

The Board of Directors believes that the annual report Quarterly report and news. It is a source of important information for shareholders. The Company is willing to disclose information such as performance and / or financial status of the Company. The Company Proposed to shareholders to approve the important agenda according to the rules and guidelines of the Stock Exchange of Thailand. Shareholders can ask questions to the Board of Directors at the shareholders meeting. The company secretary is responsible for responding and recording the issues. When shareholders have questions about the operation, please ask the Company Secretary. And secretary will be proposed the issue to the Board of Directors.

#### 9.8.2 Relationships with shareholders and investors

The Company gives equal importance to all shareholders. It does not take into account the number of shares held. To ensure the shareholders as follows.

- (1) All shareholders have access to the Company's information. The shareholders can easily attend the meeting.
- (2) The Company submits annual report and consolidated financial statements. And the interim financial statements. To the Stock Exchange of Thailand.
- (3) The Company immediately discloses the information. This is an important incident report. It affects the rights of shareholders or investment decisions.
- (4) In the case of an important matter. Must submit to the meeting for approval.
- (5) Shareholders have the right to ask questions. To the Board of Directors at the shareholders meeting is equally.

he company has a company secretary responsible for responding and recording those issues. When shareholders have questions about the operation, please ask the Company Secretary. And secretary the issue will be proposed to the Board of Directors.

In addition, the Company will improve the relationship with the shareholders.

- (1) The Company treats shareholders equitably with the major shareholders, minority shareholders or foreign investors.
- (2) The Company will protect the rights of shareholders.
- (3) The Company shall protect the voting rights of shareholders.
- (4) Provide access to accurate, complete, adequate and timely information.
- (5) No confidentiality is kept for the benefit of any shareholder.
- (6) To organize the shareholders' meeting by facilitating the shareholders who cannot attend the meeting and will try not to be unreasonable burden to the shareholders attending the meeting.



(7) Not allowing any shareholder to influence the Company's interests by exploiting other shareholders. The Company attaches great importance to all shareholders. No one is discriminated against. Or choose to treat only the major shareholders.

### 9.9 Usage Policy

The Company strictly controls the use of inside information. It is defined in the good corporate governance of the Company. The benefits of using internal data are clearly in line with the securities laws. And regularly reviewed. To be fair and equitable to all stakeholders.

The Company has disclosed the securities holding of the directors, senior manager And department manager or equivalent in the finance and accounting group in the full report. According to the Securities and Exchange Commission The Company Secretary will report to the Board of Directors. Every time a person changes his holdings Remuneration of auditors

#### 9.9.1 Audit Fee

The Company and its subsidiaries paid audit fees for the year ended December 31, 2019, with details as follows:

List	Company Name	Audit Fee
1.	Tongkah Harbor Public Company Limited	1,600,000
2.	Cholsin Company Limited	690,000
3.	Sky Cliff Limited	160,000
4.	Sea Mineral Limited	140,000
5.	89 Capicorn Development Co., LTD	400,000
6.	THL Power Co., Ltd.	250,000
7.	Sawasdee Energy Holding Co., Ltd.	460,000
<b>Total remuneration</b>		<b>3,700,000</b>

#### 9.9.2 Provident fund

In order to provide good welfare and quality of life for employees as well as to create good morale for employees, the Company established a provident fund. For this scheme, the employees pay for a monthly provident fund at a rate of 5% of their basic salaries and the Company contributes 5% to their provident fund as well. Krung Thai Asset Management Public Company Limited is the Company's Fund Manager, there are 5 funds as follows:

Order	Company Name	Date of establishment
1.	Tongkah Harbor Public Company Limited	16 July 2012
2.	Cholsin Company Limited	16 July 2012
3.	Sky Cliff Limited	1 April 2016
4.	89 Capicorn Development Co., LTD	1 April 2016
5.	THL Power Co., Ltd.	25 September 2018





## 9.10 Compliance with Good Corporate Governance Principles in Other Matters

### Attendance of the Board of Directors

The Board of Directors' meetings will be held regularly to ensure confidence in the Company's management. During the past year, there were 5 board meetings. Details of attendance of the Board of Directors As of December 31, 2019

Name	Board Meeting Attendance		Did not participate in the meeting	Note
	(A)	(B)		
1. Mr. Wijit Jiemwijitkul	5	5	-	
2. Assoc. Prof. Dr. Tharine Pongsupatt	5	4	5	
3. Mr. Ekachai Chotiyanon	5	4	3	
4. Mr. Nipon Kiratipittayaporn	5	4	4	
5. Mr. Wichai Cherdshewasart	5	5	-	
6. Mr. Suthep Buramarn	5	5	-	
7. Mr. Paisan Etitham	5	3	4,5	
8. Mr. Prot pattakaree	5	1	2-5	
9. Mr. Keerati Kijmanawat	5	0	1-5	
10. Mr. Supachai Jaismut	1	0	1	Have a letter of resignation dated 7 May 2019
11. Mr. sataporn Surapat	1	0	1	Complete the agenda in the Annual General Meeting of Shareholders No. 21/2019 on April 30, 2019.

(A) number of meetings of the Board and the Board of Directors;

(B) attendance of the Board of Directors.

## 10. Social Responsibility

TongkahHarbour Public Company Limited operates its business by taking care of the surrounding community. And the communities that are affected by the business. We believe stable and sustainable business. Not only does the business benefit. But we also need to consider the surrounding community as our friends. To live together happily. And the development together to be sustainable.





## 10.1 Social responsibility in the environment: focus on the development to reduce the impact.

The Tungkah Group is committed to maintaining the lowest possible manufacturing process standards. Be aware that doing any business. It can affect the environment and society as a whole. Even the ore produced would be beneficial to the economy and industrial sectors of the country. This leads to improved quality of life and society. Throughout the business, the Tungkah Group has complied with all applicable laws and regulations. The environmental protection measures are strictly adhered to by the environmental authorities.

The monitoring and reporting to the regulatory authorities for the time prescribed by law. We do not just manage to meet standards. But we aim to reduce the impact to the standard. To minimize the impact on the environment.



### 10.1.1 Air quality

Efficiency in drilling, handling and dust control. We have dust protection to the community. With spray to prevent diffusion. Including planting trees around the mine as a wall of trees to help prevent dust from the mine to the community and also provide oxygen to the surrounding area.

### 10.1.2 Water quality

Focus on controlling water consumption and recycling in the production process. Include water quality before draining into the environment.

### 10.1.3 Industrial waste management

Waste Management is certified by the Ministry of Industry of Thailand. With systematic planning, storing, controlling and preventing leaks. It does not allow the waste or sediment to settle into the soil. It also coordinates with government agencies to check the water quality at groundwater monitoring points and surrounding areas.

### 10.1.4 Sound management

We control the sound production to the community as little as possible. Using standards, indicators, and environmental regulations is a guideline. There is also a wall of trees around the business premises to filter the sound.





### Example of activities



On 20 January 2019, the team participated in an activity to build a dike on Phra Bat Noi mountain in order to help solve drought and flooding problems. It also helps to promote water management so that water can be available all year long for community members to use for their day lives as well as for agriculture.



On 28 June 2019, Tongkah Harbour Public Company Limited and Cholsin Company Limited in a joint hand with Siam Cement Public Company Limited or SCG collaborated to organize the 2nd activity of building a dike. The objective is to slow down the water flow and to store sediments and prevent them from accumulating in the lower river. It is a method to preserve soil and water sources in the area of Village No. 4, Tha Tum Subdistrict, Kaeng Khoi District, Saraburi Province.



## 10.2 Social Responsibility for Community Engagement

Focus on building relationships with community members. It is a commitment between business and community. We believe that good relationships form the cornerstone of sustainable coexistence. We build relationships with different ways. The community area to know. Asking about the problems or impacts of business on the community. It also supports and participates in community activities.

### Example of activities



The Company is a supporter of organizing the Children's Day 2019 event at Tha Matum Subdistrict Saraburi. At the event, employees of the Company both from the Saraburi office and Bangkok office joined to give out snacks and prizes to children.





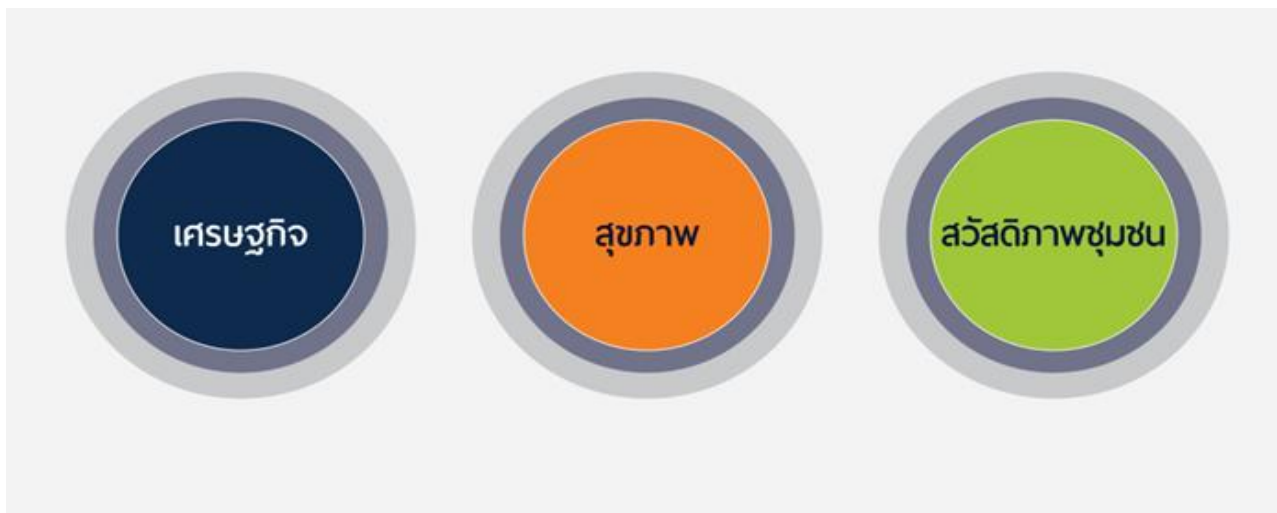
2-4 January 2019, the Company sponsored the annual sports competition between villages within Yam onkazad Island in Myeik province, Republic of the Union of Myanmar. The villages are located in the area of Myanmar Tin Mine of the Company. There were many local sporting events which were organized to create joint activities and to build good relationships among people in the community.



### **10.3 Social responsibility in improving quality of life.**

Consider the factors of good living of community members. It's not just basic, but we focus on the community as well.

It is divided into 3 areas.



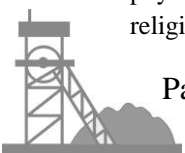
#### **10.3.1 economy**

Community economy and income of community members are important. Because income is the basis for the needs of life. The company is involved in helping to develop the economy of the community. The community can live on the principle of sufficiency economy. We will help to educate and support career development for community members. The community can help themselves and care for the community in the long run.

#### **10.3.2 Health**

1. Physical health
2. Mental Health

In addition to the health of the body. We also focus on mental health. We believe that good health will help promote good physical health. We support the sustain and uplift of the spirit of community members through various activities. Both religious activities and volunteer activities. This is to raise the morale of the community members.







### Example of activities



On 25-27 October 2019, team members of Tongkah Harbour from Bangkok and Saraburi traveled to Khao Khui Temple in Saraburi province, located in Saraburi rock quarry's neighborhood area. The team worked together to clean the different areas of the temple and participated in the Kathin ceremony of Khao Khui Temple Year 2019.



### 10.3.3 community welfare

Staying safe is what everyone desires. It is one of the most important things to achieve good health and quality of life. We value the protection or co-sponsorship to address what may or may not be detrimental to the lives of community members and community property, divided into two main areas:

**Protect:** Act as a good community member by being coherent. Observing various harmful things to the community.

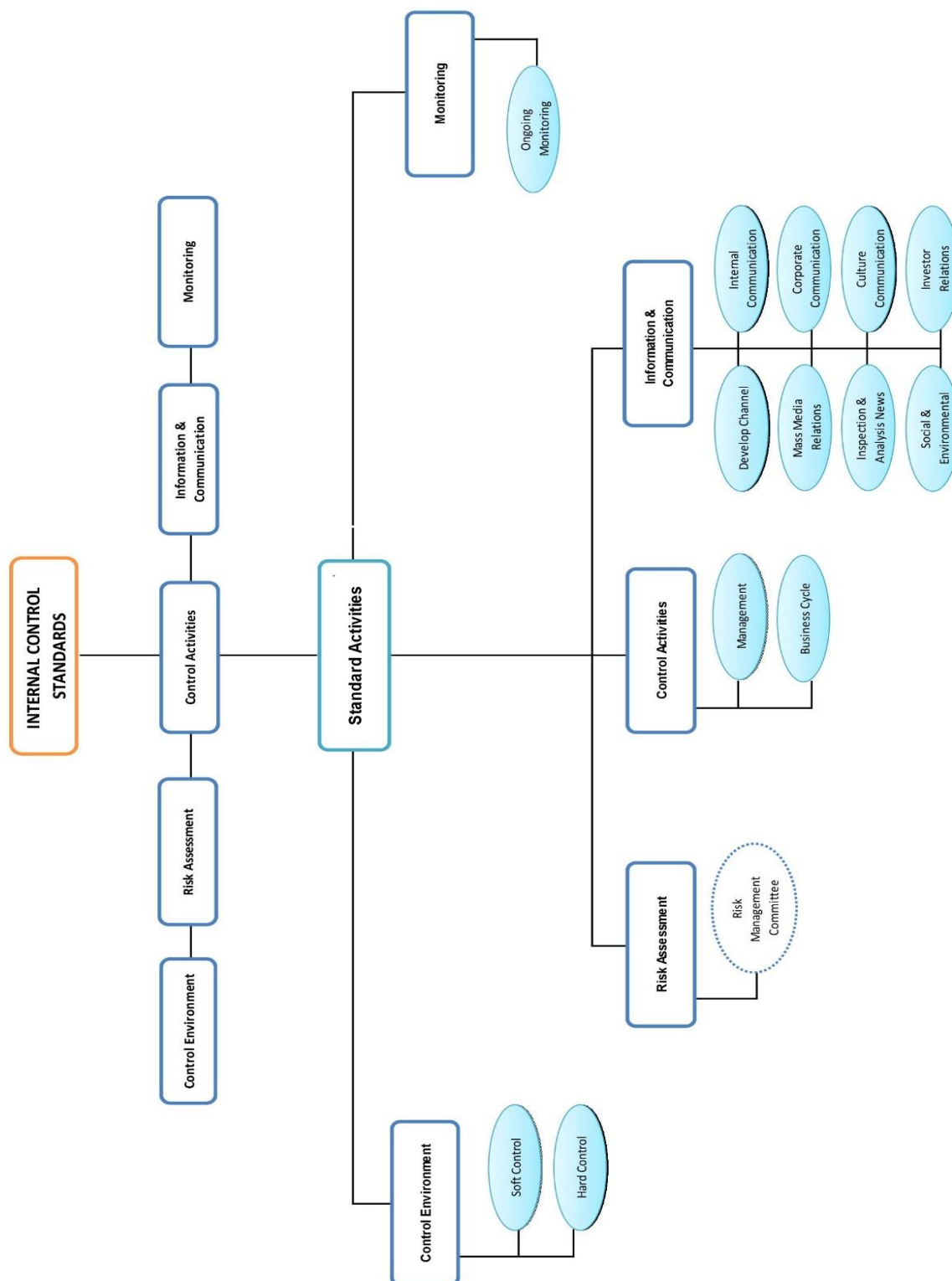
**Fix Remedies:** Take action to alleviate or remedy what is harmful to the community. Or a coordinator, contact the responsible agency directly.

## 11. Internal Control and Risk Management

The Company recognizes the importance of continuous internal control. The Board of Directors has assigned the Audit Committee to review the internal control evaluation and regularly monitor and evaluate it. To provide the Company's operations. The Company has improved its internal control system to be more systematic.

The Company has an internal audit unit that has duties and responsibilities to assess the internal control system. And the relevant regulatory compliance. The Internal Audit Department is directly responsible to the Audit Committee. To be free to perform duties within the scope of the audit work plan.

The main objectives and standards of internal control of the Company are as follows:







## 11.1 Control Environment

Management has created an atmosphere for employees in the agency. Good sense of responsibility. The environmental standard of control is set by

### 11.1.1 Soft Control

Creating awareness and quality for employees such as honesty, transparency, good leadership. And ethics

### 11.1.2 Hard Control

The Company has set up policies, orders and regulations, such as organizational structure in the form of decentralization. The scope of duties and responsibilities of management and employees are defined. To ensure proper control and operation. Agility Effective And consistent with the changing environment.

## 11.2 Risk Assessment

Risk management is essential and essential in achieving organizational success. Especially in the current situation where the environment is changing rapidly, the Company is ready to deal with any event that may occur, whether it is an event that has an impact on the achievement of the objective or an opportunity to achieve it. Objective The Company has assigned the Risk Management Committee to oversee risk management. However, the Board of Directors has recognized the importance of such matters. The Risk Management Committee is established. It is in the process of recruiting the right person. To monitor, evaluate, and propose ways to reduce the risk to acceptable levels.

## 11.3 Control Activities

Control activity is an element that will help ensure that. The policies and procedures governing internal controls are implemented within the organization. Management has set the standard for controlling activities. Provide effective and effective control activities to prevent damage. Or damage may occur. To achieve the objectives of internal control, such as

- Policy and planning by management. This is a tool that directs the organization. It helps organizations to manage, monitor, and evaluate their performance.
- reviewed by management. Analyze the comparison between the actual performance and the budget plan that was prepared in advance. The results of the review make the executives see the overall operation of the problem. It also helps to analyze the causes that lead to the solution.
- Have physical control, such as asset protection, including cash on inventories. Tools other important documents and the data of the organization is well kept to prevent the loss. Including insurance. Guard and counting by comparing the actual amount with the accounting.
- There is a proper separation of duties within the organization. Do not assign any person to be responsible for performing important tasks. Or risk of damage from start to finish.
- Assignment of accounting entries and operations, such as:
  - ☐ Approval of important accounting adjustments
  - ☐ Payment Approvals
  - ☐ Approval of sales orders prior to shipment.
- Documentation is provided. For business Project Works or important systems. By providing documentary evidence. A contract or a letter, such as a contract with a buyer. Contracting with partners
- Establish a guideline or control activity defined in a regulation or a manual of operation, such as the determination of the authority to act. Procurement Warehouse Accounting and Finance Human Resource Management Information security and operations.

The internal control of the Company. The main control activities are as follows:

### 11.3.1 Management

**The Company has control over the management. Management Human Resource Management Compliance with the Accounting and Financial Regulation, which the Company has defined as follows:**



## 11.3.1.1 Management

- Organize appropriate And always keep up with changes.
- Scope of duties And the power to do so clearly.
- Formulate annual policies and targets.
- Define the plans. Both short and long term.
- Define regulations on various matters. Clearly written.

Meetings and reports on the performance of each unit on a monthly basis

## 11.3.1.2 Human Resource Management

- Define the organization's management plan. And always updated.
- Determine the scope of responsibilities of the unit and its staff.
- A medical examination is scheduled every year.
- Determine the criteria for assessing the performance and potential of each employee.
- Payroll Wage change The deduction of wages is in accordance with the Labor Code.
- There is a need to develop training by conducting internal and external training.

## 11.3.1.3 Compliance

- Has a review with a regulatory authority such as the Revenue Department or the Office of the Securities and Exchange Commission, and has determined that a violation has occurred. What is the cause of the violation?
- Identify people with the right knowledge, experience and qualifications to oversee the organization's operations.

## 11.3.1.4 Accounting

- Have appropriate accounting policies.
- Have a good accounting system. And power of action
- A sufficiently disclosed financial statement is prepared.

## 11.3.1.5 Financial

- There is a division of responsibilities of the payee. Inspection Agency Finance and Accounting You can count on it.
- Set up a financial operating manual. Each person has the authority to approve each credit line.
- Have cash in hand with the appropriate amount of money. Focus on not holding more cash than necessary.
- Payments for repayment of debts or payment of commitments. Payment documentation required. The evidence is complementary to the operating system of the Company.

## 11.3.2 Business Cycle Control

The Company has significant business cycle controls. It is divided into 4 cycles, including revenue cycle, cycle, production cycle and financing cycle. Each cycle is as follows.

### 11.3.2.1 Revenue Cycle

#### 11.3.2.1.1 Sales

- There is a clear separation of functions between sales agencies. Warehouse Finance
- All items must be approved before delivery.

#### 11.3.2.1.2 Collection of Customers and debt collection

- The agency responsible for collecting and tracking debt.

### 11.3.2.2 Circumstances of Expenditure

#### 11.3.2.2.1 Notification of Request for Provision

- The authority to authorize the notification.
- Inform the supplier of the terms agreed upon with the purchasing agency to prevent urgent procurement.
- Check supplies list before supplying. In order to keep inventory in reasonable quantities.





#### **11.3.2.2 Procurement**

- There is a process for selecting the best suppliers in terms of quality, price and delivery.
- Determine the method of procurement based on the value of the material or service. Employment and the number of sellers, such as the price of the tender.

#### **11.3.2.3 Debt Repayment**

- Have debt approval.
- Determine the agency responsible for payment.
- The voucher is paid. Marked to prevent repetition.

### **11.3.2.3 Production Cycles**

#### **11.3.2.3.1 Production Planning**

- Production plan consistent with the sales plan.
- Have weekly, monthly or quarterly production planning and systematic evaluations.
- Have teamwork in line with the production plan. And the performance.

#### **11.3.2.3.2 Production Operations**

- Determine the authority to order production.
- Make a material bill that is approved. And match the production date, week, month  
Evaluate the actual performance with the plan. Maintenance plan and every day, every week or month.

#### **11.3.2.3.3 Warehouse Management**

- There is separation of duties. And clear responsibilities between goods receipt, delivery, production and accounting.
- Goods Receipt Enter or leave the archive Approved by the authority.
- Have inventory policy for spare parts regularly.
- There is a reconciliation between the result of the count and the account. And approved by the responsible before the update.

