

รายงานประจำปี 2560

# ANNUAL REPORT 2017



**Tongkah Harbour**  
Public Company Limited

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Message from Chairman

Year 2017 is the year that the company has been operating the mining business for 111 years, and over the years the company has faced many problems and has to go through the rehabilitation process. Until May 8, 2017, the Central Bankruptcy Court ordered the company to retire from the rehabilitation plan that is sooner than the normal schedule. Under the management of the executives who are committed to work in various fields to push the company to grow strong and sustainable in the future. As the result of the commitment, the company's performance in the year 2017 turned profitable when compared to 2016.

Great performance turnover is due to the increase in production capacity and sales in the mining industry both in the country and abroad; a tin mine in the Republic of the Union of Myanmar (Myanmar), andesite mine in Thailand has increased sales, and real estate business has increased transfer and including good cost management. In the future, the renewable energy business that started investment in 2017 and expansion of real estate projects in Phuket will start to generate more revenue for the company. It has been around since the year 2018.

In addition, in the year 2018, the Company has negotiated to expand its overseas operations in the CLMV Group, both mining and renewable energy. This is to grow with strength and sustainability.

The company sees that when the organization has a better performance. We never forget the social and community as we seriously committed. The company brings profits back to society but in a different frame of mind, that is, the emphasis is on building relationships between the organization and the community. It's more than engaging but access to life, feeling and mind of the community in order to create a better quality of life and happiness, whether it is domestic or foreign business.

The company is confident that the hard work of the management, the situation could be reversed. The company decided to file a petition with the Stock Exchange of Thailand to allow the company's shares to return to normal trading in the middle of 2018.

On behalf of the Board of Directors , thank you to our shareholders, customers, executives, employees, and related parties for their great support. The company pledged to devote all its hard work to the prosperity of all parties.



Mr. Wijit Jiemwijitkul

Chief Executive Officer & Chairman of Executive Committee

**Business****1. Policy and Business Overview****1.1 Background**

Tongkha Harbour 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 "Tongkha Harbour 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 "Tongkha Harbour Tin Trading Co., Ltd.", later, then changed to be more formal to "Tongkha Harbour 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 "Tongkha 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 "Tongkha 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 Suppayagorn Samut Co.Ltd. , 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, Tungsum Co.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, Tungsum 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.

Tungsum 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 The 89 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 Tungkum 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.

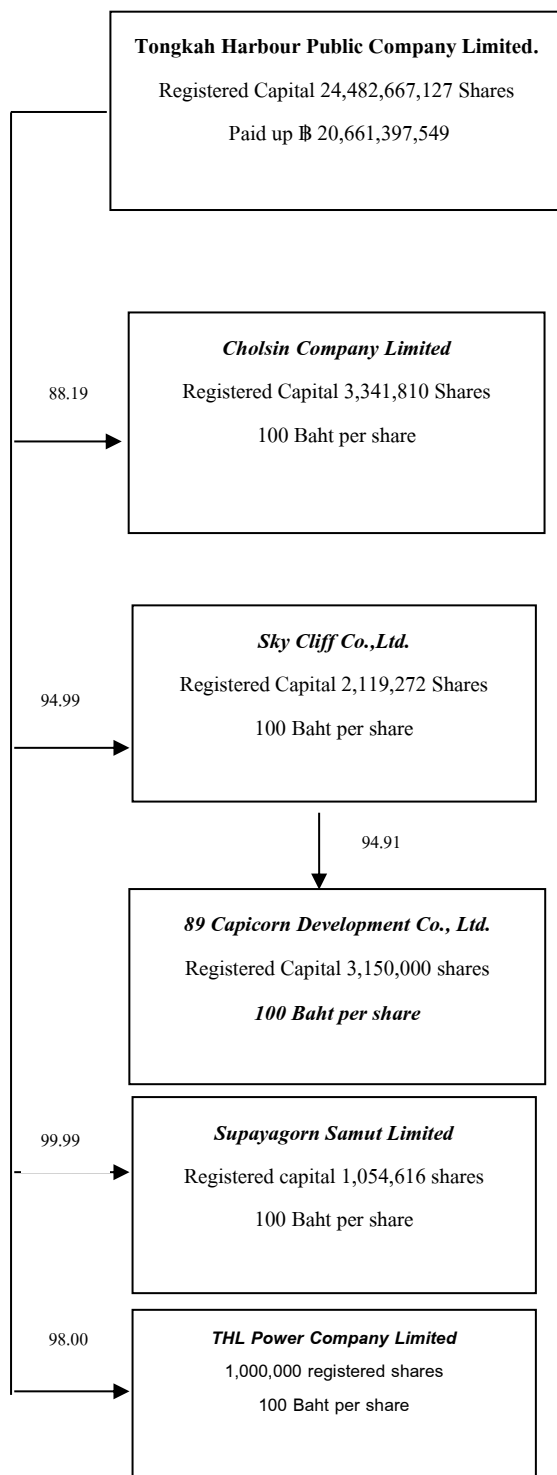
### Year 2017

- 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.