### **11.3.2.4 Financing Circles**

#### **11.3.2.4.1 Share issuance / capital increase**

- A detailed analysis of capital. Details of listed shares. Share Value, Share Issue, Reserve Information
- There is a collection of receivables.
- There is compliance with the essential contractual restrictions in the capital-related section.

## **11.4 Information and Communication**

The Company has an information system and information. Can be linked together thoroughly. Management has set the standard for Information Systems and Data Communications. The Company has established a corporate communication unit responsible for overseeing the information and communication systems to the appropriate management and staff within and outside the organization, who are required to use the information in an appropriate and timely manner. It also provides a way to listen to ideas or suggestions from within and outside the organization through convenient channels. The system is monitored and evaluated. To provide information and communication system of the Company. Effective supports the needs of the management to bring important information to the decision. Last year, the company the activities are as follows.

- 11.4.1 Develop communication channels within the organization.
- 11.4.2 Communication activities within the organization
- 11.4.3 Media Relations Activities
- 11.4.4 Corporate Communications
- 11.4.5 Monitoring and Analysis of Corporate and Business News
- 11.4.6 Corporate culture
- 11.4.7 Social and Environmental Activities



## 11.5 Monitoring and Evaluation System

The Company monitors compliance with the internal control system. Internal auditors who independently perform internal audit functions, both verifiable and reliable, of financial reports. Monitor the operation of various systems in the company and monitor compliance. To ensure that the internal control system of the Company. Sufficient and appropriate. Ongoing Monitoring (Ongoing Monitoring)

In addition, the Company has hired Simon Auditing House Company Limited (SIMON) to audit and evaluate the Company's internal control system which covers 8 operating processes which are : Defining control structure and operational authority , Human resource management , Procurement, Sales, Warehouse management , Permanent Assets Management , Finance and Accounting, and Information Technology Management. SIMON has issued 2 internal audit reports dated October 28, 2019 and December 9, 2019 . The reports showed findings from the audits and suggestions for improvements in each process.

In this regard, the Company has taken the observations and suggestions from SIMON Company to continuously improve the efficiency of the internal control system of the Company.

## 12. Related Transaction

### 12.1 Necessity and reasonableness of the transaction

Inter connected transactions of the Company are considered as financial assistance for use as working capital of the Company. Due to the lack of liquidity, the terms of the transaction are in the best interest of the Company. That is, interest rates are based on the cost of capital of the lender, as well as the lender does not charge or charge extra.

The above transactions, which are the main financial assistance, have been approved by the Board of Directors and reported to the Stock Exchange of Thailand according to the Notification of the Stock Exchange of Thailand Re: Rules, Procedures and Disclosure of Connected Transactions of Listed Companies

### 12.2 Measures or procedures for approving inter-company transactions.

The Company seeks to minimize the number of connected transactions or avoid receiving financial assistance from related parties. Such transactions may occur when the Company has shortage of working capital to repay debts to creditors when it is due. If the Company has entered into related transactions (the Company has a measure to approve the connected transactions), according to the resolution. The Board of Directors of the Company No. 2/2009 held on February 26, 2009 approved the related transactions / connected transactions of the Company to be implemented.

#### 12.2.1 Grant or Grant of Financial Assistance Between connected parties

Amount of money <sup>(1)</sup>		Steps
1.1	From 1 Baht – less than 20 million Baht (per one time) (approximately 1 – 570	- Disclose to The Stock Exchange of Thailand immediately and - send the matter to the board of director for approval
1.2	From 1 million Baht and more (per one time) (approximately 570	- Disclose to The Stock Exchange of Thailand immediately and - send the matter to the board of director for approval - send the matter to the shareholders' meeting for approval





### 12.2.2 To order goods or services. Or entering into contracts, services, contracts, participation in capital, contracts, agents, etc.

Amount of money <sup>(1) (2)</sup>	Steps
2.1 from 1 million baht but not more than 20 million Baht (Approximately 28,000 - 570,000 USD) for example, no general trading conditions (except renting property for not more than 3 years) or about assets/service	<ul style="list-style-type: none"> <li>- Disclose to The Stock Exchange of Thailand immediately</li> <li>- May have to propose to the board of director for approval for some cases, for example, no general trading conditions (except renting property for not more than 3 years) or about assets/service</li> </ul>
2.2 From 20 million Baht (Approximately 570,000 USD)	<ul style="list-style-type: none"> <li>- Disclose to The Stock Exchange of Thailand immediately</li> <li>- send the matter to the board of director for approval</li> <li>- May have to propose to the Shareholders' meeting for approval for some cases, for example, no general trading conditions (except renting property for not more than 3 years) or about assets/service</li> </ul>

(1) the amount of money that is based on the financial statements of the business; And the SET regulations. This may change as appropriate.

(2) Except for normal business transactions such as purchase of raw materials, purchase of materials for use in production, purchase, sale of inventories, etc.

No need to report or send report. If the transaction is a connected person. Must have common commercial terms. Otherwise, follow steps 2.1 or 2.2, regardless of the value.

Directors who have conflict of interest have no right to vote on such related transactions. Interactions Must be considered by the Audit Committee of the Company with connected transactions / connected transactions. It must report to the Stock Exchange of Thailand. They are reported in accordance with the SET's rules and regulations. Rules, Procedures and Disclosure of Connected Transactions of Listed Companies

## 12.3 Connected transaction with subsidiaries

### 12.3.1 Normal business transaction Or regular business support items.

The Company has management fee income from subsidiaries. And the cost of hiring a sub-crusher operation. For the year ended December 31, 2019:

Unit : Baht

List	Cholsin	Skycliff	Sea Mineral	89 Capicorn Development	THL Power	Sawasdee Holding	Necessity and reasonableness
Management Fee	2,520,000.00	624,000.00		624,000.00	624,000.00	624,000.00	Service fee is determined by contract and is reasonable when compared with market price.
Cost of stone sub	14,064,628.50			-			Service fee is determined by contract and is reasonable when compared with market price.





**12.3.2 Rental or rental of real estate**

The Company has revenue from providing rental space to its subsidiaries. To use as a workplace For the year ended December 31, 2019:

Unit : Baht

List	Cholsin	Sky cliff	THL POWER	Sawasdee Energy Holding	Sea Mineral
Rental income	146,400.00	2,970,000.00	86,400.00	86,400.00	43,200.00

\*\*Rental price under lease agreement. It is suitable when compared to market price

**12.3.3 Give or receive financial assistance.**

Most of the connected transactions are long-term loans to subsidiaries and long-term loans from subsidiaries. There are agreements and agreements in the following areas

Characteristics of the contract	: Long term loan
Rationale for the loan	: To allocate funds for the subsidiary's projects.
Interest rate	: Calculates the average cost of interest on a bank.
Disclosure	: Reporting to the Stock Exchange and the shareholders on both quarterly and annual basis.
Approvals	: reviewed by the auditor, legal advisor, audit committee and The Board of Directors is of the opinion that such transaction is reasonable and compatible with general accredited accounting.

Unit : Baht

List	89 Capricorn Development Co.,Ltd.	Cholsin Co., Ltd	THL Power Co.,Ltd.	Sawasdee Energy Holding Co.,Ltd	Sky Cliff Co.,Ltd.	Sea Mineral Limited
Outstanding balance as of 31 Dec 2019						
Long-term loans such as principle, accrued interest receivables, other receivables	- - 333,840.00	- - 10,983,541.79	8,075,000.00 29,756.99 990,763.99	- - 800,304.00	- - 12,578,280.00	- - 2,620,468.43





Unit : Baht

List	89 Capricorn Development Co.,Ltd.	Cholsin Co., Ltd	THL Power Co.,Ltd.	Sawasdee Energy Holding Co.,Ltd	Sky Cliff Co.,Ltd.	Sea Mineral Limited
Long-term loans from principal Accrued interest Other payables	8,400,000.00 112,217.47 -	34,057.00			71,013,169.59 517,495.53 2,664,853.00	- -
Provision for doubtful accounts		None	None	None	None	None
Relationship / Connection	SkyClip holds 99.90% The shares are held by Directors and shareholders	Hold shares of 88.19% by directors and shareholders	Hold shares of 98.00 % by directors and shareholders	Hold shares of 58.80 % by directors and shareholders	Hold shares of 94.99% by directors and shareholders	Hold shares of 99.99 % by directors and shareholders

#### **12.4 Future policy or prospect of future transactions**

The Company has a policy to conduct business for the benefit of the Company. The Company has no policy to make any inter-company transactions, except for those transactions which are deemed necessary only. In the future, it will be the normal business transaction, as there was no special transaction between the companies. Subsidiary company, associated company and its shareholders. Pricing policy between the Company and its related parties is determined based on the normal price of the business as determined by the independent third parties.

Disclosure of connected transactions is in accordance with the regulations of the Securities and Exchange Commission and also in compliance with accounting standards regarding the disclosure of information about related parties as specified by the Federation of Accounting Professions



## **Part 3**

### **Financial Status and Performance**

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#### **13. Important financial information**

##### **Examination report summary**

The auditor's report for the company's financial statements for the year 2019, audited by Mrs. NatsarakSarochanunjeen from the A.M.T & Associates Limited commented on the unqualified audit report that The financial statements show the financial position of TongkahHarbour Public Company Limited and its subsidiaries as of 31 December 2019, results of operations and cash flow For the same year ended of TongkahHarbour Public Company Limited and its subsidiaries and only of TongkahHarbour Public Company Limited in a material and correct manner according to financial reporting standards.

##### **Important financial information**

The financial position and results of operations presented are Performance from financial statements for the year Ended December 31, 2019 which has been audited by an auditor by comparing them with the operating results from the financial statements for the years ended 31 December 2018 and 2017 which have been audited by an auditor.

#### **13.1 Summary of the consolidated financial statements of the company**

##### **13.1.1 Statement of financial position**





## A. ASSETS

### TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

#### STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2019

	BAHT		
	Consolidated financial statements		
	DECEMBER 31, 2019	DECEMBER 31, 2018	DECEMBER 31, 2017
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12,838,434.83	14,273,355.73	114,192,537.78
Trade receivables and Other receivables			
Trade receivables, net	312,338,992.41	320,049,590.38	187,505,194.12
Other receivables- related parties	909,500.00	909,500.00	-
Other receivables- other parties	20,894,935.93	10,114,716.17	17,431,181.83
Loan to directors	-	7,500,000.00	-
Inventories, net	340,840,845.37	303,637,182.33	326,041,724.91
Deposit for share subscription - Other Company	-	-	3,000,000.00
Other current assets			
- Input tax refundable	5,189,025.01	7,645,216.35	8,507,276.86
- Other	4,406.48	78,283.83	4,480.94
<b>TOTAL CURRENT ASSETS</b>	<b>693,016,140.03</b>	<b>664,207,844.79</b>	<b>656,682,396.44</b>
<b>NON - CURRENT ASSETS</b>			
Bank deposits pledged as collateral	5,188,392.88	2,762,913.92	3,004,132.75
Investments in subsidiaries, net	-	-	-
Advance payment for acquisition an investment	70,080,000.00	70,080,000.00	70,080,000.00
Advance payment for Machinery	23,000,000.00	-	-
Deferred expenditures of projects, net			
- Andesite mining	4,942,631.63	6,288,530.32	3,680,261.64
- Mining in the Foreign country	89,495,966.66	90,629,464.92	105,904,402.67
- Electricity generation from renewable energy project	-	6,340,551.82	-
Property, plant and equipment, net	522,209,393.60	420,941,624.08	243,222,506.57
Intangible assets, net	1,616,179.12	107,751.78	56,783.20
Power purchase agreement	19,661,816.61	20,455,373.00	-
Advance payment for purchase of land			
- andesite mining project	17,686,903.63	17,686,903.63	17,686,903.63
Deferred tax assets	4,200,000.00	4,200,000.00	-
Other non - current assets	24,288,685.39	27,748,263.77	37,243,254.89
<b>TOTAL NON - CURRENT ASSETS</b>	<b>782,369,969.52</b>	<b>667,241,377.24</b>	<b>480,878,245.35</b>
<b>TOTAL ASSETS</b>	<b>1,475,386,109.55</b>	<b>1,331,449,222.03</b>	<b>1,137,560,641.79</b>



## B.Liabilities and shareholders' equity

### TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

#### STATEMENTS OF FINANCIAL POSITION (Continue)

AS OF DECEMBER 31, 2019

	BAHT		
	Consolidated financial statements		
	DECEMBER 31, 2019	December 31, 2018	December 31, 2017
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables - related party	-	-	-
- other parties	63,065,781.01	18,647,586.46	28,803,388.09
Other payables - related party	-	-	-
Other payable - other parties	31,422,785.14	23,628,275.15	41,347,852.62
Machinery payable	-	145,277,553.44	-
Short - term loans from related party	1,541,135.04	7,034,735.04	-
Short - term loans from third parties	28,000,000.00	-	-
Current portion of finance lease	900,142.03	841,680.06	-
Current portion of Long Term Loans	9,900,000.00	-	-
Corporate Income Tax Payable	17,150,714.76	-	-
Other current liabilities - other	8,704,951.44	3,046,584.80	3,615,655.76
<b>TOTAL CURRENT LIABILITIES</b>	<b>160,685,509.42</b>	<b>198,476,414.95</b>	<b>73,766,896.47</b>
<b>NON - CURRENT LIABILITIES</b>			
Long - term loans from related parties	-	-	-
Liabilities under financial lease agreements	3,420,078.54	4,320,220.57	-
Long Term Loan Bank	100,650,000.00	-	-
Employee benefit obligation	13,908,492.69	12,952,415.53	11,070,572.00
Deferred tax liabilities	4,036,216.75	4,194,928.05	-
Provision expenses for the mining area restoration fund	-	-	250,000.00
Other non-current liabilities	5,494,702.07	5,000,071.85	4,715,887.86
<b>TOTAL NON - CURRENT LIABILITIES</b>	<b>127,509,490.05</b>	<b>26,467,636.00</b>	<b>16,036,459.86</b>
<b>TOTAL LIABILITIES</b>	<b>288,194,999.47</b>	<b>224,944,050.95</b>	<b>89,803,356.33</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Share capital</b>			
Authorized share capital of Baht 1 each			
24,482,667,127 ordinary shares		24,482,667,127.00	
Issued and fully paid - up share capital			
20,661,397,549 ordinary shares	20,661,397,549.00		20,661,397,549.00
Premium (Discount) on common stocks, net	(18,480,335,092.79)	(18,480,335,092.79)	(18,480,335,092.79)
Retained earnings (deficit) - Unappropriated	(1,096,631,418.03)	(1,172,729,326.02)	(1,216,392,184.35)
Total other components of shareholders' equity	(20,935.60)	17,572.56	-
Total Equity of Parent Company's Shareholders	1,084,410,102.58	1,008,350,702.75	964,670,271.86
Non - controlling interests	102,781,007.50	98,154,468.33	83,087,013.60
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,187,191,110.08</b>	<b>1,106,505,171.09</b>	<b>1,047,757,285.46</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,475,386,109.55</b>	<b>1,331,449,222.03</b>	<b>1,137,560,641.79</b>





## C.Statements of comprehensive income

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31,2019

	BAHT		
	Consolidated financial statements		
	DECEMBER 31,2019	DECEMBER 31,2018	DECEMBER 31,2017
<b>REVENUES</b>			
Revenue from the sale of			
- Andesite sales	102,250,578.65	102,844,761.59	59,046,403.63
- Ores sales	61,231,387.86	36,145,976.23	-
- Revenues from sales of Real Estate-THE BAY	19,835,000.00	5,544,500.00	50,589,750.00
Service Income from mining operation - Oversea	210,291,550.00	190,501,740.00	219,156,660.00
Service Income from mining operation - Domestic	45,235,800.00	10,096,600.00	-
Revenue from sales of Electricity Sola energy project	27,055,545.60	-	-
Service Income from Water Filter system	1,813,084.11	-	-
Other income			
Negative goodwill	-	83,580.34	-
Gain on exchange rate	3,554,949.74	565,984.33	111,695.22
Gain on revaluation of inventories	-	173,738.48	2,519.02
Gain on sale of property, plant and equipment	-	130,839.12	-
Gain on Rehabilitation creditors' Paid	14,820,502.69	3,610,605.24	77,963,969.54
Other : - Interest income	36,177.34	148,521.04	140,716.18
- Other	5,154,399.19	1,769,282.04	2,871,305.62
<b>TOTAL REVENUES</b>	<b>491,278,975.18</b>	<b>351,616,128.41</b>	<b>409,883,019.21</b>
<b>EXPENSES</b>			
Cost of the sale of			
- Cost of andesite sales	87,982,742.69	71,057,659.78	50,673,969.87
- Cost of Ores sales	41,479,896.32	21,216,132.89	-
- Cost of Sales of Real Estate-THE BAY	15,332,041.69	5,514,864.75	42,440,594.21
- Cost of Mining Operation Service - Oversea	90,746,003.88	96,928,651.95	97,810,558.87
-Cost of Mining Operation Service - Domestic	15,122,433.86	3,231,586.93	-
Cost of Electricity Sola energy project	15,085,871.54	-	-
- Cost of Service Water Filter system	726,922.56	-	-
Selling expenses	3,305,736.26	4,373,836.82	4,652,248.14
Administrative expenses	113,317,546.92	107,189,409.13	100,278,802.46
Finance costs	7,962,092.30	317,144.18	27,075.94
<b>TOTAL EXPENSES</b>	<b>391,061,288.02</b>	<b>309,829,286.43</b>	<b>295,883,249.49</b>
<b>PROFIT (LOSS) FOR THE PERIOD BEFORE INCOME TAX</b>	<b>100,217,687.16</b>	<b>41,786,841.98</b>	<b>113,999,769.72</b>
Income tax	(19,493,240.01)	-	-
<b>PROFIT (LOSS) FOR THE PERIODS</b>	<b>80,724,447.15</b>	<b>41,786,841.98</b>	<b>113,999,769.72</b>
<b>TOTAL INCOME (LOSS) ATTRIBUTABLE TO :</b>			
EQUITY HOLDERS OF THE PARENT	76,097,907.98	43,375,107.47	113,105,191.63
NON - CONTROLLING INTERESTS	4,626,539.17	(1,588,265.49)	894,578.09
	<b>80,724,447.15</b>	<b>41,786,841.98</b>	<b>113,999,769.72</b>
<b>BASIC EARNINGS (LOSS) PER SHARE (BAHT PER SHARE)</b>			
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	0.00368	0.00210	0.00551
<b>THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (SHARES)</b>	<b>20,661,397,549.00</b>	<b>20,661,397,549.00</b>	<b>20,510,152,993.00</b>





## D. Cash Flow

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2019

	BAHT		
	Consolidated financial statements		
	DECEMBER 31, 2019	DECEMBER 31, 2018	DECEMBER 31, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit (loss)	80,724,447.15	41,786,841.98	232,781.00
Adjustment to reconcile net loss to net cash inflow (outflow)			
from operating activities :-			
Depreciation and amortization	33,438,516.53	20,827,438.72	19,292,622.40
Negative goodwill	-	(83,580.34)	-
Amortization of fixed assets	328,765.82	-	-
Doubtful debts	2,603,036.77	-	-
Reverse Allowance for doubtful accounts	(500,000.00)	-	-
Amortization on expenditures of andesite mining project	1,355,177.04	736,051.32	736,051.32
Amortization on expenditures of Tin mining Myanmar project	1,554,545.52	1,554,545.52	1,295,454.60
Compensation and prepaid rent amortized (Solar power generation project)	204,033.86	-	-
Solar power purchase agreement	793,556.39	-	-
(Gain) Loss on revaluation of inventory	1,601,777.79	(173,738.48)	(2,519.02)
Reverse Provision for environmental restoration expenses	-	(250,000.00)	-
Interest Adjustment as Rehabilitation Plan	(14,820,502.69)	(3,610,605.24)	(77,963,969.54)
Loss (gain) on sale fixed assets	(28,036.38)	(130,839.12)	-
Unrealised loss (gain) on exchange rate	524,198.26	(526,668.68)	(46,730.83)
Loss (gain) on exchange rate	(4,079,148.00)	-	-
Employee benefit expense - Past service cost	-	980,780.20	-
Employee benefit expense	1,550,877.71	1,528,168.18	2,418,866.00
Interest Income	(36,177.34)	(148,521.04)	(140,716.18)
Interest expenses	6,489,993.39	317,144.18	27,075.94
Corporate income tax expense	19,493,240.01	-	-
	131,198,301.83	62,807,017.20	(54,151,084.31)
<b>Decrease (increase) in operating assets :-</b>			
Trade accounts receivable	5,121,174.01	(132,657,728.14)	(170,748,826.76)
Accounts receivable other- related party	-	(909,500.00)	-
Accounts receivable other - other party	(5,710,007.12)	7,316,465.66	7,776,876.24
Inventories, net	(38,805,440.83)	22,578,281.06	44,376,863.24
Other current assets	2,530,068.69	788,257.63	2,700,005.04
Other non - current assets	(312,777.74)	2,378,315.00	6,093,267.09
<b>Increase (decrease) in operating liabilities :-</b>			
Trade payables - related party	-	-	-
Trade payables - other party	44,418,194.55	(10,186,586.79)	26,577,639.71
Other payables - related party	-	-	-
Accounts payable other and other current liabilities	13,452,876.63	(17,717,522.22)	1,885,576.36
Employee benefits Paid	(594,800.55)	(235,500.00)	-
Other non-current liabilities	494,630.22	284,183.44	(3,668,223.18)
Payment for income tax	(2,501,236.53)	-	-
Net cash inflow (outflow) from operating activities	149,290,983.16	(65,554,317.16)	(139,157,906.57)





## TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOW (Continue)

FOR THE YEAR ENDED DECEMBER 31,2019

	BAHT		
	Consolidated financial statements		
	DECEMBER 31,2019	DECEMBER 31,2018	DECEMBER 31,2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (increase) in long - term investment -			
-bank deposits pledged as collateral	(2,425,478.96)	241,218.83	(19,530.74)
Decrease (increase) in long - term loans to related parties	-	-	-
Cash paid for capital purchase shares in a subsidiary	-	(21,900,000.00)	-
Payment for Advance Machinery	(23,000,000.00)	-	-
Payment for Project andesite site	(9,278.35)	-	-
Payment for expenditure of mining projects in Myanmar	(421,047.26)	-	-
Payment for expenditure of mining projects in Laos	-	13,720,392.23	(4,475,078.45)
Payment for expenditure of Renewable Energy	-	(6,340,551.82)	-
Payment for purchase property, plant and equipment	(131,704,818.76)	(43,431,426.48)	(37,138,342.62)
Machinery payable Paid	(141,198,405.44)	-	-
Received from sale on property, plant and equipment	28,037.38	130,841.12	-
Payment for purchase Intangible assets	-	(91,539.83)	(3,261.68)
Interest received	36,177.34	148,521.04	140,716.18
Net cash provide by (used in) investing activities	(298,694,814.05)	(57,522,544.91)	(41,495,497.31)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the capital increase ordinary shares	-	-	89,624,618.79
Proceeds from the Cash paid for debt Rehabilitation Plan	14,820,502.69	3,610,605.24	77,963,969.54
Proceeds from loans from financial institutions increased	120,000,000.00	-	-
Proceeds from loans from third parties	28,000,000.00	-	-
Increased cash payment for loans from financial institutions	(9,450,000.00)	-	-
Increase (decrease) in Short - term loans from related parties	-	7,034,735.04	-
Payment for Short - term loans from related parties	(5,493,600.00)	-	-
Proceeds from Long -term loans related parties	7,500,000.00	14,000,000.00	-
Payment for Long - term loans from related parties	-	-	-
Increase (decrease) in finance lease obligations	(841,680.06)	(841,837.69)	-
Interest paid	(6,489,993.39)	(289,994.05)	-
Net cash inflow (outflow) from financing activities	148,045,229.24	23,513,508.54	167,588,588.33
EFFECT OF EXCHANGE RATE CHANGE ON CASH	(37,811.07)	(374,780.62)	88,325.39
TRANSLATION ADJUSTMENT	(38,508.18)	17,572.56	-
CASH AND CASH EQUIVALENTS INCREASE ON SUBSIDIARIES PURCHASE	-	1,379.54	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	(1,396,412.72)	(99,938,134.15)	(12,976,490.16)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODS	14,273,355.73	114,192,537.78	16,402,039.22
CASH AND CASH EQUIVALENTS AT END OF PERIODS	12,838,434.83	14,273,355.73	3,425,549.06



## 13.2 Important Ratios

RATIOS	Unit	2019	2018	2017
<b>Liquidity Ratios :</b>				
Working Capital	ML	523.33	465.73	582.92
Current Ratio	Times	4.31	3.35	8.90
Quick Ratio	Times	2.02	1.68	4.09
<b>Activity Ratios :</b>				
Receivable Turnover	Times	1.48	1.36	3.22
Average Collection Period	Days	243.38	264.71	111.82
Inventory Turnover	Times	0.83	0.63	0.55
Average Days Sales Ratio	Days	435.33	572.58	656.61
<b>Profitability Ratios :</b>				
Gross Profit Margin	%	43.03	42.65	41.93
Net Profit Margin	%	17.26	12.12	34.67
Return on Equity	%	6.80	3.78	10.88
<b>Efficiency Ratios :</b>				
Return on Asset	Times	0.05	0.03	0.10
Asset Turnover	Times	0.33	0.26	0.29
<b>Financial Policy Ratios :</b>				
Debt to Equity Ratio	Times	0.24	0.20	0.09





## 14. Management analysis and explanation

Analysis and explanation for the financial status and operating performance according to the Annual Financial Statements as of December 31, 2019 compared with Annual Financial Statements as of December 31, 2018, and Statements of Financial Position as of December 31, 2019, compared with Statements of Financial Position as of December 31, 2018. Details are shown below:

Consolidated Financial Statement	Year 2019	Year 2018	Increased (decreased)	%
Revenue from Andesite sales	102.25	102.84	(0.59)	(0.58)
Revenue from Ores sales	61.23	36.15	25.08	69.40
Revenue from sales of Real Estate	19.84	5.54	14.29	257.74
Service Income from mining operation - Oversea	210.29	190.50	19.79	10.39
Service Income from mining operation - Domestic	45.24	10.10	35.14	348.03
Revenue from sales of Electricity Sola energy project	27.06	-	27.06	100.00
Service Income from Water Filter system	1.81	-	1.81	100.00
Other income	23.57	6.48	17.09	263.59
<b>Total Revenues</b>	<b>491.28</b>	<b>351.62</b>	<b>139.67</b>	<b>39.72</b>
Cost of Andesite sales	87.98	71.06	16.93	23.82
Cost of Ore sales	41.48	21.22	20.26	95.51
Cost of Sales of Real Estate	15.33	5.51	9.82	178.01
Cost of Mining Operation Service - Oversea	90.75	96.93	(6.18)	(6.38)
Cost of Mining Operation Service - Domestic	15.12	3.23	11.89	367.96
Cost of Electricity Sola energy project	15.09	-	15.09	100.00
Cost of Service Water Filter system	0.73	-	0.73	100.00
Selling expenses	3.31	4.37	(1.07)	(24.42)
Administrative expenses	113.32	107.19	6.13	5.72
Finance costs	7.96	0.32	7.64	2,409.90
<b>Total Expenses</b>	<b>391.06</b>	<b>309.83</b>	<b>81.30</b>	<b>26.24</b>
Profit (loss) for the period before income tax	100.22	41.79	58.43	139.83
Income tax	19.49	-	17.56	100.00
Profit (loss) for the periods	80.73	41.79	38.94	93.18
Profit (loss) - Equity holders of the parent	76.10	43.38	32.72	75.43

### 14.10 perating income

- From the sale of andesite stone, the Company had 102.25 million Baht of income for the year 2019, decreased by 0.58 % compared to the income of the same period of last year which was 102.84 million Baht.
- From sales of real estate, the Company had 19.84 million Baht of income for the year 2019, an increase of approximately 254.74% compared to the same period of last year with sales income of 5.54 million Baht.
- From the mining operation and production of tin ore in Republic of the Union of Myanmar, the Company earned an income of 210.29 million Baht in the year 2019, an increase of approximately 10.39% compared to the previous year with the amount of 190.50 million Baht. The increase in revenue was a result of increased production processes by using a stone mill due to the minerals that were brought into the production process were from hard rocks areas.

- From the operating fee from Pyrolusite production in Chiang Mai province, the Company earned an income of 45.24 million Baht in the year 2019 for the amount, an increase from the previous year which had the income of 10.10 million Baht since the production began in November 2018.

- As for Income from the sale of minerals, the Company purchased tin ore from Republic of the Union of Myanmar, then took them through the ore dressing process to obtain more purified tin ore products and sold them to domestic buyers. Total income from selling minerals in the year 2019 including an income from the sale of cement clay minerals from Saraburi Mine was 61.23 million Baht, an increase of approximately 69.40% compared to the previous year which had an income of 36.15 million Baht.

- The Company has started to supply electricity to commercial systems (COD) on December 27, 2018. As for this, the Company passed the electricity quality test from the Provincial Electricity Authority On January 11, 2019 and total operating income in the year 2019 was 27.05 million Baht.

### 14.2 Cost of sales and administration

- The cost of andesite sales for the year 2019 was approximately 87.98 million Baht, an increase of approximately 23.82% compared to the same period of last year which was 71.06 million Baht.

- Cost of tin mining operations in Republic of the Union of Myanmar for the year 2019 was approximately 90.75 million Baht, decreased by 6.38% compared to the same period of previous year which was 96.93 million Baht

- Operating cost of Pyrolusite mine production in Chiang Mai for the year 2019 was approximately 15.12 million Baht, increased by 367.96% compared to the same period of the previous year which was 3.23 million Baht.

- The cost of selling minerals in the year 2019 was approximately 41.48 million Baht consisting of ore cost, ore dressing cost, transportation cost, and mineral royalty fee, etc.

- The operating costs of the solar power plant in the year 2019 was approximately 15.09 million Baht consisting of depreciation cost, system maintenance cost, land rental fees, etc.

### 14.3 Selling expenses

The Company's current selling expenses come from Andesite Quarry business and Real Estate business. As for the mining operating business in Myanmar, there will not be any selling expenses since the Company is not the tin supplier for the tin that was produced by the Company. However, the main expenses for the Andesite Quarry Business are mineral royalty fee and the cost of stone transportation by truck. As for real estate business, expenses are about real estate transfers such as specific business tax, ownership transfer fee, sales discount. Total selling expenses in the year 2019 were 3.31 million Baht, a decrease of 1.07 million Baht or 24.42% from the same period of last year which was 4.37 million Baht.

### 14.4 Administrative expenses

An overview of the current administrative expenses of the Company consists of employee expenses, consulting fees, audit fees, asset depreciation, utilities, etc. In the year 2019, the Company had a total administrative expenses of 113.32 million Baht, an increase of 6.13 million Baht or 5.72% compared to the same period of last year which was 107.19 million Baht.





#### 14.5 Net profit (loss)

As of 31 December 2019, the Company had an annual net profit of 80.72 million Baht, an increase of 38.94 million Baht or 93.18% compared to the previous year with a net profit of 41.79 million Baht.

#### 14.6 Profit(Loss) of shareholders' equity of the parent Company

For the parent company shareholders' equity, the company had a net profit of 76.10 million Baht for the year ended 31 December 2019, an increase of 32.72 million Baht or 75.43% compared to the previous year with a profit to the parent company shareholders of 43.38 million Baht.

#### 14.7 Corporate income tax

The Company and its subsidiaries had 19.49 million Baht income tax from operating profits.

#### 14.8 Financial status

##### 14.8.1 Total assets

As of 31 December 2019, the Company and its subsidiaries had total assets of 1,475.39 million Baht, an increase of 143.94 million Baht from the end of last year, representing a rate of 10.81%. The major causes were :

Unit : million Baht

Assets Unit : million Baht	As of 31 Dec 2019	As of 31 Dec 2018
Cash and Equivalent to cash	12.84	14.27
Trade receivables	312.34	320.05
Inventory	340.84	303.64
Land, buildings and equipment – net	522.21	420.94

- Cash and cash equivalents as of December 31, 2019 equaled to 12.84 million Baht, a decrease of 10.05% compared to approximately 14.27 million Baht as of 31 December 2018.
- Outstanding trade receivables as of 31 December 2019 equaled 312.34 million Baht, a decrease of 7.71 million Baht or 2.41% compared to approximately 320.05 million Baht as of 31 December 2018 resulting from receiving payments for mine operating and mineral operating from both domestically and internationally.
- Inventories as of December 31, 2019 equaled to 340.84 million Baht, an increase of 12.25% compared to approximately 303.64 million Baht as of December 31, 2018.
- Land, buildings and equipment- Net as of 31 December 2019 equaled to 522.21 million Baht, an increase of 101.27 million or 24.06%. As of 31 December 2018, the amount was approximately 420.94 million Baht, due to the investment in machinery for offshore mining project and investment in renewable energy power plants in Chumphon Province.





### 14.8.2 Liabilities

As of December 31, 2019 Company's liabilities had a total of 288.19 million Baht, an increase of 63.25 million Baht or 28.12%, mainly caused by :

Unit : million Baht

Liabilities Unit : million Baht	As of 31 Dec 2019	As of 31 Dec 2018
Account payables – Trade	63.07	18.65
Account payables – Others	31.42	23.63
Employee benefits obligation	13.91	12.95
Account payables - machinery	-	145.28
Loan from Financial institution	100.65	-

- Trade payable accounts as of December 31, 2019 was 63.07 million Baht, an increase of 238.20% compared to approximately 18.65 million Baht as of December 31, 2018. This was a result from the hiring cost for foreign company as the main mining operator in Myanmar and account payables for the work at andesite quarry
- Other payables as of 31 December 2019 was 31.42 million Baht, an increase of 32.99% compared to approximately 23.63 million Baht as of 31 December 2018
- Loan from financial institutions as of December 31, 2019 was 100.65 million Baht. It is the loan to pay for machinery for renewable energy power plants in Chumphon Province by loaning the amount from a local financial institution.

### 14.8.3 Shareholders' equity

As of 31 December 2019, the Company and its subsidiaries had shareholders' equity of 1,187.19 million Baht, an increase of 80.69 million Baht compared to approximately 1,106.51 million Baht from the previous year as of 31 December 2018. This was a result from having an operating profit in year 2019.

### 14.8.4 Cash flow

Unit : million Baht

	31 Dec 2019	31 Dec 2018
Net cash (spent on) from operation	149.29	(65.55)
Net cash (spent on) from investment	(298.68)	(57.52)
Net cash (spent on) from fund raising activity	148.05	23.51
Net cash decreased during the period	(1.39)	(99.94)
Cash and cash equivalents as of 1 January	14.27	114.19
Cash and cash equivalents as of 31 December	12.84	14.27

For the period ended 31 December 2019, the Company and its subsidiaries had a net 149.29 million Baht of cash flows from their business operation by receiving payments from foreign trade receivables. The net cash flow used in activities related to investment was 298.68 million Baht, used for machinery investment in offshore mining and renewable energy power plants. Net cash flow of 148.05 million Baht from fund raising activities from a local financial institution. Therefore, cash and cash equivalents as at December 31, 2019 was 12.84 million Baht, decreased by 1.43 million Baht from 1 January 2019.





### 14.8.5 Important Financial Ratio

Financial ratio		Year 2019	Year 2018
Current Ratio	times	4.31	3.35
Quick Ratio	times	2.02	1.68
Gross profit ratio	%	43.03	42.65
Net profit margin	%	17.26	12.12
Return on equity	%	6.80	3.78
Return on asset	times	0.06	0.03
Asset Turnover	times	0.33	0.26
Debt to equity	times	0.24	0.20

### 14.9 Factors or events that may affect the financial status or future operations

#### 14.9.1 External factors affecting the business of the Company

In business operation, Company's performance depends on the economic and social conditions as well as legal requirements which the Company may be affected by uncontrollable external factors such as factors from legal requirements. The Company has submitted a request to Saraburi Provincial Industrial Office on June 2, 2016 to renew the concession license number 28675/15632 and the process of reviewing the economic progress assessment report for a concession license and the suitability of the technology used in mining has been approved. Currently, the Company is in the process of renewing the agreement for land use in Phra Phutthabat Industrial Estate, Saraburi province, which was expired on 15 December 2018. The renewal of the contract was submitted to the Department of Social Development and Welfare on January 21, 2020. Currently, it is awaiting for the Board's consideration.

**15. Independent Auditor's Report**

**TONGKAH HARBOUR PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
AND  
INDEPENDENT AUDITOR'S REPORT**





## **INDEPENDENT AUDITOR'S REPORT**

### **To The Shareholders and Board of Directors of Opinion**

I have audited the consolidated financial statements of Tongkah Harbour Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Tongkah Harbour Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2019, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Tongkah Harbour Public Company Limited and its subsidiaries and of Tongkah Harbour Company Limited as of December 31, 2019, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### **Key Audit Matters included Audited Procedures are as follows:**

Service Income recognition from mining production in other country: As shown in the statements of income, the group present total income in consolidated financial statement amounting to Baht 490.59 million and net profit of Baht 80.72 million which due to Service Income from mining production in other country of Baht 210.29 million. Because service income is significant transactions to the Group operation and the transactions occur in foreign country. Therefore, I identified that the revenue recognition is significant matter that requires special attention in the audit.

### **My Audited Procedures to the Key Audit Matters**

#### Service Income recognition from mining production in other country

I assessed an appropriation and tested the internal control related to the Service Income recognition and substantive audit the sampling transaction of Service Income recognition during the year and period close to end of fiscal year, with related document, and review issued credit note after the reporting date. I also performed analytical procedures of disaggregated data to detect possible irregularities in service income transactions throughout the year, particularly for accounting entries made through journal vouchers.



## Other Information

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

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

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

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

## Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(NATSARAK SAROCHANUNJEEN)  
Certified Public Accountant  
Registration No. 4563

A.M.T. & ASSOCIATES  
Bangkok, Thailand  
February 29, 2020



## 16. Financial Statements

## 16.1 Statements of Financial Position

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2019

	Note	BAHT			
		Consolidated financial statements		Separate financial statements	
		DECEMBER 31, 2019	DECEMBER 31, 2018	DECEMBER 31, 2019	DECEMBER 31, 2018
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	12,838,434.83	14,273,355.73	6,493,822.07	6,002,997.42
Trade receivables and Other receivables					
Trade receivables, net	5.1	312,338,992.41	320,049,590.38	307,571,836.82	309,246,228.38
Other receivables- related parties	3.3	909,500.00	909,500.00	28,307,198.22	22,046,123.05
Other receivables- other parties	5.2	20,894,935.93	10,114,716.17	10,499,090.85	9,137,814.44
Loan to directors	3.4	-	7,500,000.00	8,104,756.99	-
Inventories, net	6	340,840,845.37	303,637,182.33	30,424,867.26	30,237,226.31
Other current assets					
- Input tax refundable		5,189,025.01	7,645,216.35	2,825,757.53	6,880,203.41
- Other		4,406.48	78,283.83	-	-
TOTAL CURRENT ASSETS		693,016,140.03	664,207,844.79	394,227,329.74	383,550,593.01
NON - CURRENT ASSETS					
Bank deposits pledged as collateral	7	5,188,392.88	2,762,913.92	418,575.11	414,073.71
Investments in subsidiaries, net	8	-	-	747,557,186.31	706,787,186.31
Advance payment for acquisition an investment	8.3	70,080,000.00	70,080,000.00	70,080,000.00	70,080,000.00
Advance payment for Machinery		23,000,000.00	-	23,000,000.00	-
Deferred expenditures of projects, net					
- Andesite mining	9	4,942,631.63	6,288,530.32	4,942,631.63	6,288,530.32
- Mining in the Foreign country	10	89,495,966.66	90,629,464.92	89,495,966.66	90,629,464.92
- Electricity generation from renewable energy project	11	-	6,340,551.82	-	-
Property, plant and equipment, net	12	522,209,393.60	420,941,624.08	303,287,257.91	212,071,215.77
Intangible assets, net	13	1,616,179.12	107,751.78	31,333.58	51,918.07
Power purchase agreement	8.1	19,661,816.61	20,455,373.00	-	-
Advance payment for purchase of land					
- andesite mining project	14	17,686,903.63	17,686,903.63	17,686,903.63	17,686,903.63
Deferred tax assets	8.1,27	4,200,000.00	4,200,000.00	-	-
Other non - current assets	15	24,288,685.39	27,748,263.77	8,919,761.12	8,716,498.19
TOTAL NON - CURRENT ASSETS		782,369,969.52	667,241,377.24	1,265,419,615.95	1,112,725,790.92
TOTAL ASSETS		1,475,386,109.55	1,331,449,222.03	1,659,646,945.69	1,496,276,383.93

The accompanying notes to financial statements are an integral part of these statements.





## TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (Continue)

AS OF DECEMBER 31, 2019

		BAHT			
		Consolidated financial statements		Separate financial statements	
	Note	DECEMBER 31,2019	December 31, 2018	DECEMBER 31,2019	December 31, 2018
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Trade payables - related party	3.5	-	-	12,567,018.40	19,127,047.00
- other parties		63,065,781.01	18,647,586.46	46,612,870.91	13,933,301.47
Other payables - related party	3.6	-	-	34,057.00	-
Other payable - other parties	16	31,422,785.14	23,628,275.15	17,016,398.61	10,176,341.15
Machinery payable		-	145,277,553.44	-	-
Short - term loans from related party	3.7	1,541,135.04	7,034,735.04	2,770,524.39	2,000,000.00
Short - term loans from third parties	17	28,000,000.00	-	-	-
Current portion of finance lease	18	900,142.03	841,680.06	900,142.03	841,680.06
Current portion of Long Term Loans	19	9,900,000.00	-	-	-
Corporate Income Tax Payable		17,150,714.76	-	13,792,747.74	-
Other current liabilities - other	20	8,704,951.44	3,046,584.80	7,736,702.24	2,007,776.74
TOTAL CURRENT LIABILITIES		160,685,509.42	198,476,414.95	101,430,461.32	48,086,146.42
NON - CURRENT LIABILITIES					
Long - term loans from related parties	3.8	-	-	82,707,735.59	49,763,383.56
Liabilities under financial lease agreements	18	3,420,078.54	4,320,220.57	3,420,078.54	4,320,220.57
Long Term Loan Bank	19	100,650,000.00	-	-	-
Employee benefit obligation	20	13,908,492.69	12,952,415.53	11,478,974.77	10,779,345.46
Deferred tax liabilities	27	4,036,216.75	4,194,928.05	-	-
Other non-current liabilities	22	5,494,702.07	5,000,071.85	3,600,000.00	3,600,000.00
TOTAL NON - CURRENT LIABILITIES		127,509,490.05	26,467,636.00	101,206,788.90	68,462,949.59
TOTAL LIABILITIES		288,194,999.47	224,944,050.95	202,637,250.22	116,549,096.01
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital of Baht 1 each					
24,482,667,127 ordinary shares	23		24,482,667,127.00		24,482,667,127.00
Issued and fully paid - up share capital					
20,661,397,549 ordinary shares	23	20,661,397,549.00		20,661,397,549.00	
Premium (Discount) on common stocks, net	23	(18,480,335,092.79)	(18,480,335,092.79)	(18,480,335,092.79)	(18,480,335,092.79)
Retained earnings (deficit) - Unappropriated		(1,096,631,418.03)	(1,172,729,326.02)	( 724, 052, 760. 74)	( 801, 335, 168. 29)
Total other components of shareholders' equity		(20,935.60)	17,572.56	-	-
Total Equity of Parent Company's Shareholders		1,084,410,102.58	1,008,350,702.75	1,457,009,695.47	1,379,727,287.92
Non - controlling interests		102,781,007.50	98,154,468.33	-	-
TOTAL SHAREHOLDERS' EQUITY		1,187,191,110.08	1,106,505,171.09	1,457,009,695.47	1,379,727,287.92
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,475,386,109.55	1,331,449,222.03	1,659,646,945.69	1,496,276,383.93



## 16.2 Statements of Change Shareholder's Equity

## TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

	BAHT									
	Consolidated financial statements									
	Equity holder of parent company									
	Other components of shareholders' equity									
	Total									
	Issued and fully paid - up share capital	Premium on common stocks, net	Retained earnings (deficit) Unappropriated	Translation Adjustment	Gain (loss) on actuarial assumptions	Other components of shareholders' equity	Total equity attributable to the parent's shareholders	Non - controlling interests	Total	
Balance as of January 1, 2018	20,661,397,549.00	(18,400,335,092.79)	(1,216,392,184.35)	-	-	-	954,670,271.86	83,087,013.60	1,047,757,385.46	
Changes in equity for the period										
Non-controlling interest -										
- Increase investment in subsidiaries	-	-	-	-	-	-	-	16,655,720.22	16,655,720.22	
Total comprehensive income (loss) for the period	-	-	43,375,107.47	17,572.56	287,750.83	305,323.41	43,680,430.88	(1,588,265.49)	42,092,165.39	
Transfer gain (loss) on actuarial assumptions to -										
- unappropriated retained earning	-	-	287,750.83	-	(287,750.83)	(287,750.83)	-	-	-	
Balance as of DECEMBER 31, 2018	20,661,397,549.00	(18,400,335,092.79)	(1,172,729,326.02)	17,572.56	-	17,572.56	1,008,350,702.74	98,154,468.33	1,106,505,171.08	
Balance as of January 1, 2019	20,661,397,549.00	(18,400,335,092.79)	(1,172,729,326.02)	17,572.56	-	17,572.56	1,008,350,702.75	98,154,468.33	1,106,505,171.08	
Changes in equity for the period										
Total comprehensive income (loss) for the period	-	-	76,097,907.98	(38,508.16)	-	(38,508.16)	76,059,399.82	4,626,539.17	80,685,938.99	
Balance as of DECEMBER 31, 2019	20,661,397,549.00	(18,400,335,092.79)	(1,096,631,418.03)	(20,935.60)	-	(20,935.60)	1,084,410,102.57	102,781,007.50	1,187,191,110.08	

The accompanying notes to financial statements are an integral part of these statements.





## TONGKAHARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT

	Separate Financial Statement				
	Issued and fully paid - up share capital	Premium on common stocks, net	Other components of shareholders' equity		Total
			Retained earnings (deficit)	Gain (loss) on actuarial assumptions	
Balance as of January 1, 2018	20,661,397,549.00	(18,480,335,092.79)	(854,613,508.76)	-	1,326,448,947.45
Changes in equity for the period					
Total comprehensive income (loss) for the period	-	-	53,363,961.47	(85,621.00)	53,278,340.47
Transfer gain (loss) on actuarial assumptions to unappropriated retained earning	-	-	(85,621.00)	85,621.00	-
Balance as of December 31, 2018	20,661,397,549.00	(18,480,335,092.79)	(801,335,168.29)	-	1,379,727,287.92
Balance as of January 1, 2019	20,661,397,549.00	(18,480,335,092.79)	(801,335,168.29)	-	1,379,727,287.92
Changes in equity for the period					
Total comprehensive income (loss) for the period	-	-	77,282,407.55	-	77,282,407.55
Balance as of December 31, 2019	20,661,397,549.00	(18,480,335,092.79)	(724,052,760.74)	-	1,457,009,695.47

The accompanying notes to financial statements are an integral part of these statements.



TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2019

		BAHT			
		Consolidated financial statements		Separate financial statements	
	Note	DECEMBER 31,2019	DECEMBER 31,2018	DECEMBER 31,2019	DECEMBER 31,2018
REVENUES					
Revenue from the sale of					
- Andesite sales		102,250,578.65	102,844,761.59	102,250,578.65	102,844,761.59
- Ores sales		61,231,387.86	36,145,976.23	61,231,387.86	36,145,976.23
- Revenues from sales of Real Estate-THE BAY		19,835,000.00	5,544,500.00	-	-
Service Income from mining operation - Oversea		210,291,550.00	190,501,740.00	210,291,550.00	190,501,740.00
Service Income from mining operation - Domestic		45,235,800.00	10,096,600.00	-	-
Revenue from sales of Electricity Sola energy project		27,055,545.60	-	-	-
Service Income from Water Filter system		1,813,084.11	-	-	-
Other income					
Negative goodwill	7.1	-	83,580.34	-	-
Gain on exchange rate	25	3,554,949.74	565,984.33	-	-
Gain on revaluation of inventories		-	173,738.48	196,027.41	173,738.48
Gain on sale of property, plant and equipment		-	130,839.12	28,036.38	130,839.12
Gain on Rehabilitation creditors' Paid		14,820,502.69	3,610,605.24	14,820,502.69	3,610,605.24
Other : - Interest income		36,177.34	148,521.04	123,508.33	62,878.19
- Management fee	3.1	-	-	5,016,000.00	7,860,000.00
- Other		5,154,399.19	1,769,282.04	9,095,327.19	5,020,552.35
TOTAL REVENUES		491,278,975.18	351,616,128.41	403,052,918.51	346,351,091.20
EXPENSES					
Cost of the sale of					
- Cost of andesite sales		87,982,742.69	71,057,659.78	90,066,939.37	82,905,066.62
- Cost of Ores sales		41,479,896.32	21,216,132.89	41,479,896.32	21,216,132.89
- Cost of Sales of Real Estate-THE BAY		15,332,041.69	5,514,864.75	-	-
- Cost of Mining Operation Service - Oversea		90,746,003.88	96,928,651.95	90,746,003.88	96,928,651.95
-Cost of Mining Operation Service - Domestic		15,122,433.86	3,231,586.93	-	-
Cost of Electricity Sola energy project		15,085,871.54	-	-	-
- Cost of Service Water Filter system		726,922.56	-	-	-
Selling expenses		3,305,736.26	4,373,836.82	2,755,736.26	3,797,451.03
Administrative expenses		113,317,546.92	107,189,409.13	83,051,836.01	84,830,606.45
Finance costs		7,962,092.30	317,144.18	3,660,099.36	3,309,220.79
TOTAL EXPENSES		391,061,288.02	309,829,286.43	311,760,511.20	292,987,129.73
PROFIT (LOSS) FOR THE PERIOD BEFORE INCOME TAX		100,217,687.16	41,786,841.98	91,292,407.31	53,363,961.47
Income tax		(19,493,240.01)	-	(14,009,999.76)	-
PROFIT (LOSS) FOR THE PERIODS		80,724,447.15	41,786,841.98	77,282,407.55	53,363,961.47
TOTAL INCOME (LOSS) ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		76,097,907.98	43,375,107.47	77,282,407.55	53,363,961.47
NON - CONTROLLING INTERESTS		4,626,539.17	(1,588,265.49)	-	-
		80,724,447.15	41,786,841.98	77,282,407.55	53,363,961.47
BASIC EARNINGS (LOSS) PER SHARE (BAHT PER SHARE)					
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE					
TO EQUITY HOLDERS OF THE PARENT		0.00368	0.00210	0.00374	0.00258
THE WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES (SHARES)		20,661,397,549.00	20,661,397,549.00	20,661,397,549.00	20,661,397,549.00

The accompanying notes to financial statements are an integral part of these statements.





TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	BAHT			
		Consolidated financial statements		Separate financial statements	
		For the nine-month period ended		For the nine-month period ended	
		DECEMBER 31, 2019	DECEMBER 31, 2018	DECEMBER 31, 2019	DECEMBER 31, 2018
PROFIT (LOSS) FOR THE PERIOD		80,724,447.15	41,786,841.98	77,282,407.55	53,363,961.47
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIODS					
<i>Item that will not be reclassified subsequently to profit or loss :</i>					
Gain (loss) on actuarial assumptions	21	-	391,604.30	-	(85,621.00)
Income tax related to other component of shareholders' equity		-	(103,853.45)	-	-
		-	287,750.85	-	(85,621.00)
<i>Item that will be reclassified subsequently to profit or loss :</i>					
Translation adjustment		(38,508.16)	17,572.56	-	-
NET- OTHER COMPREHENSIVE INCOME (LOSS) -					
- FOR THE PERIODS		(38,508.16)	305,323.41	-	(85,621.00)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIODS		<u>80,685,938.99</u>	<u>42,092,165.39</u>	<u>77,282,407.55</u>	<u>53,278,340.47</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		76,059,399.82	43,680,430.88	77,282,407.55	53,278,340.47
NON - CONTROLLING INTERESTS		<u>4,626,539.17</u>	<u>(1,588,265.49)</u>	<u>-</u>	<u>-</u>
		<u>80,685,938.99</u>	<u>42,092,165.39</u>	<u>77,282,407.55</u>	<u>53,278,340.47</u>

*The accompanying notes to financial statements are an integral part of these statements.*



## 16.4 Statements of Cash flow

### TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

#### STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31,2019

	BAHT			
	Consolidated financial statements		Separate financial statements	
	DECEMBER 31,2019	DECEMBER 31,2018	DECEMBER 31,2019	DECEMBER 31,2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit (loss)	80,724,447.15	41,786,841.98	77,282,407.55	53,363,961.47
Adjustment to reconcile net loss to net cash inflow (outflow)				
from operating activities :-				
Depreciation and amortization	33,438,516.53	20,827,438.72	16,130,649.79	12,987,261.13
Negative goodwill	-	(83,580.34)	-	-
Amortization of fixed assets	328,765.82	-	-	-
Doubtful debts	2,603,036.77	-	2,603,036.77	-
Reverse Allowance for doubtful accounts	(500,000.00)	-	(500,000.00)	-
Amortization on expenditures of andesite mining project	1,355,177.04	736,051.32	1,355,177.04	736,051.32
Amortization on expenditures of Tin mining Myanmar project	1,554,545.52	1,554,545.52	1,554,545.52	1,554,545.52
Compensation and prepaid rent amortized (Solar power generation project)	204,033.86	-	-	-
Solar power purchase agreement	793,556.39	-	-	-
(Gain) Loss on revaluation of inventory	1,601,777.79	(173,738.48)	(196,027.41)	(173,738.48)
Reverse Provision for environmental restoration expenses	-	(250,000.00)	-	(250,000.00)
Interest Adjustment as Rehabilitation Plan	(14,820,502.69)	(3,610,605.24)	(14,820,502.69)	(3,610,605.24)
Loss (gain) on sale fixed assets	(28,036.38)	(130,839.12)	(28,036.38)	(130,839.12)
Unrealised loss (gain) on exchange rate	524,198.26	(526,668.68)	505,062.53	491,747.53
Loss (gain) on exchange rate	(4,079,148.00)	-	-	-
Employee benefit expense - Past service cost	-	980,780.20	-	903,647.44
Employee benefit expense	1,550,877.71	1,528,168.18	1,229,629.86	1,220,847.02
Interest Income	(36,177.34)	(148,521.04)	(123,508.33)	(62,878.19)
Interest expenses	6,489,993.39	317,144.18	3,660,099.36	3,309,220.79
Corporate income tax expense	19,493,240.01	-	14,009,999.76	-
	<u>131,198,301.83</u>	<u>62,807,017.20</u>	<u>102,662,533.37</u>	<u>70,339,221.19</u>
<b>Decrease (increase) in operating assets :-</b>				
Trade accounts receivable	5,121,174.01	(132,657,728.14)	(895,896.67)	(121,854,366.14)
Accounts receivable other- related party	-	(909,500.00)	(6,261,075.17)	18,297,793.48
Accounts receivable other - other party	(5,710,007.12)	7,316,465.66	(1,361,276.41)	(5,169,133.59)
Inventories, net	(38,805,440.83)	22,578,281.06	8,386.46	19,695,034.86
Other current assets	2,530,068.69	788,257.63	4,054,445.88	674,802.72
Other non - current assets	(312,777.74)	2,378,315.00	(203,262.93)	2,962,831.79
<b>Increase (decrease) in operating liabilities :-</b>				
Trade payables - related party	-	-	(6,560,028.60)	9,068,022.53
Trade payables - other party	44,418,194.55	(10,186,586.79)	32,679,569.44	(9,041,435.83)
Other payables - related party	-	-	34,057.00	(1,742,625.00)
Accounts payable other and other current liabilities	13,452,876.63	(17,717,522.22)	12,568,982.96	(18,158,093.97)
Employee benefits Paid	(594,800.55)	(235,500.00)	(530,000.55)	(235,500.00)
Other non-current liabilities	494,630.22	284,183.44	-	-
Payment for income tax	(2,501,236.53)	-	(217,252.02)	-
	<u>149,290,983.16</u>	<u>(65,554,317.16)</u>	<u>135,979,182.76</u>	<u>(35,163,447.96)</u>
Net cash inflow (outflow) from operating activities				





## TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOW (Continue)

FOR THE YEAR ENDED DECEMBER 31,2019

	BAHT			
	Consolidated financial statements		Separate financial statements	
	DECEMBER 31,2019	DECEMBER 31,2018	DECEMBER 31,2019	DECEMBER 31,2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (increase) in long - term investment -				
-bank deposits pledged as collateral	(2,425,478.96)	241,218.83	(4,501.40)	259,234.89
Decrease (increase) in long - term loans to related parties	-	-	(8,104,756.99)	-
Cash paid for capital purchase shares in a subsidiary	-	(21,900,000.00)	(40,770,000.00)	(6,325,000.00)
Payment for Advance Machinery	(23,000,000.00)	-	(23,000,000.00)	-
Payment for Project and site site	(9,278.35)	-	(9,278.35)	-
Payment for expenditure of mining projects in Myanmar	(421,047.26)	-	(421,047.26)	-
Payment for expenditure of mining projects in Laos	-	13,720,392.23	-	13,720,392.23
Payment for expenditure of Renewable Energy	-	(6,340,551.82)	-	-
Payment for purchase property, plant and equipment	(131,704,818.76)	(43,431,426.48)	(107,326,108.44)	(31,739,399.56)
Machinery payable Paid	(141,198,405.44)	-	-	-
Received from sale on property, plant and equipment	28,037.38	130,841.12	28,037.38	130,841.12
Payment for purchase Intangible assets	-	(91,539.83)	-	(58,853.73)
Interest received	36,177.34	148,521.04	123,508.33	62,878.19
Net cash provide by (used in) investing activities	(298,694,814.05)	(57,522,544.91)	(179,484,146.73)	(24,149,906.86)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from the Cash paid for debt Rehabilitation Plan	14,820,502.69	3,610,605.24	14,820,502.69	3,610,605.24
Proceeds from loans from financial institutions increased	120,000,000.00	-	-	-
Proceeds from loans from third parties	28,000,000.00	-	-	-
Increased cash payment for loans from financial institutions	(9,450,000.00)	-	-	-
Increase (decrease) in Short - term loans from related parties	-	7,034,735.04	-	2,000,000.00
Payment for Short - term loans from related parties	(5,493,600.00)	-	770,524.39	-
Proceeds from Long -term loans related parties	7,500,000.00	14,000,000.00	32,617,022.59	-
Payment for Long - term loans from related parties	-	-	-	(9,293,565.89)
Increase (decrease) in finance lease obligations	(841,680.06)	(841,837.69)	(841,680.06)	(841,837.69)
Interest paid	(6,489,993.39)	(289,994.05)	(3,332,769.92)	(3,309,220.79)
Net cash inflow (outflow) from financing activities	148,045,229.24	23,513,508.54	44,033,599.69	(7,834,019.13)
EFFECT OF EXCHANGE RATE CHANGE ON CASH	(37,811.07)	(374,780.62)	(37,811.07)	(374,780.62)
TRANSLATION ADJUSTMENT	(38,508.18)	17,572.56	-	-
CASH AND CASH EQUIVALENTS INCREASE ON SUBSIDIARIES PURCHASE	-	1,379.54	-	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	(1,396,412.72)	(99,938,134.15)	490,824.65	(67,522,154.57)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODS	14,273,355.73	114,192,537.78	6,002,997.42	73,525,151.99
CASH AND CASH EQUIVALENTS AT END OF PERIODS	12,876,943.01	14,273,355.73	6,493,822.07	6,002,997.42



## 17. Notes to Financial Statements

### TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

#### NOTES TO FINANCIAL STATEMENTS FOR THE YEARENDED DECEMBER31, 2019

#### 1. GENERAL INFORMATION

##### 1.1 General matter

The Company was established as a limited company under the Civil and Commercial Code of Thailand on January 7, 1976. On June 6, 1994 the company changed its status to a public company limited under the Public Company Limited Act. The address of its head office is 252/11, Muang Thai-Phatra Office Tower I, 7th Floor, Ratchadapisek Road, Huaykhwang, Bangkok, Thailand. The Company and its subsidiaries operate both in Thailand and overseas. The principal activities of the company are tin mining, igneous rock quarrying, real estate development, minerals mining, production and selling alternative energy.

##### 1.2 Preparation basis for interim financial statements

These Financial Statements were prepared in accordance with the Accounting standards including the interpretation that were issue and revised by the Federation of Accounting Professions by adhering to financial reporting standards and the presentation of transactions prepared according to the summary form that must be included in the financial statements for a public companyas specified by the announcement of the Department of Business Development,Ministry of Commerce Issued under the Accounting Act B.E. 2543

These financial statements have been prepared by using the original cost basis, unless stated otherwise in the accounting policies.

This English version of the financial statements has been prepared from the financial statements that are in Thai language. Both language versions are consideredto be equally authentic. In the event of any discrepancy between the two aforementioned versions, the Thai version shall be the governing and prevailing version.

This consolidated financial statements were produced by combining the financial statements of Tongkah Harbour Public Co.,Ltd. and its subsidiaries' (Group of companies), and by using the same criterias exercised in the consolidated financial statements ended 31 December 2018.After eliminate the balances and significant related parties transactions are as follow:





	Company's Shareholding (%) as of		Type of Business	Percentage			
				Total assets of the subsidiary that included in the consolidated financial statements as of		Total revenues of the subsidiary that included in the consolidated financial statement total revenue for the nine - month period as of	
	Dec-31, 2019	Dec-31, 2018		Dec-31, 2019	Dec-31, 2018	Dec 31, 2019	Dec 31, 2018
Sky Cliff Limited	94.99	94.99	Property development	3.98	5.46	0.01	0.67
Cholsin Limited	88.19	88.19	Crushing andesite mining in company's concession area	6.13	2.80	9.40	2.80
Sea Minerals Limited	99.99	99.99	Exploring tin mining in sea zone	0.22	0.29	-	-
89 Capricorn Development - Limited (indirect)	94.91	94.91	Property development	14.53	21.19	4.06	2.90
THL Power Limited	98.00	98.00	Generating and selling renewable energy	0.23	0.25	-	0.04
Sawasdee Energy Holding Limited(indirect)	58.80	58.80	Generating and selling renewable energy	14.11	3.77	7.89	5.24
THL Myanmar Co., Ltd	100.00	100.00	Mining and Energy	0.01	0.14	-	-

### **1.3 The Announcement of using new financial report standards**

#### **1.3.1 Financial reporting standards the come into effect for the current period**

The Group of companies has complied with the accounting standards and financial reporting standards including the interpretation that were issued and revised by the Federation of Accounting Professions effective from the accounting period beginning on or after January 1,2019. The compliance to the above financial reporting standards in the current period has no significant on the financial statements.

#### **1.3.2 New accounting standard that do not take effect for the current period**

The Federation of Accounting Professions issued accounting standards,financial reporting standards. And interpretation of financial reporting standards. The effective date is from the accounting period beginning on or after January 1,2020 of the year shown below:

#### Accounting Standard

TAS 1 Presentation of Financial Statements

TAS 2 Inventories

TAS 7	Statement of Cash Flows
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	Events after the Reporting Period
TAS 12	Income tax
TAS 16	Property, Plant and Equipment
TAS 19	Employee benefits
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	The Effects of Changes in Foreign Exchange Rates
TAS 23	Borrowing costs
TAS 24	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27	Separate Financial Statements
TAS 28	Investments in Associates and Joint Ventures
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 32	Financial Instruments: Presentation
TAS 33	Earnings per Share
TAS 34	Interim Financial Reporting
TAS 36	Impairment of Assets
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets
TAS 40	Investment Property
TAS 41	Agriculture

## Financial Reporting Standard

TFRS 1	First – Time Adoption of International Financial Reporting Standards
TFRS 2	Share - based Payment
TFRS 3	Business Combinations
TFRS 4	Insurance Contract





- TFRS 5 Non - current Assets Held for Sale and Discontinued Operations
- TFRS 6 Exploration for and Evaluation of Mineral Resources
- TFRS 7 Financial Instruments: Disclosures
- TFRS 8 Operating Segments
- TFRS 9 Financial Instruments
- TFRS 10 Consolidated Financial Statements
- TFRS 11 Joint Arrangements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement
- TFRS 15 Revenue from Contracts with Customers
- TFRS 16 Leases

#### Accounting Standard Interpretations

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

#### Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 5 Rights to Interests arising from Decommissioning,  
Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29  
Financial Reporting in Hyperinflationary Economies
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset,  
Minimum Funding Requirements and their Interaction
- TFRIC 16 Hedges of a Net Investment in a Foreign Operation



TFRIC 17 Distributions of Non - Cash Assets to Owners

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

TFRIC 21 Levies

TFRIC 22 Foreign Currency Transactions and Advance Consideration

TFRIC 23 Uncertainty over Income Tax Treatments

The management of the Group has assessed TAS, TFRS, TSIC and TFRIC which are effective for financial statement year beginning on or after January 1, 2020 as follows:

1) TAS 1, TAS 2, TAS 7, TAS 8, TAS 10, TAS 16, TAS 21, TAS 24, TAS 27, TAS 33, TAS 34, TAS 36, TAS 37, TAS 38, TFRS 8, TFRS 13, TFRS 15 and TFRIC 22 will not have material impact on the financial statements when they are applied.

2) TAS 32, TFRS 7, TFRS 9, TFRS 16, TFRIC 16 and TFRIC 19 the management of the Group is currently evaluating the impact of to the financial statements when they are adopted.