\*\* At present, The THL Power Co.Ltd. holds 60% of shares in Sawasdee Energy Holdings Co., Ltd. on February 12, 2018.

### 1.3 Shareholding structure of the Company Group

Shareholding Structure of the Company, Subsidiaries, and Associated Companies as of December 31, 2017



#### 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 3.7 million tons.

The annual production capacity is about 350,000 tons.

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

##### Current Business

Gold mining, Copper mining, Potash mining, Tin mine, The Company is considering investing in overseas mining business such as Myanmar, Laos, Cambodia, Malaysia and Nigeria.

#### Nature of business: crushed stone business

Operated a stone crusher plant at Andeside Mining for Tongkah Harbour Co.,Ltd.Plc.

#### 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 Tongkha Harbour Co.,Ltd, Plc. 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.

### **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.

**Revenue structure**

The company's core revenue is the mining, which is currently the quarry business and mining overseas. The company plans to expand its mining business by becoming a partner by holding shares in foreign-owned companies. The company also has another major portion of revenue from its real estate development business.

| Nature of Business  | Operator                             | Revenue structure |        |                 |        |                 |        |
|---|--------------------------------------|-------------------|--------|-----------------|--------|-----------------|--------|
|   |                                      | 2560              |        | 2559            |        | 2558            |        |
|   |                                      | Million<br>baht   | %      | Million<br>baht | %      | Million<br>baht | %      |
| 1. sale income  |                                      |                   |        |                 |        |                 |        |
| sale of gold and copper   | Tongkah Co.,Ltd.                     |                   |        | -               | -      | 125.00          | 38.63  |
| Sale of Andesite  | Tongkha Harbour Co., Ltd., Plc.      | 59.05             | 14.41  | 46.71           | 17.48  | 46.65           | 14.41  |
| Sales of real estate - The Bay Project  | The 89 Capricorn Development Company | 50.59             | 12.34  | 129.74          | 48.56  | 91.51           | 28.28  |
| Revenue from mining and quarrying services in Myanmar                         | Tongkha Harbour Co., Ltd., Plc.      | 219.16            | 53.47  |                 |        |                 |        |
| 2. Other income   |                                      |                   |        |                 |        |                 |        |
| Profit from exchange rate   | Tongkha Harbour Co., Ltd., Plc.      | 0.11              | 0.03   | -               | -      | 19.17           | 5.92   |
| Profit from sale of property  |                                      |                   |        | -               | -      | -               | -      |
| Profit from valuation of inventories  | Tongkha Harbour Co., Ltd., Plc.      |                   |        | 0.29            | 0.11   | 0.26            | 0.08   |
| Profit from sale of land, buildings and equipment                             | Tongkha Harbour Co., Ltd., Plc.      |                   |        | 1.82            | 0.68   | -               | -      |
| Profit from Repayment under rehabilitation plan                               | Tongkha Harbour Co., Ltd., Plc.      | 77.96             | 19.02  | 54.04           | 20.23  | -               | -      |
| Income from creditors do not receive repayment under the rehabilitation plan. | Tongkha Harbour Co., Ltd., Plc.      |                   |        | 6.00            | 2.25   | -               | -      |
| Improve penalties income tax Corporate  | Sky Cliff Company                    |                   |        | 18.71           | 7.00   | 13.09           | 4.04   |
| Interest, and more.   | Companies group                      | 3.01              | 0.73   | 9.86            | 3.69   | 27.96           | 8.64   |
| Total revenue   |                                      | 409.88            | 100.00 | 267.17          | 100.00 | 323.64          | 100.00 |

## 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 rais, 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 3.7 million tons. At present, the production capacity is about 350,000 tons, which has enough capacity for production approximately 26.37 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.