3) The other TAS, TFRS, TSIC and TFRIC which have not been stated in No.1) are not relevant to the Group business, therefore they do not have impact on the financial statement when they are applied.

## **1.4 Significant accounting policies**

### **1.4.1 Revenue recognition**

- Service income is recognized as revenue, taking into account the stage of completion
- Sale income is recognized as revenue when goods are delivered and the risk and reward of goods ownership is transferred to customers That is when the product is delivered Except in the case of revenue from sales of products manufactured by customers with special orders Will recognize income by considering the stage of work completion
- Interest income is recognized as income on an accrual basis, taking into account the real rate of return.
- Dividends are recognized as income when the company has the right to receive dividends.

### **1.4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and deposit at banks on saving accounts, current accounts and fixed deposits terms to be matured within 3 months which are not pledged

### **1.4.3 Inventories**

Inventories are stated at the lower of cost (average method) or net realizable value.

### **1.4.4 Investments in subsidiaries**

Investments in subsidiaries in the separate financial statements are recorded under the cost method. Allowance for impairment of investments have provided by taking the net book value and other relevant factors into consideration.

### **1.4.5 Business Merger**

The Group of Companies records the accounting transactions for the business merger as per the purchasing method once the control was transferred to the Group of Companies except the case of business merger that is done under the same control.





The control occurs when the Group of companies is exposed to or is entitled to a variable return from involving with that entity and has the ability to exercise its power over that entity causing an impact to the amount of return of the Group. The acquisition date is the date that the control power is transferred to the acquirer. The designation of acquisition date and identification of the transfer of control power from one party to another shall be subject to discretion.

In a completed business merging by gradual acquisition, the Group of companies must appraise the value of the interests that the acquirer holds in the acquiree's prior to the new business merger by using a fair market value on the acquisition date and must recognize the gain or loss that incurs in the income statement.

The Company shall recognize the value of goodwill on the acquisition date by:

- The fair market value of the transferred yield, plus
- The value of the non-controlling interest in the acquiree's Company, plus
- The fair market value of the interest held by the acquirer on the date of acquisition prior to the business merger. (for a completed business merging by gradual acquisition), less
- The fair market value of identifiable acquired assets and liabilities

When the above net sum presents a positive number, the Company will record it as goodwill. If the net sum presents a negative number, it will be recorded as a gain immediately in the income statement.

Contingent liabilities of the acquiree (of the bought company) derived from a business combination, will be recognized as liabilities if there were obligations at present or the obligations were from past events, and they could be measured reliably.

On the acquisition date, the non-controlling interest of the acquiree is evaluated on the net asset value of the acquirer in proportion to the shareholding of that non-controlling interest.

Costs associated with the acquisition of a group of companies arising as a result of a business merger will be recognized as incurred expenses for professional fees and other consultancy fees.

#### 1.4.6 Deferred exploration and development expenditure of andesite mining

Deferred exploration and development expenditure of andesite mining project consists of andesite mining licenses, application expense, project consultant fee and exploration and development expenditures.

Deferred exploration and development expenditure of andesite mining are amortized over the period of 25 years on straight line method.

#### 1.4.7 Deferred Expenditure - Tin mining contractor project in Myanmar

Deferred Expenditure on tin mining contractor project in Myanmar comprises of the cost of site preparation, and land fill work for mining as per the contract. Amortization is done by using straight-line method for 11 years.

#### 1.4.8 Property, plant and equipment

Property, plant and equipment are stated at cost.

Depreciation is calculated on the straight-line method based on the estimated useful lives of the assets as follows:

	YEARS
Land improvement	10
Building, temporary building	10 - 20
Furniture and office equipment	3 - 10
Machinery and equipment	5 - 15
Vehicles	5
Other	5 - 10

## 1.4.9 Intangible assets

Computer software is stated at cost net of accumulated amortization. Amortization is calculated on the straight-line method based on the estimated useful lives of 3 years.

## 1.4.10 Financial lease agreements

The Company and subsidiaries record vehicles under financial lease agreements as assets and liabilities in the balance sheet at the lower amount of fair value of the leased asset at the inception date of the lease agreement or the present value of the minimum lease payments. The discount factor used for calculation of the present value of the minimum lease payments, is the interest rate implicit in the lease. The interest charge is recorded to periods during the lease term based on the remaining balance of the liability for each period.

## 1.4.11 Foreign currency transactions

Transactions in foreign currency are converted at the exchange rate of the transaction date. Assets and liabilities in foreign currencies at the end of years are converted at average bank buying and selling rate at that date respectively.

Gain or loss from translation is included in determining earnings.

## 1.4.12 Impairment of assets

The Company and subsidiaries review impairment of assets when there is an indication that the carrying amount of the assets may exceed the recoverable amount. Should the carrying amount of an asset be higher than the recoverable amount, the Company and subsidiaries recognize the impairment loss in the statement of income. The reversal of impairment loss is accounted for "Other Income", when there is an indication that impairment losses is no longer exist or decrease.

## 1.4.13 Employee benefits

The Company and its subsidiaries recorded salaries, wages, bonuses, contributions to the social security fund and provident fund and other benefits are recognized as expenses when incurred.

Severance payments as specified in the Thai Law which estimated under the actuarial assumptions by a qualified actuary are recognized as expenses along the service period of employees. However, the actual benefit obligations may be different from the estimate.

The Company and its subsidiaries recognize gain (loss) from estimation under the actuarial assumption in Statements of comprehensive income when incurred.

## 1.4.14 Income tax

The Company recognizes income tax calculating from profit for the year as specific by Revenue code.





#### Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, including adjustment on tax in the previous year.

#### Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be

applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is 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 each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### 1.4.15 Accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles may require the management to make subjective judgments and estimates for impact of future uncertainty that might have financial effect to the presentation and notes to the financial statements. Thus, the actual results may differ from the estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments and estimates are as follow:

##### (1) Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory requires management to exercise judgment in estimating losses on outstanding inventory, based on the selling price expected in the ordinary course of business; minus selling expenses.

##### (2) Impairment of equity investments

The Company and its subsidiaries treat investment in subsidiaries as impaired when the management considers that 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 judgment.

##### (3) Provision for dismantling, removing and restoring

The Company estimated provision for dismantling, removing and restoring, using the present value of future cash flows to be required to settle this expenditure, discounted by rate of government bond which determined based on reviews and estimates by the Company’s own maiming engineers and managerial judgment.

(4) Provision for environmental restoration

Where future expenses relating to environmental liabilities have arisen as a result of past events, the Company establishes a provision over the period in which the obligation is incurred and covers the remains of useful life of mining right and permission. The provision is made at the best estimation for expenses which will be paid according to the current incurred obligation on the statement of financial position date.

(5) Litigation

The Company and subsidiaries have contingent liabilities as a result of litigation. The Company's management have used judgment to assess of the results of each litigation cases and believe that no loss will result. Therefore, no contingent liabilities for those cases are recorded as of the statement of financial position date.

1.4.16 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 shares outstanding.

## 2. THE OPERATION OF THE COMPANY AND ITS SUBSIDIARIES

### 2.1 Tongkah Harbour (Public) Company Limited

A. The Stock Exchange of Thailand (SET) has notified its actions taken against the Company for the situation where the Company is required to adjust its financial status and operation.

As assigned by The Stock Exchange of Thailand (SET) that the Company fall into the classification of rehabilitating its financial position and operations, stage 1 (NC stage 1) with a marking of "NC – Non-Compliance" since December 9, 2011, and with a marking of "SP – Suspension" for no trading of the Company's securities. The company is given 3 years to rehabilitate its financial position and operations.

According to the Stock Exchange of Thailand's regulation for the company that are subject to possible delisting, the period of rehabilitation has been allocated into 2 phrases which are (1) Period for rectifying the cause(s) of delisting and (2) Period for the repossession of the required qualifications for Resume Stage.

On 20 June 2016, The Stock Exchange of Thailand extended the period of rectifying the delisting causes(s) to March 31, 2017. Afterward, the Company requested for one more year extension and was granted an approval from the SET to have the extension to March 31, 2018.

On 24 May 2018, The Stock Exchange of Thailand has announced that the Company is now in the group of companies which has already rectified the cause(s) of delisting and allowed the Company to enter the period of being qualified to resume trading (Resume Stage). The Resume Stage is to be proceeded until March 31, 2020.

### B. Rehabilitation of Tongkah Harbour Public Company Limited

On November 5, 2014, the Central Bankruptcy Court ordered Tongkah Harbour (Public) Company Limited (the Company) to rehabilitate its business according to the Company's petition. The Central Bankruptcy Court has appointed the company as the plan maker.





On March 25, 2016 the Company settled the 1st installment and on March 28, 2016, the 2nd to 5th installment was settled to all creditors according to the plan. The said settlement was regarded as a completion of resolution as per the Company's rehabilitation plan.

On October 10, 2016, the Company submitted a petition to terminate the rehabilitation plan as per the Bankruptcy Law B.C. 2483 Section 90/70 the first paragraph. The Central Bankruptcy Court fully investigated the petition and on May 8, 2017, the Court ordered to revoke the Company's rehabilitation, thus, the management of the company has the power to manage the business and assets of the company. In addition, all other outstanding petitions were also withdrawn by the Central Bankruptcy Court on the same date.

On December 31, 2019 the Company has placed an amount of Baht 383.173 million. This amount is equal to the maximum amount that two other creditors have filed for repayment. Currently, the Company has been waiting for the court's consideration for the amount the creditors should receive. At present, it is still awaiting the court's consideration of the amount of money the creditors will receive. If the final result, the creditors are not fully paid according to the amount that the company has placed, the company will receive the remaining amount and it will be recorded as a profit from the rehabilitation

## 2.2 Sky Cliff Company Limited (Sky Cliff)

Sky Cliff was registered on 5 September 1990, operating a business relating to property development. Sky Cliff studied and planned the business of real estate investment and considered the details of the project of land allocation and construction by taking into account the suitability of doing business. As a result, the Company has invested Baht 317.53 million which accounted for 99.90% in 89 Capricorn Development Company Limited.

## 2.3 89 Capricorn Development Company Limited

89 Capricorn Development was registered on 26 July 2012, operating a property development business. Its head office is located on 15 Pratiphat Road, Taladnuea district, Muang, Phuket Province.

Currently, the company is working on a project called "The Bay" at Phuket province. The project comprises two real estate projects regarding Commercial Buildings and Twin Houses. The total value of the two projects is approximately Baht 405.28 Million. The first hand-over was in June 2015. As of September 30, 2019, the total hand-over is 73.21% of the project.

## 2.4 Sea Minerals Company Limited (Sea Minerals)

Sea Minerals was registered on March 26, 1981, operating tin mining business in the sea. The company has applied for a large tin mining concession off the Andaman Sea covering approximately 50,000 Rais (19,768 acres).

Referring to the Note to Financial Statement No 29.15, the Company (Tongkah Harbour) is currently in legal dispute with a former director (Mr. Ronald Ng Wai Choi) and with other two former related companies (Sintana Holdings Company Limited and Sino Pac Development Company Limited) on the issue of "Sea Minerals" share certificate rights.

## 2.5 Cholsin Company Limited (Cholsin)

Cholsin was registered on March 20, 1984, operating gold mining at Toh Moh Sub-District, Sukirin District, Narathiwat Province. Later on, with the rising production cost and unrest in the area, the operation of Cholsin became unworthy to continue.



Cholsin then ceased its Toh Moh mining operation. At the present, Cholsin has already surrendered the rights on the mining operation to the government.

Since the cease of Toh Moh gold mining operations, Cholsin has transferred major rock crushing machines from Toh Moh to the Company's quarry in Saraburi (Tongkah). Currently, Cholsin operates rock crushing business in Saraburi Province as Andesite crushing vendor for the Company.

## 2.6 THL Power Co., Ltd. (THL Power)

"THL Power" was registered on November 23, 2017. Its business is to generate and distribute electricity from renewable energy such as wind power, hydropower, waste energy for wholesale and retail to individuals, juristic persons, private sectors, government and state enterprises such as the Electricity Generation Authority, etc.

In February 2018, The Board of Directors' Meeting of THL Power Co., Ltd. has approved to purchased 60% of registered shares in Sawasdee Energy Holding Co., Ltd. (Sawasdee) from unrelated individuals (registered shares of Baht 100 million). In April 2019, the company paid the final amount totaling Baht 35 million. The Company has already received the transferred shares. As a result, Sawasdee has become a subsidiary (indirectly) of the Company.

## 2.7 Sawasdee Energy Holdings Co., Ltd.

Sawasdee Energy Holdings Co., Ltd. (Sawasdee) was registered on August 15, 2013 with a registered capital of Baht 100 million. Its core business is to provide consultancy services on renewable energy, electrical system construction, and water supply.

On February 26, 2018, the Company entered into a Power Purchase Agreement with the Provincial Electricity Authority for the sale of electricity created by the 5-megawatt Solar Power Plant Project, which is sponsored by the Poonsook Agricultural Co-operative Ltd., Chumphon Province. Later, on 13 December 2018, (Sawasdee) received a license to produce electricity from the Energy Regulatory Commission. Moreover, on 27 December 2018, (Sawasdee) received the Commercial Operation Date (COD) as the Company succeeded the commissioning test approved by the Provincial Electricity Authority on 11 January 2019.

(Sawasdee) received an investment promotion on 18 July 2018 from the Board of Investment who issued an investment promotion certificate no. 61-0843-1-00-1-0 which took effect on June 12, 2018. The type of promoted business is category 7.1.1.2: Electricity generating business or electricity and steam generated from renewable energy; except waste or fuel generated from waste. The company will receive benefits and must comply with the terms and conditions as defined in the investment promotion certificate (As per footnote no. 26)

## 2.8 THL Myanmar Co., Ltd.

Since the Company has operated the mine exploration in the Republic of the Union of Myanmar, the Board of Directors' Meeting of 6/2018 held on 9th August 2018 decided that the Company established a subsidiary company named THL Myanmar Co., Ltd. The company was registered in the Republic of the Union of Myanmar with its objective to conduct mining and energy operation business. The Subsidiary company was registered on August 6, 2018 with a registered capital of US\$ 1,000,000. The Company solely owns 100% shares, as at December 31, 2019, US\$ 100,000 was paid for the shares.





### 3. **Related Parties**

As of December 31, 2019, enterprises that are controlled by the company both under direct control or indirect control are shown below:

Name	Type of Business	Relationship	% of Shares Held
<b><i>Subsidiary Companies:</i></b>			
Sky Cliff Limited (Sky Cliff)	Property development	Hold the shares and have the same directors	94.99
Cholsin Limited (Cholsin)	Crushing andesite	Hold the shares and have the same directors	88.19
Sea Minerals Limited (Sea Minerals)	Tin mining in the sea	Hold the shares and have the same directors	99.99
89 Capricorn Development	Property development	Hold the shares and have the same directors	94.91 (Through Sky Cliff)
THL Power Limited (THL Power)	Investing in renewable energy business in the sea	Hold the shares and have the same directors and Joint Director	98.99.99
Sawasdee Energy Holding Limited	Generating and selling renewable energy	Hold the shares and have the same directors	58.80 (Through THL POWER)
THL Myanmar Co.,Ltd.	Mining and Energy	Hold the shares and have the same directors	100.00

#### ***Related Person:***

Mr. Wijit Jiemwijitkul	Director and shareholder
Mr. Prasit Rerkpratumrat	Subsidiary's shareholder

### **ACCOUNTING TRANSACTIONS WITH RELATED PARTIES**

The Company has significant business transactions with its related parties through share holdings and having joint shareholders and/or having joint directors. Such transactions are in accordance with the terms and conditions and criteria agreed between the Company and those related companies. The transactions are summarized as below:

#### 3.1 **Transactions with related parties**

The Company has significant business transactions with its subsidiaries (that were eliminated during the preparing of consolidated financial statements) and its related companies (related by shareholding and/or having some joint directors). Such transactions are summarized as follows:

Thousand Baht					
3	M a n a g e r i a l I n c o m e s a n d E x p e n s e s	Consolidated Financial		Separate	
		Statement		Financial Statement	
		For the year ended December 31			
		2019	2018	2019	2018
<u>Business Transaction with subsidiaries: -</u>					
<b>Income</b>					
Rental income	-	-	2,241	2,644	contract price
Common area service charge	-	-	1,090	1,292	contract price
Management fee	-	-	5,016	7,860	contract price
<b>Expenses</b>					
Interest expense	-	-	3,292	3,019	Average actual interest cost of the loaning company
Crushing Service	-	-	14,064	31,876	contract price

## 2. Management remuneration

Management remuneration for the three-month and nine-month period ended December 31, 2019 and 2018 comprised salaries, bonuses, and other benefits of directors and management.

	Thousand Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December 31			
	2019	2018	2019	2018
Short-term benefits	14,719	14,935	15,231	12,708
Post-employment benefits	31,569	29,677	23,569	23,569
Total	46,288	44,612	38,800	36,277

**The outstanding balances of assets and liabilities** with the subsidiary companies, current related companies and former related companies of the above transactions are separately shown in the statements of financial position as at December 31, 2019 and December 31, 2018. Details are shown below:





Thousand Baht					Pricing policies
Consolidated Financial Statement					
Dec-31, 2018	Increased	Decreased	Dec-31, 2019		
3.3 Other receivables - related businesses – net					
Subsidiaries					Criteria as per agree price
- Director	909	-	-	909	
	909	-	-	909	

Thousand Baht					Pricing policies
Separate Financial Statement					
Dec-31, 2018	Increased	Decreased	Dec-31, 2019		
<b>Subsidiaries</b>					
- Cholsin	5,053	5,930	-	10,984	
- Sky Cliff	8,871	3,707	-	12,578	
- Sea Minerals	2,576	44	-	2,620	
- 89 Capricorn Development	5,458	667	(5,791)	334	
- THL POWER	44	947	-	991	
- Sawasdee Energy Holding	44	756	-	800	
Total other receivable	22,046	12,052	(5,791)	28,307	
<b>Less:</b> Allowance for doubtful Accounts	-	-	-	-	
Other receivables -related businesses – net	22,046	12,052	(5,791)	28,307	

Thousand Baht				Policy on cost of loans between each other
Consolidated Financial Statement				
Dec-31, 2018	Increased	Decreased	Dec 31, 2019	

#### 3.4 Loan to Directors

Sawasdee Energy Holding Company

- Directors	7,500	-	(7,500)	-	-
Total	7,500	-	(7,500)	-	

Thousand Baht				Policy on cost of loans between each other
Consolidated Financial Statement				
Dec-31, 2018	Increased	Decreased	Dec 31, 2019	

#### Long-term loans from related parties Subsidiaries

- THL POWER - Principal	-	18,315	(10,240)	8,075	2.00%
- Accrued Interest		104	(75)	29	
Total	-	18,419	(10,315)	8,104	

\* Loan to directors is the transaction that occurs before the date of purchase in the amount of 42.09 million Baht. At the date of purchase, "Sawasdee" has set up an allowance for doubtful accounts for the whole amount, which was later repaid by the directors in the amount of 21.5 million baht. Therefore, in reviewing the measurement, the appraiser thus recognizes the loan as an asset acquired at the date of purchase with details as per Note 8.1. The loan amount is being repaid tidily since 2018.

### 3.5 Trade payables- related businesses

	Thousand Baht			
	Separate Financial Statement			
	Dec-31, 2018	Increased	Decreased	Dec 31, 2019
Subsidiaries - Cholsin	19,127	15,049	(21,609)	12,567
Total	19,127	15,049	(21,609)	12,567

### 3.6 Trade other - related businesses

	Thousand Baht			
	Separate Financial Statement			
	Dec-31, 2018	Increased	Decreased	Dec 31, 2019
Subsidiaries - Cholsin	-	324	(290)	34
Total	-	324	(290)	34

### 3.7 Short-term loans from Director

	Thousand Baht			
	Consolidated Financial Statement			
	December ,31 2018	Increased	Decreased	Dec ,31 2019
- Loans from Director (Sawasdee)	5,035	-	(5,000)	35
- Loans from Director (89 Capricorn)	-	307	(301)	6
- Loans from Director (Tongkah Harbour)	2,000	23,480	(23,980)	1,500
Total	7,035	23,787	(29,281)	1,541





Thousand Baht				
September 2019 Financial Statement				
December ,31 2018	Increased	Decreased	Dec, 31 2019	Policy on cost of loans between each other
- THL Myanmar - Principal	-	1,257	-	1,257
- Accrued Interest	-	13	-	13
	-	1,270	-	1,270
- Loans from Director (Tongkah Harbour)	2,000	23,480	(23,980)	1,500
Total	2,000	24,750	(23,980)	2,770

2.00%  
Per annum

#### 4. CASH AND CASH EQUIVALENT

Thousand Baht			
Consolidated financial statement		Separate Financial Statement	
Dec-31, 2019	Dec-31, 2018	Dec-31, 2019	Dec-31, 2018
Cash	3,733	3,655	180
Saving deposits and current accounts	9,105	10,618	6,314
Fixed deposits	5,188	2,763	418
Total	13,673	17,036	6,912
Less : Bank deposit as collateral (Note 8)	(5,188)	(2,763)	(418)
Total cash and cash equivalents	12,838	14,273	6,464

#### 5. TRADE RECEIVABLES AND OTHER RECEIVABLES

##### 5.1 TRADE RECEIVABLES - NET

As of December 31, 2019, and December 31, 2018, the Company and its subsidiaries' outstanding account receivables classified by aging are as follows:

Thousand Baht			
Consolidated financial statement		Separate Financial Statement	
Dec-31, 2019	Dec-31, 2018	Dec-31, 2019	Dec-31, 2018
<b><u>Andesite mining (THL)</u></b>			
Current	6,058	3,733	6,058
Overdue - less than 3 months	1,070	9,323	1,070
- 3 months to 6 months	-	52	-



- over than 6 months to 1 Year	14	2,803	14	2,803
- More than 1 Year	2,103	-	2,103	-
Total	9,245	15,911	9,245	15,911
<b><u>Tin mining (Foreign) *</u></b>				
Current	45,761	11,329	45,761	11,329
Overdue - less than 3 months	33,995	39,356	33,995	36,356
- 3 months to 6 months	41,739	167,694	41,739	167,694
- over than 6 months to 1 Year	100,125	77,956	100,125	77,959
- More than 1 Year	78,809	-	78,809	-
Total	300,430	293,335	300,430	293,335
<b><u>Manganese mining (Domestic)</u></b>				
Current	-	10,804	-	-
Overdue - less than 3 months	-	-	-	-
- 3 months to 6 months	-	-	-	-
- over than 6 months	-	-	-	-
Total	-	10,804	-	-
<b><u>Trade Receivable, control-Electricity</u></b>				
Current	2,572	-	-	-
Overdue - less than 3 months	2,195	-	-	-
Total	4,767	-	-	-
Total trade receivables	314,442	320,050	309,675	309,246
<b><u>Less:</u></b> allowance for doubtful account	(2,103)	-	(2,103)	-
Trade receivables - net	312,339	320,050	307,572	309,246

\* The Company's Account Receivable for Tin Mining Service Fee in Myanmar r whom The Company has urged to clear the overdue payment but still not being able to export the produced tin which caused by Myanmar government agencies' export approving procedures. However, during January 2020 until to the date of reporting, the Company received Baht 95.22 million as tin mining service fee. Also, the debtor has agreed to transfer tin concentrate as a debt payment guarantee to store in the Company's warehouse in Myanmar. As of January 2020, the minerals transferred as collateral amounted to 638 tons, worth approximately USD 10.913 million. Or equivalent to 320.61 million baht (reference exchange rate In January 2020)





## 5.2 OTHER ACCOUNT RECEIVABLES – OTHER BUSINESSES

As at December 31, 2019, and December 31, 2018, other account receivables are shown below:

	Thousand Baht			
	Consolidated financial statement		Separate Financial Statement	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Advance payment	5,876	2,235	5,227	2,230
Prepaid insurance	416	386	236	248
Other prepaid expenses	7,523	2,644	2,254	1,817
Other Receivables	7,080	4,850	3,072	4,843
Total	20,895	10,115	10,789	9,138

## 6. INVENTORIES – NET

	Thousand Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<u>Andesite mining (THL)</u>				
Finished goods	20,184	19,893	20,184	19,893
Raw Material & Work in process	4,840	10,737	4,840	10,737
Supplies	1,013	1,355	1,013	1,355
Total	26,037	31,985	26,037	31,985
<u>Less</u> Allowance for product declining value	(3,005)	(3,202)	(3,005)	(3,202)
Inventories - andesite mining, net	23,032	28,783	23,032	28,783
<u>Tin (THL)</u>				
Finished goods	6,527	-	6,527	-
Work in process	848	1,454	848	1,454
Supplies	18	-	18	-
Total	7,393	1,454	7,393	1,454
<u>Pyrolusite ore -Chiangmai (CSL)</u>				
Finished goods	53,650	-	-	-
Total	53,650	-	-	-
<u>Spare part - Cholsin</u>				
Spare part	3,221	2,725	-	-
Total	3,221	2,725	-	-
<u>Property - Phuket province (89)</u>				
Land during development	92,877	92,877	-	-
Cost during development	22,450	22,450	-	-
Houses and Commercial Buildings				
with land for Sale	94,994	110,326	-	-
Total	210,321	225,653	-	-
<u>Less</u> Allowance for doubtful	(1,798)	-	-	-
Total	208,523	225,653	-	-



# Annual Report 2019

## Property- Tak province (SCL)\*

Land during development	40,079	40,079	-	-
Cost during development	4,943	4,943	-	-
Total	45,022	45,022	-	-
Total Inventories - net	340,841	303,637	30,425	30,237

\* It is a plot under development with an approximate 2-3-81.9 Rais or 1,181.9 Sq.Wah in Economic Zones at Thai-Myanmar border.

In December 2019, an estimated price assessed by an independent appraiser is approximately Baht 56.62 million.

The movement of the allowance for inventory declining value for the nine-month period ended December 31, 2019 is as follows:

	Thousand Baht	
	Consolidated Financial Statement	Separate Financial Statement
Balance as of December 31, 2018	3,202	3,202
Increased	1,798	-
Decreased	(197)	(197)
Balance as of December 31, 2019	4,803	3,005

The value of land, land under development, houses, and commercial buildings with land at net value of 208.52 million baht of 89 Capricorn Development Company Limited are used as collateral as follows:

- 1) On March 27, 2019, 89 Capricorn Development Company has mortgaged 5 plots of land as collateral for long-term loans of Sawasdee Energy Holding Company Limited (Note 19).
- 2) On July 13, 2019, 89 Capricorn Development Company Limited has mortgaged 3 plots of land in Phuket Province as collateral against a local bank in the issuance of bank guarantees for THL Power Company Limited for the rooftop solar power generation project.
- 3) On September 3, 2019, 89 Capricorn Development Company Limited (a subsidiary) has mortgaged land under development including houses and commercial buildings as collateral for short-term loans from third parties (Note 17).

## 7. DEPOSITS PLEDGED AS COLLATERALS

As of December 31, 2019, and December 31, 2018, the Company and its subsidiaries' bank deposits were pledged as collaterals. Details are as follows:

	Thousand Baht		Note
	December 30, 2019	December 31, 2018	
The Company	1,219	1,214	A
Less: Allowance for non-refundable guarantee	(800)	(800)	
	419	414	
Subsidiaries			
Cholsin Limited	415	415	B.(1)
89 Capricorn Development Limited	301	1,934	B.(2)
Sawadee Energy Holding Limited	4,053	-	B.(3)
Total	5,188	2,763	

### A. The Company





The company's bank deposits were used as bank collateral for issuing bank guarantee as follow;

1. Bank Guarantee for the Company for a credit limit of Baht 0.19 million in year 2018.
2. Bank Guarantee for the two former related companies for the credit line of Baht 1.0 million. From this amount, Baht 0.80 million was pledged for "TKL". Later on, the Company sold "TKL" business, and set up a provision for loss in full amount.

## B. Subsidiaries

1. Cholsin used its bank deposit as bank collateral to issue a bank guarantee for Cholsin.
2. 89 Capricorn Development Limited used its bank deposit as a bank collateral to guarantee 2 Public Utilities Contracts totaling amount Baht 0.3 million
3. Sawadee Energy Holding Limited has bank deposit. In order to reserve for repayment of long-term loans from a financial institution As in note 19

## 8. INVESTMENTS IN SUBSIDIARIES - NET

As of December 31, 2019, and December 31, 2018, investments in the subsidiaries are as follows:

Investment in subsidiaries - net	Paid up Capital		Million Baht			
	(Million Baht)		Share Holding (%)		Separate Financial Statement	
	Dec-31, 2019	Dec-31, 2018	Dec-31, 2019	Dec-31, 2018	Dec-31, 2019	Dec-31, 2018
<b><i>Sky Cliff Limited</i></b>						
Investment at cost method	212	212	94.99	94.99	492	492
<u>Less</u> Allowance for impairment					-	-
Investment at cost method - net					492	492
<b><i>Sea Minerals Limited</i></b>						
Investment at cost method	105	105	99.99	99.99	56	56
<u>Less</u> Allowance for impairment					(56)	(56)
Investment at cost method - net					-	-
<b><i>Cholsin Limited</i></b>						
Investment at cost method	334	334	88.19	88.19	246	246
<u>Less</u> Allowance for impairment					(62)	(62)
Investment at cost method - net					184	184
<b><i>THL Power Limited</i></b>						
Investment at cost method	70	30	98.00	98.00	68	29
<u>Less</u> Allowance for impairment					-	-
Investment at cost method - net					68	29
<b><i>THL Myanmar Limited</i></b>						
Investment at cost method	3	2	100.00	100.00	3	2
<u>Less</u> Allowance for impairment					-	-
Investment at cost method - net					3	2
<b>Investment in subsidiaries - net</b>					747	707

## 8.1 Business Acquisition

On February 1, 2018, a subsidiary company (THL Power Company Limited) invested in Sawasdee Energy Holdings Co., Ltd. (Sawasdee) by purchasing approximately 60% of the company registered capital (the registered capital is Baht 41.50 million) from an unrelated party totaling Baht 24.9 million. An additional payment of Baht 21.9 million is made from the initial deposit of Baht 3 million. As a result, the Company has become a subsidiary company (indirectly) of the Company (THL Power Company Limited).

Sawasdee Energy Holdings Co., Ltd. is a business entity that was granted a license to generate and sell electricity from the renewable energy. On February 26, 2018, Sawasdee Energy Holdings Limited entered into a Power Purchase Agreement with the Provincial Electricity Authority for a period of 25 years from the Scheduled Commercial Operation Date (SCOD) which is within 31 October 2018. On August 23, 2018, the Company's request to extend the deadline for SCOD date to December 30, 2018 was permitted. And on January 11, 2019, the company has passed the electrical quality test completed from Provincial Electricity Authority

The acquisition of this business is subject to the conditions of TFRS 3 (Revised 2017) Subject: Business Combinations which require recording identifiable acquired assets and liabilities at fair market value, including goodwill (if any).

The Company has hired independent appraisers to appraise the fair market value of the acquired assets and liabilities which is uncompleted. Therefore, the Company has estimated the net book value as at the acquisition date to get the closest fair market value. The Company has also estimated the fair market value of the interest of the company at the acquisition date prior to the business combination by using the book value of investment at the date of purchase. However, the Company shall review the appraisal of these net assets and liabilities and review the evaluation of the fair market value as at the acquisition date of the investments held by the acquirer prior to the business combination as described in TFRS 3 (Revised 2017) during the 12-month evaluation period. If the company receives any further information regarding facts and situations that exist on the acquisition date that requires an adjustment of value recognition, the company shall record the adjustment upon the receipt of such information.

On the acquisition date, the non-controlling interest of the acquiree's company is evaluated at the amount of the identifiable net assets of the acquired company in proportion to the share held by the non-controlling interest.

On the acquisition date prior to the business acquisition, all the information shall be surrendered to the buyer including the identifiable assets acquired, recognizable liabilities for the value of the non-controlling interests in the acquirer's company and the acquirer's interests retained by the subsidiary. The information is as follows:

Unit: thousand Baht	
Recognized value	
<u>Consideration transferred</u>	24,900
<u>Less</u> Net value of acquired assets and liabilities	
<u>Identifiable Assets</u> -Cash and bank deposit	1
- Net Device	21
<u>Identifiable Liabilities</u> - Other	(447)
- Non-controlling Interests	170
Net identifiable assets and liabilities -	(255)
Goodwill from a business acquisition	25,155





In January 2019, the company reviewed the business combination. By hiring an independent appraiser to evaluate the business integration value “Sawasdee” which has newly acquired assets and liabilities as follows

	(Unit: thousand Recognize)
<u>Consideration transferred</u>	24,900
<u>Less</u> Net value of acquired assets and liabilities	
<u>Identifiable Assets</u>	
Cash and bank deposit	1
Long-term loans to related parties	21,500
Property, plant and equipment, net	21
Power Purchase Agreement	20,455
Deferred tax asset	4,200
<b>Total Identifiable Assets</b>	<b>46,177</b>
<u>Identifiable Liabilities</u>	
Income tax liability from	(4,091)
Accrued Expenses	(447)
Non-controlling Interests	(16,656)
<b>Total Identifiable Liabilities</b>	<b>(21,194)</b>
Net identifiable assets and liabilities - Received	24,983
Goodwill from a business acquisition	( 83)

Long-term loans to related parties is transaction that occurs before the purchasing date amount Baht 42.09 million. (Sawasdee) had set up an allowance for doubtful accounts for the whole amount at the purchasing date. Later, (Sawasdee) received the money from the director amount Baht 21.5 million. Therefore, in reviewing the measurement the appraiser is therefore recognized as the asset acquired at the purchasing date.

The negative goodwill acquired from the acquisition was included in the statement of income for the year ended December 31, 2018. The subsidiary had expenses related to business acquisition amounting Baht 0.75 million.

The Company has converted the "Power Purchase Agreement" to “Amortization Expense” according to the duration of the contract starting from the date succeeding the commissioning test granted by the Provincial Electricity Authority on 11 January 2019.

Details of the Solar power purchase agreement the date of purchase and write-off are as follows:

	Thousand Baht
	<u>Consolidated Financial Statement</u>
Value at purchase date	20,455
Amortization for the Year	(794)
Net book value as at Dec 31, 2019	<b>19,661</b>

8.2 As of December 31, 2019, the investment in subsidiaries have been pledged as collateral by the former executive of the Company (Tongkah) who pledged the subsidiaries' common shares to 2 former related companies (Sintana Holdings and Sino Pac Development) without delivering the share certificates nor receiving an approval from Tongkah's Board of Director at that time. Details are shown below:

1. 1.05 million units of common share of Sea Minerals equals to 99.99% of the total shares of the Company.
2. 314,454 units of common share of Sky Cliff (pledged ranking no.2)

As mentioned in the Note no. 29.14(2), on September 25, 2012 the Company filed a lawsuit against the 2 former related companies in order to revoke the unlawful act.

### 8.3 Advance payment for future investment

On August 1, 2016, the Company entered into share purchasing contract with Lao Nghan Guang Tong Mining Co., LTD. to purchase 70% of its total registered shares totaling US\$ 3.0 million . The objective of the deal is to expand the business and to invest in copper mining in Laos PDR.

In August 2016, the Company made an advance payment for the share purchase which was worth US\$ 2 million (equivalent to Baht 70.08 million). The remaining balance of US\$ 1 million will be paid within 15 days from the date that all shares and all related documents are transferred to the Company.

At present, the company has completed the process of requesting a concession certificate from the relevant government agency. And the Department of Investment Ministry of Planning and Investment, Laos. The Ministry has issued a letter stating that the concession request is in the final stages and will send documents to the Minister for further consideration and signing.

## 9. DEFERRED EXPENDITURES OF ANDESITE MINING PROJECT – NET

Deferred expenditures for the andesite mining project of the Company are as follows:

	Thousand Baht	
	Consolidated and Separate Financial Statement	
	December 31, 2019	December 31, 2018
Deferred expenditures for the andesite mining project (28675/15632)	23,653	23,653
<u>Less</u> Amortization expense	(21,445)	(20,709)
Net	2,208	2,944
Deferred expenditures for the andesite mining project (28676/15268)	3,354	3,344
<u>Less</u> Amortization expense	(619)	-
Net	2,735	3,344
Total Deferred expenditures for the andesite mining project - Net	4,943	6,288







The Company operates its mining business in the Company's land (approximately 243 Rai) under the following mining licenses:

Mining License no.	Area			Expiry date	Status
	Rai	Ngan	Sq. Wah		
28675/15632	154	2	67	January 21, 2017	Under the process of renewal
28676/15268	88	3	81	May 23, 2024	Renewed

- Mining license no. 28675/15632: The economic progress report for the license permit and the suitability of mining technology has been approved. At the moment, it is in the process of extending the contract for the use of the land of Phra Phutthabat Land for Settlement which expired on 15 December 2018. The renewal was proposed to the Department of Social Development and Welfare on January 21, 2020. At present, it is the consideration of the committee.

## 10. PROJECT EXPENDITURE IN OTHERCOUNTRIES

As of December 31, 2019, and December 31, 2018, the deferred mining exploration expenses in foreign countries are shown below:

Expenditure Item	Thousand Baht	
	Consolidated and Separate	
	Financial Statement	
	Dec-31, 2019	Dec-31, 2018
<b>Deferred project expenditure - Mining in Laos PDR</b>		
<u>Tin Mining (Note : 10.1)</u>		
Travelling, allowance, ore specimen's analysis	1,879	1,879
Total	1,879	1,879
<u>Copper Mining (Note : 10.2)</u>		
Wages for exploring and excavation	10,000	10,000
Exploration expenditures	30,033	30,033
Other expenses (Travelling, allowance, ore specimen's analysis)	8,211	8,211
Total	48,244	48,244
<b>Total Deferred expenses - mining in Laos PDR</b>	<b>50,123</b>	<b>50,123</b>
 <b>Deferred expenses - Mining Project in MYANMAR</b>		
<b>Mine I (Start operating since 2017)</b>		
Set up cost/land adjustment cost for mining as per the contract	17,100	17,100
<u>Less</u> Deferred expenses **	(4,405)	(2,850)
Mining Expenditures – Net	12,695	14,250
 <b>Mine II and Mine III</b>		
Set up cost/land adjustment cost for mining as per the contract	21,000	21,000
Exploration expenditures	4,271	4,271
Other expenses (Travelling, allowance, ore specimen's analysis)	921	985
<b>Total Deferred expenses - Mining in MYANMAR</b>	<b>38,887</b>	<b>40,506</b>
 <b>Deferred expenses - Mining Project Exploration Gold in MYANMAR</b>		
Exploration expenditures	485	-
<b>Total Deferred expenses – Mining projects in Foreign Countries</b>	<b>89,495</b>	<b>90,629</b>

\*\* Amortization charge for the nine - month ended December 31, 2019 and 2018, with the value of Baht 1.55 million and Baht 1.55 million respectively were included in the income statements.

The above projects are still in progress, details are as follows:





- A. Mining Project in The Laos People's Democratic Republic, details are as follows:

#### 10.1 Tin Exploration

The company sent a survey team to explore the geology of the tin source at Sepon City, Savannakhet District, Lao PDR. The initial survey found that the area has a satisfactory amount and quantity of mineral resources. However, the company still has a plan for further geological exploration.

#### 10.2 Copper Exploration

- There was an agreement made between the Company and GMT Corporation Co., Ltd for a detailed exploration stage and a feasibility study for Copper and Gold Mining at Chiang Kwang province, Laos PDR amounting Baht 12.98 million. GMT completed the work and the Company already paid the amount in full.
- On April 7, 2016, there was an agreement between the Company and GMT Corporation Co., Ltd for a detailed exploration and feasibility study of Copper in detailed at Sukhuma, Champasak province, Laos PDR amounting Baht 23.56 million. In this regard, the company paid Baht 8.24 million for the partial completed work. The survey results showed a good potential for investment, yet there are some obstacles in receiving the production permit which cause delays in conducting additional surveys. However, once the production permit is granted, excavation and exploration in the next target areas will be performed.
- The agreement made between the Company and Wan La Drilling Service Company for the hiring cost of exploration and excavation of copper mines in the area of Sukhuma and Munlapamok, Champasak province, Laos PDR at the cost of 8.8 million baht. Wan La Drilling Service Company has completed the exploration & excavation per the contract, in which The Company has paid for such expense in full amount. However, mining operations at Lao PDR are still slowing down as they are still in the process of approving the issuance of concessions.

- 10.3 On 31 July 2019, the company entered into a memorandum of cooperation for tin mining with Manbia Pure Co., Ltd., by paying a deposit of machinery of 23 million for use in tin mining. In the area of Tanaosri area Republic of the Union of Myanmar At present, the company is in the process of ordering machinery for the mining of tin ore.

#### 11. **DEFERRED EXPENDITURES FOR ELECTRICITY GENERATION FROM RENEWABLE ENERGY PROJECT**

As of December 30, 2019, there are movements of deferred expenditures for the electricity generation from renewable energy are as follow;

	Unit : Thousand Baht
	Consolidated Financial Statement
<b>Balance as at 31 December 2018</b>	6,341
Transfer to:	
License Fee-Intangible assets	(5,000)
Rent and compensation prepayment	(1,066)
Expense	(275)
<b>Total Balance as at 30 September 2019</b>	-

**PROPERTY, PLANT AND EQUIPMENT – NET**

Thousand Baht										
Consolidated financial statement										
	Land	Land Reclamation	Building and building Renovation	Furniture and office equipment	Machinery And equipment	Vehicles	Others	Work in progress and Machinery during Installation	Total	
Cost										
As of December 31, 2018	31,856	22,351	86,790	7,446	118,245	42,784	1,778	246,492	557,742	
Increased	-	8,785	-	186	5,888	-	9	116,837	131,705	
Decreased	-	-	-	-	-	(3,232)	-	-	(3,232)	
Transferred	-	7,034	5,025	-	185,964	-	-	(198,582)	(559)	
As of December 31, 2019	31,856	38,170	91,815	7,632	310,097	39,552	1,787	164,747	685,656	
Accumulated depreciation										
As of December 31, 2018	-	(13)	(50,889)	(3,877)	(54,994)	(25,771)	(1,257)	-	(136,801)	
Increased	-	(772)	(5,414)	(876)	(17,854)	(4,590)	(54)	-	(29,560)	
Decreased	-	-	-	-	-	2,914	-	-	2,914	
Transferred	-	-	-	-	-	-	-	-	-	
As of December 31, 2019	-	(785)	(56,303)	(4,753)	(72,848)	(27,447)	(1,311)	-	(163,447)	
Net book value										
As of December 31, 2018	31,856	22,338	35,901	3,569	63,251	17,103	521	246,492	420,941	
As of December 31, 2019	31,856	37,385	35,512	2,879	237,249	12,105	476	164,747	522,209	





## 12 .PROPERTY, PLANT AND EQUIPMENT – NET

Thousand Baht									
Consolidated financial statement									
	Land	Land Reclamation	Building and building Renovation	Furniture and office equipment	Machinery And equipment	Vehicles	Others	Work in progress and Machinery during Installation	Total
<b>Cost</b>									
As of December 31, 2018	31,856	22,351	86,790	7,446	118,245	42,784	1,778	246,492	557,742
Increased	-	8,785	-	186	5,888	-	9	116,837	131,705
Decreased	-	-	-	-	-	(3,232)	-	-	(3,232)
Transferred	-	7,034	5,025	-	185,964	-	-	(198,582)	(559)
As of December 31, 2019	31,856	38,170	91,815	7,632	310,097	39,552	1,787	164,747	685,656
<b>Accumulated depreciation</b>									
As of December 31, 2018	-	(13)	(50,889)	(3,877)	(54,994)	(25,771)	(1,257)	-	(136,801)
Increased	-	(772)	(5,414)	(876)	(17,854)	(4,590)	(54)	-	(29,560)
Decreased	-	-	-	-	-	2,914	-	-	2,914
Transferred	-	-	-	-	-	-	-	-	-
As of December 31, 2019	-	(785)	(56,303)	(4,753)	(72,848)	(27,447)	(1,311)	-	(163,447)
<b>Net book value</b>									
As of December 31, 2018	31,856	22,338	35,901	3,569	63,251	17,103	521	246,492	420,941
As of December 31, 2019	31,856	37,385	35,512	2,879	237,249	12,105	476	164,747	522,209

Thousand Baht									
Separate Financial Statement									
	Building and			Furniture and office		Machinery and equipment		Vehicles	
	Land	Reclamation	Land building Renovation	Land building Renovation	Land building Renovation	Land building Renovation	Land building Renovation	Land building Renovation	Land building Renovation
Cost	Land	Reclamation	Land building Renovation	Land building Renovation	Land building Renovation	Land building Renovation	Land building Renovation	Land building Renovation	Total
As of December 31, 2018	20,706	13,936	78,895	3,649	49,098	35,191	1,778	89,705	292,958
Increase	-	-	-	375	1,603	-	9	105,339	107,326
Decrease	-	-	-	-	-	(50)	-	-	(50)
Transfer	-	-	-	-	30,706	-	-	(30,706)	-
As of December 31, 2019	20,706	13,936	78,895	4,024	81,407	35,141	1,787	164,338	400,234
<b>Accumulated depreciation</b>									
As of December 31, 2018	-	(13)	(47,346)	(2,020)	(11,313)	(18,938)	(1,257)	-	(80,887)
Increase	-	(151)	(4,237)	(296)	(6,692)	(4,590)	(54)	-	(16,110)
Decrease	-	-	-	-	-	50	-	-	50
Transfer	-	-	-	-	-	-	-	-	-
As of December 31, 2019	-	(164)	(51,673)	(2,316)	(18,005)	(23,478)	(1,311)	-	(96,947)
<b>Net book value</b>									
As of December 31, 2018	20,706	13,936	31,549	1,629	37,785	16,253	521	89,705	212,071
As of December 31, 2019	20,706	13,772	27,222	1,708	63,402	11,663	476	164,338	303,287





Depreciation expense for the year ended December 31, 2019 and 2018 are shown in the calculation of profit-loss as follows:

	Thousand Baht			
	Consolidated financial statement		Separate Financial Statement	
	2019	2018	2019	2018
Production costs	22,739	10,254	10,727	7,916
Administrative expenses	6,821	6,761	5,383	5,061
Total	29,560	17,015	16,110	12,977

As of December 31, 2019 and 2018, the net book value of Property and Equipment that are still in use after deducting the full amount of accumulated depreciation is shown below.