#### 2.1.1.2 Disposal of stones

In the year 2017, the income from the disposal of Andesite stone totaled 59.05 million Baht, due to the demand for raw materials in various projects and more likely for supporting the construction of double rail line which has been approved. The government also has many other projects, such as Jira road junction-Ubon Ratchathani project. Ban Phai - Nakhon Phanom Project and The Pak Nam Po-Denchai project and other lines close to the mill. Due to this reason, demand for stone is increased. In the past, the company has accelerated production to meet the needs of users. The main products that make income to the company. It is a ballast used in the construction and repair of railway and stone. ¾ W / G, a stone used for road construction.

**2.1.1.3 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.

**2.1.1.4 Supply Products****(a) Acquisition of Products**

Andesite rock sites discovered in the concession are hills and rocks from the surface down to 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 26.37 million tons.

Mining is a Open Pit stepped 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 Mines standard, Mining and crushed stone are met customer orders and shipments in order to meet the operating costs.

**(B) Environmental impact**

The quarry site, the Andesite have very little environmental impact. The mine area is relatively flat areas with no forest or vegetation in the area. It is an area with extensive agricultural land use, such as rice, corn and mango are also sparse population around the mine area. The quarry without the use of chemicals in the process. Only use water spray to reduce the spread of dust caused by transportation and crushed stone.

Quarrying is done only once a day at the time of 16:00 to 17:00 hrs., Which is based on the mining project was filed with the Department of Primary Industries and Mines and in accordance with the corrective measures and reduce environmental impact. The



proposed policy with the Office of Natural Resources and Environment, the explosion is done only during the time that is required to enter the stone mill. So it does not blow every day and quarrying could have an impact on noise and vibration in 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

Measures to prevent and reduce environmental impact and safety in the workplace are important.

1. Tree planting is a line around the project area. 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 striker collected soil mining and mine reconditioning the floor is in 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. Dust mask, Plug-ear hearing protection, etc. In addition the company provide for the annual check of the mine as well.

## **2.1.2 Business tin mine**

### **2.1.2.1 Tin mine – Suppayagorn Smut Company.**

#### **2.1.2.1.1 Types of Products and Services**

Tin mines in the sea, Phang Nga province, may be considered as an asset class. Given the amount of mineral reserves 49 672 tons at a grade of ore (Cut-off grade) at 0.193 kg per cubic meter.

### **2.1.2.2 Tin mine - Myanmar**

#### **2.1.2.2.1 Types of Products and Services**

The company has signed a contract with the production company owned tin mining at Mergui Myanmar, all three converted by first converting a concession area that already includes 14 plots (812.14. Acres), and the remaining 2 plots in the process of renewing the license. The petition government of Myanmar already.

The state has made the transport, installation and testing of production which was completed in January 2560 and began production on March 6, 2560, currently has a production line up one production line for solid stone with tin quality present on the line. the original manufacturer can not be done By now customize the machine is completed. Ready to take the next production. Which is expected to be made tin production to rise in quarter 2/2561.

## **2.1.3 Copper mining business**

### **2.1.3.1 Types of Products and Services**

The Company acquired the shares of Lao Ngam Kwang Tung Bo Rae Co. in the copper mines in Lao PDR. The copper mining area of approximately 3.1 square kilometers. The current status of the project is in the detailed survey in order to decide on the investment.

## **2.2 Real Estate Development**

### **2.2.1 Business housing and commercial buildings**

The company has invested in the project by pointing out that such business has been growing steadily by 89 Capricorn Golden Development Co., Ltd. has developed a project called "The Bay Skycliff" located in Phuket. The housing and commercial buildings of 32 units and 24 units respectively projects worth a total of about 346 million baht the progress of sales at the end of 2017 the project has been transferred to the customer as well as a summary of 39 units.

In addition to the above, the 89 Capricorn Ltd. is investing in the project. "The Bay District" located in Phuket. The project is a building of 9 units, worth approximately 62.10 million baht progress of sales at the end of 2017, such projects have been transferred to the customer's total of 5 units.

## **2.3 Renewable Energy Business**

### **2.3.1 Renewable energy**

The Company was incorporated on NHL Power Limited on November 2, 2560, to renewable energy. The Company believes that it is a business that can generate revenue for the company consistently over the long term.

## RISK FACTORS

Tongkah Harbour Co., Ltd., Plc. 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 are as follows:

### 3.1 mining

#### 3.1.1 miningStone Andy Forsythe

**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 limestone sedimentary rock types and 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.

**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 conditions at all times, reduces the risk of the opportunity to expand it.

**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.

**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.

**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

**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.

### 3.2 Property Development Business

#### 3.2.1 Business housing and commercial buildings

**The risk of creating pre-sale.** Land Phuket, Plc., 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.

**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.

**Risks of conducting state.** The current procedure Nature 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 Renewable Energy Business

#### 3.3.1 Renewable Energy Business

**Risks mass** Current problems of the masses has intensified even more. The awareness of all sectors of society in which the company recognizes that business processes such risks masses. Safety, health The quality of life of neighboring communities. However, the company can reduce the risk and impact by making the European community in the area to do energy projects in question.

The company also has a policy CSR is to focus on how to live with the communities where the company operates as a friend. To live together happily.



## Shareholding structure of the board and company management.

### Securities and Shareholder Information

#### 4.1 Number of registered capital and paid-up capital as at December 31, 2560.

- Number of ordinary shares 24 482, 667 127 shares with a par value of 1 baht par total of 24,482,667,127 baht.
- Capital Paid 20., 661,397,549 shares fully paid shares at 1 baht par total of 20,661,397,549 baht.

#### Status as a listed company.

The Stock Exchange of Thailand (SET). The Company has determined. It must improve its financial position and operations. phase 1 (NC-Stage 1) and an NC (Non-compliance) on December 9, 2554. And has still SP (Suspension) do not buy or sell securities. Company SET. The company has for some time. Improve the financial position and operating hours. 3 years

On June 20, 2559 The Stock Exchange of Thailand to extend the correction from being delisted from the date of March 31, 2560 the Company has extended for another one year, the Stock Exchange of Thailand has extended its correction off. being delisted from the date of March 31, 2561.

#### 4.2 Structure of Shareholders

List of major shareholders the maximum. 10 As at December 31, 2560 (according to the register of shareholders as at 01.19.2561).

| Shareholder  | Number of shares      | percent       |
|--|-----------------------|---------------|
| 1. UOB KAY HIAN PRIVATE LIMITED                          | 2, 700,000,000        | 13.07         |
| 2. Mr. Wanchai Panwichian                                | 1969350000            | 9.53          |
| 3. Mr. Pisarn Ittitham                                   | 1,942,100,000         | 9.40          |
| 4. Mr. Wijit Jiamvijitkul                                | 1901298500            | 9.20          |
| 5. Miss Panwadee Thersukbordi                            | 1,000,000,000         | 4.84          |
| 6. Mr. Chaiyut Sukwanichnun                              | 980 007 000           | 4.74          |
| 7. Mr. Titchuan NaNawaraporn                             | 904,900,000           | 4.38          |
| 8. Mr. Chatchai Theresukbodi                             | 810,000,000           | 3.92          |
| 9. Mrs. Sasi-On Jiamvijitkul                             | 600,025,900           | 2.90          |
| 10. Mr. Wichian Jiamvijitkul                             | 400,000,000           | 1.94          |
| Other shareholders                                       | 7, 453 716 149        | 36.08         |
| <b>Total As at December 31, 2017</b>                     | <b>20,661,397,549</b> | <b>100.00</b> |
| <b>Total shareholding for all nationals of Thailand.</b> | <b>17,771,113,809</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, 2560 the Company's shares held by Foreign Shareholders with approximately 13.99 percent of the issued and paid up.

**4.3 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.

**The management structure and corporate governance.**

The Board of Directors consists of 6 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.

**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, 2560 amounted follows.

- |   |  |
|---|--|
| 1. Mr. Wijit Jiemwijitkul               | Chairman of the Board / Chairman of the Executive Committee /<br>Chief Executive Officer |
| 2. Mr. Supachai Jaismut                 | Vice Chairman <sup>1</sup> /Executive Committee  |
| 3. Mr. Ekachai Chotiyanon               | Vice Chairman <sup>2</sup> / Audit Committee / Independent Director.                     |
| 4. Assoc. Prof. Dr Tharinee Pongsupatt. | Chairman of Audit Committee / Independent.Director                                       |
| 5. Mr. Nipon Keeratipitayaporn          | Audit Committee / Independent Director   |

|     |                              |                      |
|-----|------------------------------|----------------------|
| 6.  | Mr Surapong Meknavin         | independent Director |
| 7.  | Mr. Ekarat Suntanatanon      | independent Director |
| 8.  | Mr. Kavinpong Tarakiattiwong | independent Director |
| 9.  | Mr. Grit Kongwattanayothin   | independent Director |
| 10. | Mr. Chaiyut Sukawanitnun.    | Director             |
| 11. | Mr.Sathaporn Suraphat        | Director             |
| 12. | M.r Wichai Cherdshewasart    | Director             |
| 13. | Mr. Prot Pattakaree          | Director             |
| 14. | Mr. Kirati Kijmanawat        | Director             |
| 15. | Mr.Paisan Etitham            | Executive Committee  |
| 16. | Mr Suthep Buramarn           | Executive Committee  |