1	Million Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
2 · 1 Net book value after deducting The accumulated depreciation	65.13	65.13	13.82	13.82

Two units of the Company's condominiums were pledged to the court as collaterals to temporarily suspend the execution. Later, the Company filed a petition for the return of the collateral from the court. The court ordered to release the collaterals back to the Company and the Company has already received them. However, from the investigation, the Company has not yet received the said collaterals and On January 29, 2019, the Company was submitted the objection to the court. On July 31, 2019, the Court of Appeal confirmed the judgment of the Court of First Instance and the Company has submitted the petition to the Supreme Court and the Supreme Court scheduled a hearing on April 9, 2020.

12.2 The buildings and machines of Sawasdee Energy Holding Co., Ltd. has the cost price of Baht 160.37 million and book value as of December 31, 2019 in the amount of Baht 153.75 million. It is currently in the process of being mortgaged as collateral for long-term loan from a financial institution (Note 19).

12.3 On August 3, 2018, 89 Capricorn Development Co., Ltd. has pledged 2 plots of land at Phuket province as collaterals to a bank to issue a letter of guarantee for Sawasdee Energy Holdings Co., Ltd. for the Solar Power Plants Project in Chumphon Province.

On March 27, 2019, 89 Capricorn Development Co., Ltd. has pledged 5 plots of land at Phuket province as collaterals to a bank for long term loan for Sawasdee Energy Holdings Co., Ltd. for the Solar Power Plants Project in Chumphon Province. (Note 19)

On July 13, 2019, 89 Capricorn Development Co., Ltd. has pledged 3 plots of land at Phuket province as collaterals to a bank to issue a letter of guarantee for THL Power Co.,Ltd. for the Solar Power rooftop Project.



**13. INTANGIBLE ASSETS - NET**

	Thousand Baht	
	Consolidated Financial Statement	Separate Financial Statement
<u>Computer software</u>		
<u>Cost</u>		
As of December 31, 2018	1,411	1,236
Increased*	1,615	-
As of December 31, 2019	3,026	1,236
<u>Accumulated amortization</u>		
As of December 31, 2018	(1,303)	(1,184)
Increased	(106)	(21)
As of December 31, 2019	(1,409)	(1,205)
<u>Net book value</u>		
As of December 31, 2018	108	52
As of December 31, 2019	1,617	31

\* As of December 31, 2019, intangible assets in the consolidated financial statements consist of computer software and license fees for solar power plant business at cost of 1.41 million and 1.62 million baht respectively, carrying book value of 0.09 million baht and 1.55 million baht respectively. Separate financial statements consist of computer software, cost price 1.23 million Baht, net book value 0.31 million baht

\* Amortizations for year ended December 31, 2019 and 2018 in the consolidated financial statements were Baht 0.10 million and Baht 0.04 million respectively, and in the Separate Financial Statement the amounts were Baht 0.20 million and Baht 0.01 million respectively.

As of December 31, 2019 and 2018, the net book value of computer software after deducting the full amortization shown in the Consolidated Financial Statements were Baht 1.40 million and Baht 1.26 million respectively, and in the Separate Financial Statement the amounts were Baht 1.20 million and Baht 1.18 million respectively. Please note that after deducting the full amount of amortization, the mentioned computer software is still in operation.

**14. ADVANCE PAYMENT FOR LAND PURCHASE - ANDESITE MINING PROJECT**

Advance payment of land purchase for andesite mining project is for the cost of 6 title deeds and 5 Certificates of Utilization (Nor. Sor. 3 and Nor. Sor. 3 Kor). As for the lands, some of them are under the name of a related company (Sintana Mining) and they must be transferred to the Company in June 1998 and 2001 as specified in the Sale and Purchase Agreement and Assignment of Claim made with that related company.

However, at that time, the former management of the Company (Tongkah) decided to postpone the transfer by giving a reason that the Company was lacking in financial liquidity to accept such transfer.

Currently, the present management is in the process of checking the status for the transfer under the scope of the contract as well as files a petition to the Official Receiver (as per the business rehabilitation plan) to issue further order.

As soon as the Company exited the business rehabilitation plan, the Company filed a lawsuit on July 27, 2017 against a related company (Sintana Mining) to the court of Phra Khanong to claim back all plots of land. The authorized lawyer has reported that the court has ordered a dismissal for the case. On 4 July 2018, The Company appealed to the Court of Appeal. On 23 January 2019, the





Court of Appeal confirmed the judgment of the Court of First Instance. Later on July 22, 2019, the Company appealed to the Supreme Court and the Supreme Court scheduled a hearing on March 17, 2020.

In addition, a former management of the Company (Tongkah Harbour) pledged the aforementioned land title deeds and Nor. Sor. 3 Kor. to two banks, details are shown below:

1. Two land title deeds and three Nor. Sor. 3 Kor were pledged together with other securities to a local bank as a security for Baht 14 million bank overdraft of a former related company (Aspac Construction). As for that time, the former related company (Aspac Construction) transferred Baht 14 million to the Company (Tongkah) as working capital and later on the Company (Tongkah) has settled in full with the amount of Baht 14 million together with interest to the related company (Aspac Construction). However, the former management of the Company (Tongkah) has not yet redeemed the land mortgage.
2. Another Two land title deeds were pledged with another local bank as a security for Baht 5 million bank overdraft of the Company (Tongkah). The Company has already settled the Baht 5 million overdraft and has received the original land title deeds from the bank. However, the transfer to the Company cannot be done because the Company has to wait for the result of the above lawsuit.

## 15. OTHER NON-CURRENT ASSETS

	Thousand Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	Dec-31, 2019	Dec-31, 2018	Dec-31, 2019	Dec-31, 2018
Office renovation expense	33,951	33,951	-	-
<u>Less</u> Amortization	(21,127)	(17,354)	-	-
Deferred expenditures of office renovation - net	12,825	16,597	-	-
Prepaid tax and deposit	11,464	11,151	8,919	8,716
Total other non - current assets	24,289	27,748	8,919	8,716

Amortization for the year ended Dec 31, 2019 and 2018 were Baht 3.77 million and Baht 3.77 million respectively and the two amounts were included in the Income statements.

## 16. OTHER PAYABLES – OTHER BUSINESSES

	Thousand Baht			
	Consolidated financial Statement		Separate Financial Statement	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Other Payable	3,020	11,078	2,952	619
Employee benefits Accrued Expense	2,935	2,053	961	103
Advance received Product	1,698	2,528	356	1,088
Accrued Expense	23,770	7,969	12,747	8,366
Total	31,423	23,628	17,016	10,176

**17. SHORT-TERM LOANS FROM THIRD PARTIES**

	Thousand Baht			
	Consolidated financial Statement		Separate Financial Statement	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Short-term Loans from third parties	28,000	-	-	-
Total	28,000	-	-	-

On 3 September 2019, 89 Capricorn Development Company Limited (a subsidiary) entered into short-term loan agreements with two third party entities (unrelated) with the total credit line of 28 million baht, a 1-year loan period, and an interest rate of 15% per annum with the following guarantees (Note no.6)

**18. LIABILITIES – FINANCIAL LEASE CONTRACT**

	Thousand Baht	
	Consolidated and Separate	
	Financial Statement	
	December 31, 2019	December 31, 2018
<u>Vehicles</u>		
Liabilities - Financial lease contract	4,928	6,090
<u>Less</u> Deferred interest	(608)	(928)
	4,320	5,162
<u>Less</u> Payment which is due within one year	(900)	(842)
Total Liabilities - Financial lease contract	3,420	4,320

As of December 31, 2019, the Company and its subsidiaries are responsible for the debts as per the financial lease contracts, details of payments are shown below:

	Thousand Baht					
	Consolidated and Separate Financial Statement					
	December 31, 2019			December 31, 2018		
	Deferred			Deferred		
	Total	interest	Principal	Total	interest	Principal
Due within 1 year	1,160	(260)	900	1,161	(319)	842
Due over one year but not longer than 5 years	3,768	(348)	3,420	4,929	(609)	4,320
Total	4,928	(608)	4,320	6,090	(928)	5,162





Under the conditions of some of the above contracts, the Company and its subsidiaries have the right to purchase the assets according to the lease contracts when the contracts mature. Moreover, the Company must comply with the conditions and restrictions as specified in the said contracts.

## 19. LIABILITIES – FINANCIAL TERM LOAN BANK

	Thousand Baht	
	Consolidated	Separate
	Financial Statement	Financial Statement
	December 31, 2019	December 31, 2019
Total Term Loan as of 12 April 2019	120,000	-
<u>Deduct</u> Payment	(9,450)	-
Balance as of 31 December 2019	110,550	-
<u>Deduct</u> Current portion of Finance 1 Year	(9,900)	-
Long term Loan from institutions Bank - Value	100,650	-

On April 4, 2019, Sawasdee Energy Holding Co., Ltd. (a subsidiary company) entered into a long-term loan agreement with a local financial institution to be used as the payment of machinery fees for solar power plants. The total credit line is 120 million baht, the loan term is 10 years, and the repayment schedule is monthly from 850,000 baht to 1,250,000 baht per month, with an interest rate of 5.8% per annum. The collaterals are as follows:

- Mortgage five plots of land of 89 Capricorn Development Co., Ltd.
- Mortgage buildings on the land of Amphur Phatoh, Chumphon Province owned by Sawasdee Energy Holding Co., Ltd.
- Pledge of 600,000 ordinary shares of Sawasdee Energy Holdings Co., Ltd. owned by THL Power Co., Ltd.
- mortgage of machinery for the solar power plants.
- Land leasehold rights, according to the sublease agreement, that Sawasdee Energy Holding Co., Ltd. made with Poonsook Agricultural Co-operative Ltd.
- Claims which Sawasdee Energy Holding Co., Ltd. has with debtors of the claims, accounts receivable and according to the rights document as specified by the bank.
- The parent company (Tongkah Harbour) is the guarantor of the debt payment.

Sawasdee Energy Holding Co., Ltd. is required to maintain the Debt Service Coverage Ratio (DSCR) at a ratio of not less than 1.10 times.

## 20. OTHER CURRENT LIABILITIES

As at December 31, 2019 and December 31, 2018, other current liabilities consisted of:

	Thousand Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Undue output tax	1,683	1,837	497	1,130
Value Added Tax (VAT)	903	357	1,248	261
Withholding tax	5,622	845	760	613
Other	497	8	5,231	4
Total other current liabilities – others	8,705	3,047	7,736	2,008



## 21. EMPLOYEE BENEFIT

Movements during the year ended December 31, 2019 and December 31, 2018 are as follow:

	Thousand Baht			
	Consolidated financial Statement		Separate Financial Statement	
	For the year Ended December 31, 2019	For the year Ended December 31, 2018	For the year Ended December 31, 2019	For the year Ended December 31, 2018
Brought forward from the beginning of the period	12,952	11,071	10,779	8,804
Past service cost	-	980	-	903
Current service cost and interest cost	1,551	1,528	1,230	1,221
Actuarial gain (loss)	-	(392)	-	86
Paid benefits	(595)	(235)	(530)	(235)
Balance at the end of the period	<u>13,908</u>	<u>12,952</u>	<u>11,479</u>	<u>10,799</u>

Recognized Expenses as gain or loss for the year ended December 31, 2019 and 2018 are as follows;

	Thousand Baht			
	Consolidated financial Statement		Separate Financial Statement	
	For the year ended		For the year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Current service cost	1,214	1,214	953	959
Interest cost	337	314	277	262
Total	<u>1,551</u>	<u>1,528</u>	<u>1,230</u>	<u>1,221</u>

The Company has hired an actuary to do a forecast for post-employment benefits obligation by using the key actuarial assumptions as of December 31, 2019. Details are as follows:

	Consolidated Financial Statement	Company's Exclusive Financial Statement
Discount rate	2.39% - 4.31 %	2.71 %
Expected rate of salary increase	4% -5%	5%
Voluntary resignation rate	- *	- *
Mortality rate	TMO 2017**	TMO 2017**

\* Did not use because it had less effect.

\*\* Referred to TMO 2017 : Thai Mortality Ordinary Tables of 2017





## THE SENSITIVITY ANALYSIS OF KEY ASSUMPTIONS IN THE FORECAST ACCORDING TO ACTUARIAL INSURANCE PRINCIPLE

The key assumptions which were used in forecasting the sensitivity analysis according to the actuarial insurance principal are discount rate, rate of salary increase, and mortality by assuming that other assumptions remain unchanged. The impacts of the sensitivity analysis from the changes in the above related assumptions that are reasonable are as follows:

- If the discount rate increases (decreases) by 0.5 %, employee benefit obligation will decrease by Baht 0.00 to 0.31 million (increases by Baht 0.00 to 0.33 million).
- If the rate of salary raises increases (decreases) by 1.0 %, employee benefit obligation will increase by Baht 0.00 to 0.66 million (decreases by Baht 0.00 to 0.59 million).
- If employee longevity increases (decreases) by 1 year, employee benefit obligation will increase by Baht 0.00 to 0.47 million (decrease by Baht 0.00 to 0.42 million).

In the above sensitivity analysis report, the present value of employee benefit obligation is calculated by using the same method as the calculation of employment benefit obligation acknowledged in the financial statements.

On 13 December 2018, the National Legislative Assembly approved the Draft Labor Protection Act. The essence of the Draft Act is to increase the compensation rate from the original 300 days to 400 days for employees who have worked for 20 years or more. At present, the draft is awaiting publication in the Royal Thai Government Gazette. As for this change, the Company has corrected the post-employment benefits obligation scheme to be consistent with the said draft. As a result, from the correction, there is an increment in the Provision for Employee Benefit as of 31 December 2018 and the Company immediately recorded the effect of such change by recognizing the past service cost as an expense in the Income Statement.

## **22. OTHER NON-CURRENT LIABILITIES**

As of December 31, 2019 and 2018, other non-current liabilities consisted of:

Thousand Baht

	<u>Consolidated Financial Statement</u>		<u>Separate Financial Statement</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Deposit for Office rental	-	-	3,600	3,600
Deposit for Meter Electricity	472	-	-	-
Retention	4,918	5,000	-	-
Deposit Customs - Project	105	-	-	-
Total other non-current liabilities	<u>5,495</u>	<u>5,000</u>	<u>3,600</u>	<u>3,600</u>

## **23. REGISTERED CAPITAL AND PAID-UP CAPITAL**

On 18 October 2015, the company registered the capital increase with the Department of Business Development, Ministry of Commerce in the amount of 23.40 million shares with a par value of 1.00 baht per share. Resulting in the registered capital of the company as of 31 December 2018 amounted to 24,156,939,463.00 baht

- 23.1 New ordinary shares of 8,075,000,000 shares were issued to Private Placement at the offering price of Baht 0.05 per share, totaling Baht 403,750,000. The Company also registered to increase the paid-up capital for the amount of Baht 8,075,000,000 on February 11, 2016.

23.2 New ordinary shares of 1,758,283,143 shares were issued to existing shareholders (Rights Offering) at the offering price of Baht 0.05 per share, totaling Baht 87,914,157.15. The Company also registered to increase the paid-up capital for the amount of Baht 1,758,283,143 on February 17, 2016.

23.3 New ordinary shares of 9,812,000,000 shares were issued to Private Placement (2) at the offering price of Baht 0.05 per share, totaling Baht 490,600,000. The Company also registered to increase the paid-up capital for the amount of Baht 9,812,000,000 on March 18, 2016.

On July 17, 2017, the Company registered with Department of Business Development - Ministry of Commerce to decrease its capital for 3,754,716,857 Million shares at a par value of Baht 1.00 per share making the registered capital of the Company as of July 17, 2017 was worth Baht 20,402,222,606.

On July 19, 2017, the Company registered with Department of Business Development - Ministry of Commerce to increase its capital for 4,080,444,521 Million shares at par value of Baht 1.00 per share making the registered capital of the Company as of July 19, 2017 was worth Baht 24,482,667,127.

The Company also issued 259,174,943 new ordinary shares to existing shareholders (Rights Offering) at the offering price of Baht 0.35 per share, totaling Baht 90,711,230.05. In addition, The Company also registered to increase the paid-up capital for the amount of Baht 259,174,943 on August 2, 2017.

On 30 April 2019, The shareholder meeting has the resolution to approved the Capital Reduction of the Company for the amount of Baht 3,821,269,578 from the original capital of Baht 24,482,667,127 to Baht 20,661,397,549 by cancelling 3,821,269,578 unissued shares of the Company at a par value of Baht 1 per share and to approve the Amendment of Clause 4 of Company's Memorandum of Association to be consistent with the Capital Reduction of the Company.

After the increase and decrease in capital, the Company's registered capital and paid-up ordinary shares are as follows:

Detail	Capital		Premium (Discount)
	Number of hares (Shares)	Amount (Baht)	Share Value (Baht)
<b><u>Registered ordinary shares</u></b>			
January 1, 2014	756,939,463	756,939,463	
January 1, 2015	756,939,463	756,939,463	
October 18, 2015	24,156,939,463	24,156,939,463	
December 31, 2015	24,156,939,463	24,156,939,463	
July 17, 2017	20,402,222,606	20,402,222,606	
July 19, 2017	24,482,667,127	24,482,667,127	
May 10, 2019	20,661,397,549	20,661,397,549	





**Paid-up ordinary shares**

January 1, 2014	756,939,463	756,939,463	358,607,565
January 1, 2015	756,939,463	756,939,463	358,607,565
December 31, 2015	756,939,463	756,939,463	358,607,565
February 11, 2016	8,831,939,463	8,831,939,463	(7,312,642,435)
February 17, 2016	10,590,222,606	10,590,222,606	(8,983,011,421)
March 18, 2016	20,402,222,606	20,402,222,606	(18,310,784,769)
August 2, 2017	20,661,397,549	20,661,397,549	(18,480,335,093)

**24. EXPENSE BY CATEGORY**

The significant expense by category for year ended December 31, 2019 and 2018 are as follows:

Expense item	Thousand Baht			
	Consolidated financial Statement		Separate Financial Statement	
	December 31,2019	December 31,2018	December 31,2019	December 31,2018
Changes in finished goods and work in process	74,588	(8,083)	5,605	(8,083)
Raw material and supplies used	17,932	2,520	13,951	2,406
Depreciation and amortization	36,114	5,889	18,809	3,968
Employee benefits expenses	49,444	30,509	36,827	27,077
Legal and lawyer advisor fee	566	-	226	-
Electricity	3,333	1,228	676	2,757

**25. GAIN (LOSS) ON EXCHANGE RATE**

	Thousand Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31,2019	December 31,2018	December 31,2019	December 31,2018
Realised loss (gain) on exchange rate	4,100	-	-	-
Unrealised loss (gain) on exchange rate	(522)	(374)	(505)	(374)
Total	3,578	(374)	(505)	(374)

## 26. BENEFITS FROM RECEIVING THE INVESTMENT PROMOTION

The Company received an investment promotion on 18 July 2018 from the Board of Investment who issued an investment promotion certificate no. 61-0843-1-00-1-0 which took effect on June 12, 2018. The type of promoted business is under category 7.1.1.2: Electricity generating business or electricity and steam generated from renewable energy; except waste or fuel generated from waste. The rights and benefits the company shall receive are as follows:

1. The company has been granted the right to permit the aliens who are skilled craftsmen to enter the Kingdom to work in their positions for the permitted duration during their employment.
2. The Company receives an exemption of machinery import duty as approved by the Board.
3. The Company receives an exemption of corporate income tax on net profits from the operation that received the business promotion of totaling not more than a 100% of the investment excluding cost of land and working capital for 8 years commencing from the date the business earns from its operation.
4. The Company that receives the promotion is granted an exemption not to use dividends incurred for tax calculation throughout the period of corporate tax exemption.