**Name:** Wijit Jiemwijitkul

**Position on Board**

- Chairman of the Board
- Chairman of the Executive Committee
- Chairman of Nomination Committee
- Member of Remuneration Committee



**Education/Training**

- Bachelor Degree in Construction Management and Technology Faculty of Engineering,  
King Mongkut's Institute of Technology Ladkwan

**Position in Other Core/Affiliated Companies**

- Chief Executive Officer , Tongkah Harbour PCL
- Director , Cholsin Limited
- Director , SkyCliff Limited
- Director , 89 Capricorn Development Co.,Ltd.
- Director THL POWER Co., Ltd.

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**Name:** Suphachai Jaismut

**Position on Board**

- Vice Chairman of the Board
- Chairman of Remuneration Committee
- Member of Executive Committee
- Member of Nomination Committee



**Education/Training**

- LL.M International Business Law , Howard University, Washington D.C. USA.
- LL.M Economic Law , Chulalongkorn University

**Position in Other Core/Affiliated Companies**

- Chairman of the Board , Cholsin Limited
- กรรมการ บริษัท ทีเอสแอล พาวเวอร์ จำกัด



**Name:** Assoc.Prof.Dr. Tharinee Pongsupatt

**Position on Board**

- Chairmand of the Audit Committee
- Independent Director

**Education/Training**

- Dr.rer.soc.oec (Accounting) University of Innsbruck , Austria
- M.B.A Adelphi University, USA
- Bachelor of Science (Accounting) , Kasetsart University



**Position in Other Core/Affiliated Companies**

- Null

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**Name:** Eakchai Chotiyanon

**Position on Board**

- Vice Chairman of the Board
- Member of the Audit Committee
- Independent Director

**Education/Training**

- M.B.A. STRAYER COLLEGE , USA
- LL.B , Ramkhamhaeng University



**Position in Other Core/Affiliated Companies**

- Null

**Name:** Dr.Wichai Cherdshewasart

**Position on Board**

- Director

**Education/Training**

- D.Sc. (Great Distinction), Molecular Biology, Institute of Molecular Biology, Free University of Brussels, Belgium
- M.Sc., Molecular Biology, Institute of Molecular Biology, Free University of Brussels, Belgium



**Position in Other Core/Affiliated Companies**

- Director , Cholsin Limited
- Director , SkyCliff Limited
- Director , 89 Capricorn Development Co.,Ltd.

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**Name:** Suthep Buramarn

**Position on Board**

- Member of the Executive Committee

**Education/Training**

- Bachelor of Engineering , Electronic Engineering  
King Mongkut's Institute of Technology Ladkwan



**Position in Other Core/Affiliated Companies**

- Director and Managing Director , SkyCliff Limited
- Director and Managing Director , 89 Capricorn Development Co.,Ltd.
- Director , Cholsin Limited
- Director , THL POWER Co., Ltd.

**Name:** Nipon Keeratipitayaporn

**Position on Board**

- Member of the Audit Committee
- Independent Director

**Education/Training**

- Bachelor of Engineering , Civil  
Prince of Songkla University

**Position in Other Core/Affiliated Companies**

- Null



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**Name:** Paisan Etitum

**Position on Board**

- Member of the Executive Committee

**Education/Training**

- 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.

**Position in Other Core/Affiliated Companies**

Null



Name: Kerati Kijmanawat



**Position on Board**

- Director

**Education/Training**

- Ph.D. Eng , Tokyo University , Japan
- Master of Engineerig , Tokyo University , Japan
- Bachelor of Engineering, Civil , Sirindhorn International Institute of Technology, Thammasat University

**Position in Other Core/Affiliated Companies**

- Null

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Name: Prot Pattakaree



**Position on Board**

- Director

**Education/Training**

- Beachelor of Engineering , Electrical Engineering  
King Mongkut's Institute of Technology Ladkrabang

**Position in Other Core/Affiliated Companies**

- Null

**Name:** Chaiyut Sukavanichnant

**Position on Board**

- กรรมการ

**Education/Training**

- Bachelor of Engineering , Electrical Engineering  
Kasetsart University

**Position in Other Core/Affiliated Companies**

- Null



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**Name:** Eakrat Santanatanon

**Position on Board**

- Independent Director

**Education/Training**

- Master of Science in Real Estate (MRE) , Thammasat University
- Master of Engineering Project Management , University of Melbourne, Victoria, Australia
- Bachelor of Civil Engineering , Chulalongkorn University

**Position in Other Core/Affiliated Companies**

- Null



**Name:** Kavinphong Tarakiattivong



**Position on Board**

- Independent Director

**Education/Training**

- Bachelor of Arts, Major Business English and Minor Marketing , Assumption University

**Position in Other Core/Affiliated Companies**

- Null

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**Name:** Surapong Meknavin



**Position on Board**

- Independent Director

**Education/Training**

- Master of Engineering, Structure Engineering , University Texas at Arlington, USA
- Bachelor of Engineering, Civil Engineer, Chulalongkorn University

**Position in Other Core/Affiliated Companies**

- Null

**Name:** Grit Kongpattanayotin



**Position on Board**

- Independent Director

**Education/Training**

- Bachelor Degree in Telecommunication Engineering King Mongkut's Institute of Technology Ladkrabang
- Bachelor Degree in Telecommunication Engineering, University of Pittsburgh, U.S.A.

**Position in Other Core/Affiliated Companies**

- Null

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**Name:** Sataporn Surapat



**Position on Board**

- Director

**Education/Training**

- Bachelor Degree , Soil and Water Management, Khon Kaen University

**Position in Other Core/Affiliated Companies**

- Null

**Charter Board of Directors**

- **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

- **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.

- **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

- **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.

● **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.
7. 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.
8. 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.
9. 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.

10. 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.
  11. 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.
  12. 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.
  13. 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 comp any. Subsidiary or associate.
- **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.

**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. Supachai Jaismut   | Executive Director  |
| 3. Mr. Paisan Etitham     | Executive Director  |
| 4. Mr. Suthep Buramarn    | Executive Director  |

**Executive Board Charter**

- **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.

- **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.

- **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 Honesty, 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.

- **Term of office and election of 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.

- **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. "3 calculate 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.

• **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.

• **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.

**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. Assist.Tharinee Pongsupatt Chairman of the Audit Committee and Independent Director

- |    |                          |  |
|----|--------------------------|--|
| 2. | Mr.Ekachai Chotiyanon    | Audit Committee and Independent Director |
| 3. | Mr.Nipon Keeratitayaporn | 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 Thung Ka Harbor limited Company 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.

##### ● **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.

##### ● **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

##### ● **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.

##### ● **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

● **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 2017, there were 4 meetings, with reports to the Board of Directors and meeting with external auditors.

**Nomination Committee**

The Nomination Committee consists of 3 directors as follows:

- |    |                       |           |
|----|-----------------------|-----------|
| 1. | Mr.Wijit Jiemwijitkul | Director  |
| 2. | Mr.Paisan Etitham     | Committee |
| 3. | Mr.Supachai Jaismut   | Committee |

**Charter of the Nominating Committee**

● **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.

● **Factors**

Nomination Committee Composition of Directors At least three

● **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.

● **Term of office and election of 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.

● **Duties and Responsibilities**

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.

● **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.

● **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.

- **Remuneration Committee**

The Remuneration Committee consists of 4 directors as follows:

- |                          |           |
|--------------------------|-----------|
| 1. Mr.Supachai Jaismut   | Chairman  |
| 2. Mr.Wijit Jiemwijitkul | Committee |
| 3. Mr.Prot Pattakaree    | Committee |
| 4. Mr.Suthep Buramarn    | committee |

**Charter of the Remuneration Committee**

- **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.

- **Factors**

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

- **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.

- **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.
4. 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.

- **Duties and Responsibilities**

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.

● **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.
4. 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.

● **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.

**Good Corporate Governance Committee**

The Corporate Governance Committee consists of 3 directors as follows:

- |                                 |           |
|---------------------------------|-----------|
| 1. Asst. Tharinee Pongsupatt    | Chairman  |
| 2. Mr. Ekachai Chotiyanon       | Committee |
| 3. Mr. Nipon Keeratipittayaporn | Committee |

**Charter of the Good Corporate Governance Committee**

● **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.