## 27. CORPORATE INCOME TAX

Corporate Income Tax for year ended December 31, 2019 and 2018 are as follows:

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	2019	2018	2019	2018
<b>Current Income tax:</b>				
Corporate Income tax for the year	19,651	-	14,010	-
<b>Deferred Tax:</b>				
Deferred tax from temporary difference and reversal of temporary difference	(158)	-	-	-
<b>Income tax illustrated in income statement</b>	<b>19,493</b>	<b>-</b>	<b>14,010</b>	<b>-</b>

The income tax shown in the Profit-Loss Statement is derived by reconciling the income tax from the financial statement and the tax impact for the yearended December 31, 2019 and 2018. Details are shown below:

	Thousand Baht			
	Consolidated Financial Statement		Separate Financial Statements	
	2019	2018	2019	2018
Income tax as per the financial statement	100,218	41,787	91,292	53,364
Corporate income tax	20%	20%	20%	20%
Income tax value account	26,153	8,357	18,258	10,673
Impact to deferred income tax - from the change of income tax rates	-	-	-	-
Tax impact:				





Exempted income or expenses (deductible) increase	(5,688)	(36)	(2,988)	(36)
Non-deductible expenses	1,721	362	1,273	333
Other	(2,693)	(8,683)	(2,533)	(10,970)
Total	(6,660)	(8,357)	(4,248)	(10,673)
Income tax presented in the income statement	19,493	-	14,010	-

The components of deferred tax assets and deferred tax liabilities comprised the following items:

	Thousand Baht			
	Consolidated financial statement		Separate Financial Statement	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>Assets - Deferred tax:</b>				
Allowance for doubtful account-loan to director	4,200	4,200	-	-
Allowance for declining in inventory value	961	640	601	675
Allowance for doubtful account – Trade receivable	-	-	421	-
Allowance for doubtful account - Letter of Guarantee	160	160	160	160
Allowance for doubtful account – Settlement of debt on behalf of the subsidiary company	53,406	53,406	53,406	53,406
Allowance for impairment loss on investment	40	40	23,741	23,741
Obligation of Employee benefits	2,782	2,590	2,296	1,604
Total	61,549	61,036	80,624	79,586
<b>Liabilities – Deferred tax:</b>				
Obligation of Employee benefits	104	104	-	-
Power Purchase Agreement	3,932	4,091	-	-
Total	4,036	4,195	-	-

As of December 31, 2019, the Group has temporary discrepancies that were used for tax deduction as well as un-used tax loss that was not recognized as asset - deferred income tax in the financial statement which are Baht 61.44 million in the Consolidated statement and Baht 80.63 million in the Separate financial statement. The Company has recognized deferred tax assets in the consolidated financial statement only the allowance for doubtful accounts for loans for directors arising from business purchases, amount Baht 4.20 million. The remaining amount of the Company is not recognized as deferred tax assets in the statement of financial position.

The Management of the Group has taken into the consideration that there would be a less opportunity for the Group of Companies to have enough tax income in future to utilize the above asset of deferred tax income.

**28. PRESENTATION OF FINANCIAL INFORMATION BY BUSINESS UNIT**

Mining is the core business of the Company and its subsidiaries in Thailand. This includes andesite mining in Saraburi Province, and Mining Operation Service in Myanmar. Furthermore, The Company also has an investment in Sky Cliff Limited while Sky Cliff has invested in 89 Capricorn Development Co., Ltd. 89 Capricorn Development operates property development business in Phuket.

Sales and cost of sales classified by segment for the nine-month period ended September 30, 2019 and 2018 were separately presented in the Income Statements. For assets of the Company and its subsidiaries by business unit are shown below:

	Million Baht															
	Core Business: Mining								Property Business		Renewable Energy Business					
	Tin Mining		Myanmar Project		Tin Dressing Plant at Chumporn		Andesite Mining									
											Amortization item		Total			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Expenditures of other projects																
Andesite mining	-	-	-	-	-	-	5.00	6.00	-	-	-	-	-	-	5.00	6.00
Tin Mining – Myanmar	-	-	35.00	40.00	-	-	-	-	-	-	-	-	-	-	35.00	40.00
Phuket project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and Equipment - Net	19.60 3.30	19.60 3.30	225.00 0.00	125.00 0.00	24.00 -	9.50 -	56.40 1,366.00	83.70 1,198.90	5.10 803.20	6.10 809.90	166.95 117.90	25.25 167.80	- (1,348.10)	- (1,175.00)	497.10 942.20	269.15 1,004.85
Other assets	22.90	22.90	260.00	165.00	24.00	9.50	1,422.40	1,282.60	808.300	816.00	284.80	193.05	(1,348.10)	(1,175.00)	1,479.26	1,369.96
Total assets	-	-	-	-	-	-	5.00	6.00	-	-	-	-	-	-	5.00	6.00

**29 COMMITMENTS AND CONTINGENT LIABILITIES****Guarantees**

29.1 As of December 31, 2019 and 2018, the Company and its subsidiaries have contingent liabilities due to bank guarantees as follows:

	Million Baht			
	Consolidated		Separate Financial Statement	
	Financial Statement		Financial Statement	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b><u>Bank guarantee receivers</u></b>				
Provincial Electricity Authority	0.40	0.40	-	-
Metropolitan Electricity Authority	0.19	0.19	0.19	0.19
Department of Primary Industries and Mines	0.20	0.20	-	-
Department of Public Work and Town & Country Planning – Phuket	0.31	1.86	-	-
Dongfang Electric International Corporation*	30.00	30.00	-	-
Total	31.10	32.65	0.19	0.19

\*The subsidiary has pledged their assets as collaterals to the bank as mentioned in note no. 12.3





### **Legal Obligations**

29.2 According to the measures used in preventing and improving the environmental impacts announced and defined by Department of Primary Industries and Mines, the concession holder no. 28676/15268 for a ndesite quarry mining for construction industry must set up 3 funds within one month from the date of receiving the concession which was on October 3, 2017.

On October 27, 2017, the Company appointed the Public Relations Committee and made the first deposits for the 3 funds on November 1, 2017, details are shown below:

#### **Mining Area Rehabilitation Fund**

The purpose of the fund is for the operation of the area that has already been mined and the areas that are not related to the mining. The rehabilitation levy is at a rate of Baht 34,000 per Rai per annum. The company will define the area for mining each year. The amount of money to be paid into the Mining Rehabilitation Fund is calculated on the number of Rais that are actually utilized for mining each year. The Mining Rehabilitation Fund will be carried out until the rights and obligations of the concession end and the mining area must not exceed 88 Rais, 3 Ngans, 81 Square Wahs, as specified in the concession.

#### **Village Development Fund around the mining area**

The purpose of the fund is to pay for the development of public interest activities, education, traditions and culture of the mining surrounding communities and areas related to the concession.

Funds for the first year are set for Baht 500,000, and the fund for the following year will be calculated and paid at the proportion of Baht 1 per metric ton of production rate in the previous year. The minimum fund is set for Baht 500,000 per annum with continuous payments until the rights and obligations under the concession end.

#### **Health Surveillance Fund**

The objective of the fund is to fund the cost for health check-ups and public health surveillance. It also supports activities related to health of residents living around the concession area and associated areas. Funds for the first year are set for Baht 200,000, and the fund for the following year will be calculated and paid at the proportion of Baht 0.5 per metric ton of production rate in the previous year. The minimum fund is set for Baht 200,000 per annum with continuous payments until the rights and obligations under the concession end.

As for the 3 funds, the Company has appointed the Public Relations Committee to look after the 3 funds. In accordance with the regulations, the Committee must hold a meeting for each fund at least once a year to evaluate the plans and the performance of activities. Moreover, the Committee also prepares reports and operating results to inform the Department of Primary Industries and Mines and the relevant agencies.

### **Contractual Obligations**

29.3 A contract of manufacturing, installing, and machine maintenance for tin mining in 3 mines in the Republic of the Union of Myanmar was signed with Phetch-Pailin-Kao Co., Ltd. on July 5, 2016. The value of the contract was worth Baht 136.0 million and Baht 117.0 million was already paid to the contractor by the Company.

29.4 A contract agreement signed with SI Engineering Company Limited on July 4, 2016 for area preparation, document processing, tin transportation for 3 tin mines in the Republic of the Union of Myanmar. The value of the contract was worth Baht 51.3 million and Baht 38.1 million was already paid to the contractor by the Company.

29.5 A contract agreement was signed with GMT Corporation Ltd. on April 01, 2017 for a detailed survey to assess tin reserves in the Republic of the Union of Myanmar. The value of the contract was worth Baht 4.8 million and Baht 3.9 million was already paid to the contractor by the Company.

29.6 A contract agreement was signed for Produce & Installation of the conveyor belt for the Tin mining, Republic of Myanmar. The contract is date 29 March 2019. It is a 6-month contract with a value of Baht 27,500,000.

29.7 A contract agreement was signed for Produce & Installation of the conveyor belt for the Tin mining, Republic of Myanmar. The contract is date 2 September 2019. It is a 6-month contract with a value of Baht 25,000,000.

**89 Capricorn Development Company Limited** signed a contract agreement with a non-related company, details are shown below:

29.8 A security contract agreement was signed for THE BAY project dated 1 January 2019. The value of the contract to be paid monthly is Baht 64,000 for one-year period from January 1, 2019 to December 31, 2019.

29.9 Marketing consultant agreement of The Bay Sky Cliff, dated September 2, 2019 with the contract value of 950,000 baht and a contract period of 1 month.

29.10 Marketing consultant agreement of The Bay District, dated September 2, 2019 with the contract value 900,000 baht and a contract period 1 month.

**CHOLSIN Co., Ltd.** signed a contract agreement with a non-related company, details are shown below:

29.11 Machine hiring contract for mineral production in a mining project in Chiangmai Province dated 1 May 2019. It is a 6-month contract with a value of Baht 500,000 payable on a monthly basis.

29.12 Employment Contract for mineral production for the mining project in Chiang Mai Province dated 1 May 2019, at the rate of Baht 1,500 per ton of ore produced. It is a 6-month contract.

29.13 A contract agreement was signed for Produce & Installation of the conveyor belt for the mining project in Chiang Mai Province. The contract is date 29 March 2019. It is a 6-month contract with a value of Baht 28,000,000.

29.14 A Rental and service agreements for warehouse in Maerim district, Chiang Mai Province dated 14 November 2019, at the rate of Baht 55,000 per month. It is a 3 years contract.

### **THE LAWSUITS THAT THE COMPANY HAS FILED**

29.15 A revocation lawsuit of a loan act and share pledging between the Company, held shares in Sea Minerals Limited, with its subsidiaries and 2 related companies, was filed.

On May 11, 2012, a company that is in connection with a former director sent a notice to the Company claiming that the Company has an overdue loan of Baht 56.80 million as per the loan agreement and will enforce the share pledge of the Company held in its subsidiary (Sea Mineral Limited). On June 28, 2012, the said related company enforced the share pledge by issuing a public auction. As for the auction, the related company was the only bidder and won the bid at Baht 18.5 million.

The current Board of Directors of the Company agreed that the three loan agreements and the three share pledge agreements as referred by the related company including the former director of the company who took the share certificates from the company for public auction are unlawful agreement and deed that cause damages to the Company. Hence, the Company filed a lawsuit against the two related companies and against the former director of the Company. Details are as follows:

- (5) On 15 June 2012, the Company notified a complaint as a criminal case to the investigating officers of the Sutthisan Police Station for the charge of stealing other people's documents (share certificates) in a manner likely to cause





damage. However, as the former executives did not show up as per the issued summons, the inquiry official, therefore, issued an arrest warrant.

Later, the Company brought the case to be filed as a criminal case to the court, a black case number 3574/2558. The Court of First Instance had its verdict to dismiss the case. Regarding the case of share certificates, related companies will have the right to enforce pledge by putting up at auction whether or not rightfully shall be sued in a civil way. The Company appealed the case. The Court of Appeals upheld the judgment of the Court of First Instance. The case was final.

- (6) On 25 September 2012, the Company filed a civil case requesting for the revocation of legal acts for 3 loan agreements and 3 pledge agreements. During the court's consideration, the company filed the case for the business rehabilitation. The court ordered to dispose the case.

The two related companies brought the debt under the 3 loan agreements as mentioned above and filed an application for repayment with the Official Receiver in the business rehabilitation case. The Official Receiver ordered that according to the loan agreements No. 1 and 2 the subsidiary borrowed and the debt has completely been settled. The third contract is a contract that is not dated (date, month, and year of the contract), only the signature of the notary of the lawyer, therefore, it cannot be claimed for debt repayment and it was ordered to dismiss the petition accordingly.

The two related companies filed objections to the court's order with the Central Bankruptcy Court. Later, the Central Bankruptcy Court dismissed the petition. Both related companies did not appeal against the order. The case was final.

From the above decision of the Official Receiver, both related companies could not bring all 3 loan agreements to file a case and force the Company to repay the debt. Therefore, civil litigation is not beneficial to the Company and therefore the case is final.

- (7) On 26 October 2012, the Company filed a civil case requesting to withdraw the auction of the Company's share certificate. During the court's consideration, the Company has filed the business rehabilitation case. The court ordered to dispose the case.

Later, the Company exited the business rehabilitation plan and will continue taking legal action. However, since the related company has been removed from the registrar as a company (abandoned company) by the register officer, therefore it is no longer a juristic person. Thus, to continue taking civil action, petition must be submitted to the court requesting that the company return to its original state otherwise the case cannot be brought forward.

- (8) On June 12, 2013, the Company filed a Criminal Case for 2 charges of false statements in the documents following the Securities and Exchange Act. The case is under the inquiry of Inquiry Officer.

29.16 On 4 January 2019, a subsidiary company filed a lawsuit against the director of the subsidiary company as a criminal case for a charge of fraud at Bangkok North Municipal Court. Since one of the subsidiary company Directors has entered into a contract to hire a company to proceed for various licenses for the ground installation of solar power generation project for an amount of Baht 850,000. The director already received the said amount but the contractor company has not taken any action as per the contract. Furthermore, on October 29, 2019, the court has determined that the mentioned director had committed an offense under the allegation of fraud and therefore ordered the imprisonment of the mentioned director for 3 years without parole. At present, the said director has filed an appeal on the judgment of the Court of First Instance to the Court of Appeal. The Company received a copy of the appeal on February 15, 2020.



## **30. FINANCIAL INSTRUMENTS**

### Risk from Exchange Rate

As of December 31, 2019 and December 31, 2018, the Group of companies had an insubstantial risk from the exchange rate because least of the business transactions of the Group are in foreign currency. The major business transactions in foreign countries are made in Thai currency.

### Risk from interest rate

The risk of interest rate occurs from the future fluctuation of interest rate in the market and it affects the business operation performance as well as the Company and its subsidiaries' cash flow. However, the Group of Companies does not have this risk since the Group does not have a loan from overseas.

### Credit Risk

The Company is exposed to credit risk that may occur from the trade account receivables. However, at present the Company only sells products to customers who have good potentials to pay debt and meet required payments. The company therefore does not expect to receive significant losses from debt collection from these debtors.

### Fair Market Value

The management believes that the fair market value of the Company's financial assets and liabilities does not significantly differ from its book value.

## **31. EVENT AFTER THE REPORTING PERIOD**

On February 17, 2020, the Company signed a 25% share purchase agreement from a shareholder of a foreign firm, valued at USD 6.89 million, which operates a gold mining business in Zambia. However, the Company has no intention to participate in management.

## **32. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved by the Board of Directors on February 29, 2020





# 18. Details of the company's management and controlling persons as of 31 December 2019

Name-last name/Position	Educational background	Proportion of shares held in the company (%)	Family relations among executives	Work experience during the past 5 years		
				Period of time	Position	Name of department/company/type of business
1. Mr. Wiji Jiemwittikul CEO and Chairman of the Board of Directors	- Bachelor of Engineering (Administration and Construction Technology) Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang	9.2	-	2012 - present 2012 - present 2013 - present 2013 - present 2017 - present 2018 - present 2019 - present	CEO Director Director Director Director Director Director	Tongkah Harbour Plc. Sky Cliff Co., Ltd. Cholsin Co., Ltd. 89 Capricorn Development Co., Ltd. THL Power Co., Ltd. Sawasdee Energy Holding Co., Ltd. THL MYANMAR CO., LTD.
2. Dr. Wichai Cherdshewasart Director	- Bachelor of Science (Zoology) Chulalongkorn University - Master of Science (Zoology) Chulalongkorn University	0.00	-	2009 - present 2013 - present 2013 - present 2013 - present 2014 - present	Independent director Director Director Director director	Tongkah Harbour PCL. Cholsin Co., Ltd. Sky Cliff Co., Ltd. 89 Capricorn Development Co., Ltd. PhotoTech Co., Ltd. .
3. Assistant Professor Dr. Tharinee Phongsuphat Chairman of Audit Committee and independent director	- Bachelor of Science (Accounting) Kasetsart University	-	-	2012 - present 2000 - present	Chairman of Audit Committee and independent director Assistant Professor	Tongkah Harbour PCL. Business Administration Faculty, Accounting, Kasetsart University
4. Mr. Ekachai Chotiyanon Director of Audit Committee and independent committee	- Bachelor of Law, Ramkhamhaeng University	0.34	-	1986 - present 2012 - present	Managing Director Director of Audit Committee and independent director	P.V. marble and granite Co., Ltd. Tongkah Harbour Plc.
5. Mr. Nipon Keeratipitayaporn Independent committee	- Bachelor of Engineering (Civil engineering) Songklanakarin University, Hadyai Campus	-	-	2013 - present	Director of Audit Committee and independent director	Tongkah Harbour PCL.
6. Mr. Suthep Buramam Director	- Bachelor of Engineering (Electrical) King Mongkut's Institute of Technology - Ladkrabang	=	=	2014 - present 2017 - present 2014 - present 2017 - present 2017 - present 2018 - present 2018 - present	Director Director Managing Director Managing Director Vice Chairman Director Director	Tongkah Harbour Plc. Cholsin Co., Ltd. Sky Cliff Co., Ltd. 89 Capricorn Development Co., Ltd. THL Power Co., Ltd. Sawasdee Energy Holding Co., Ltd. THL MYANMAR CO., LTD.
7. Mr. Prot Pattakaree Director	- King Mongkut's Institute of Technology - Ladkrabang - Rajamangala University of Technology - North Bangkok Campus	0.17	-	2017 - present 2015 - present 2010 - 2014 2018 - present	Director Managing Director Head of sales Director	Tongkah Harbour Plc. Andaman Network System Co., Ltd. Fort Corporation Co., Ltd. THL MYANMAR CO., LTD.
8. Mr. Paisan Etitum Director	- Ph.D. in Civil Engineering, University of California, Los Angeles, U.S.A. - Master's Degree in Civil Engineering, Case Western Reserve University, Cleveland Ohio, U.S.A. - Bachelor's Degree in Civil Engineering Case Western Reserve University, Cleveland Ohio, U.S.A.	2.12	-	2017 - present 1996 - present	Executive Director Director	Tongkah Harbour Plc. Thai Transmission Industry Co., Ltd.
9. Mr. Keerati Kijmanawat Director	- Ph.D. of Engineering, Tokyo University, Japan - Master of Engineering, Tokyo University, Japan - Bachelor of Engineering, Sirindhorn International Institute of Technology - Thammasart University	0.03	-	2017 - present 2012 - present 2012 - present 2013 - present	Director Chairman Regular Lecturer Vice Chairman	Tongkah Harbour Plc. PSK Consultancy Co., Ltd. Logistic and Supply Chain College, Naresuan University Index International Group Co., Ltd.

## 19. Details of directors of subsidiary companies

Directors, executives and controlling persons who are executives in subsidiary company, associated company as of 31 December 2019

Company Name Executive's Name		Tongkah Harbour Plc.	Details of directors of subsidiary companies						
			Cholsin Co.,Ltd.	Sky Cliff Co.,Ltd.	Sea Mineral Limited	89 Capricorn Development Co.,Ltd.	THL Power Co.,Ltd.	Sawasdee Energy Holding Co.,Ltd.	THL MYANMAR CO.,LTD
1	Mr.WijitJiemwijitkul	x	/	/	-	/	/	/	/
2	Mr. WichaiCherdshewasart	/	/	/	-	/	/	/	-
3	Mr. Suthep Buramarn	//	/	//	-	/	/	/	/
4	Mrs.TharineePhongsuphat	/	-	-	-	-	-	-	-
5	Mr. NiponKeeratipitayaporn	/	-	-	-	-	-	-	-
6	Mr. EkachaiChotiyanon	/	-	-	-	-	-	-	-
7	Mr. ProtPattakaree	/	/	-	-	-	/	/	/
8	Mr. PaisanEtitum	//	-	-	-	-	-	-	-
9	Mr. KeeratiKijmanawat	/	-	-	-	-	-	-	-
10	Mr. Supachai Jirasangiamkul	-	-	-	-	/	-	-	-
11	Mr.Chana Wongsuparp	-	-	-	/	-	-	-	-
12	Mr.Edward Mervyn William Jones	-	-	-	/	-	-	-	-
13	Mr.John Yangpichit	-	-	-	/	-	-	-	-
14	Mr.Pramote Bansit	-	-	-	/	-	-	-	-
15	Mr.John Peter Mills	-	-	-	/	-	-	-	-
16	Mr.Ng Wai Choi	-	-	-	/	-	-	-	-

Remarks : / = Director

x = Chairman

// = Executive director




**20. Details of the head of internal audit of the company as of 31 December 2019**

Name-last name/Position	Educational background	Work experience during the past 5 years		
		Period of time	Position	Name of department/company/type of business
Mr. Weerayuth Korkiatnara Head of Internal Audit	- Bachelor of Accounting, Bangkok University - Diploma in Internal Audit	2013 – present 2009 – 2012	- Head of Internal Audit - Assistant manager of Accounting Department	Tongkah Harbour Plc. Tongkah Harbour Plc.





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