● **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.

● **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.

● **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.

● **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.

● **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

● **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.

**Risk Management Committee****Charter of the Risk Management Committee**● **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

● **Factors**

The Risk Management Committee consists of at least three directors.

● **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.

● **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.

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

● **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.

● **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.

**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.

**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.

#### 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.

The 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.

#### 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

**Audit Fee**

The Company and its subsidiaries paid audit fees to the Audit Office AMT Associates for the year ended December 31, 2017, with details as follows:

| List no.                          | Company Name                          | Auditor's name               | Audir Fee        |
|-----------------------------------|---------------------------------------|------------------------------|------------------|
| 1                                 | Tongkah Harbor Public Company Limited | Mrs. Natsarak Sarochanunjeen | 1,200,000        |
| 2                                 | Cholsin Company Limited               | Mrs. Natsarak Sarochanunjeen | 500,000          |
| 3                                 | Sky Cliff Limited                     | Mrs. Natsarak Sarochanunjeen | 160,000          |
| 4                                 | Sea Mineral Limited                   | Mrs. Natsarak Sarochanunjeen | 140,000          |
| 5                                 | 89 Capicorn Development Co., LTD.     | Mrs. Natsarak Sarochanunjeen | 800,000          |
| 6                                 | THL Power Co., LTD.                   | Mrs. Natsarak Sarochanunjeen | 80,000           |
| Total remuneration from the audit |                                       |                              | <b>2,880,000</b> |

**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 8 board meetings. Details of attendance of the Board of Directors As of December 31,2017

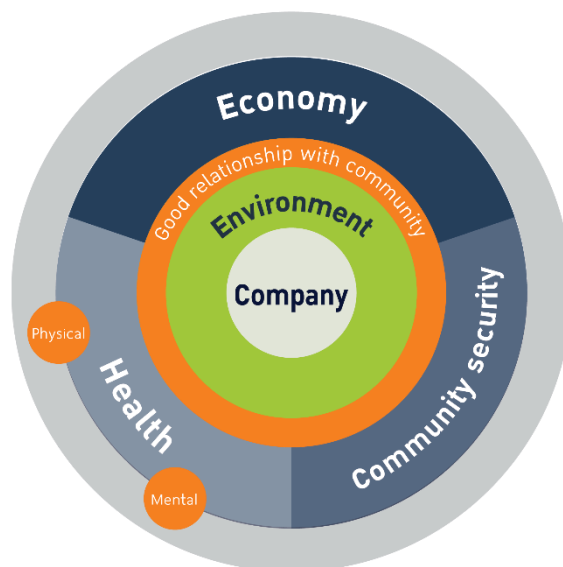
| Name                                   | Board Meeting Attendance |     | Did not attend the meeting at the time. |
|--|--------------------------|-----|---|
|  | (A)                      | (B) |   |
| 1. Mr. Wijit Jiemwjitkul               | 8                        | 4   | 1-4                                     |
| 2. Mr. Supachai Jaismut                | 8                        | 8   | -                                       |
| 3. Assoc. Prof. Dr. Tharine Pongsupatt | 8                        | 7   | 7                                       |
| 4. Mr. Ekachai Chotiyanon              | 8                        | 7   | 5                                       |
| 5. Mr. Nipon Kiratipittayaporn         | 8                        | 8   | -                                       |
| 6. Mr. Surapong Meknavin               | 4                        | 0   | 5-8                                     |
| 7. Mr. Ekarat Santanatanon             | 4                        | 4   | -                                       |
| 8. Mr. Kavinphong Tarakiattivong       | 4                        | 4   | -                                       |
| 9. Mr. Grit Kongpatanayothin           | 4                        | 0   | 5-8                                     |
| 10. Mr. Chaiyut Sukawanichnan          | 4                        | 4   | -                                       |
| 11. Mr. Sataporn Surapat               | 4                        | 0   | 5-8                                     |
| 12. Mr. Wichai Cherdshewasart          | 8                        | 8   | -                                       |
| 13. Mr. Prot pattakaree                | 4                        | 4   | -                                       |
| 14. Mr. Keerati Kijmanawat             | 4                        | 2   | 5-6                                     |
| 15. Mr. Paisan Etitham                 | 4                        | 3   | 8                                       |
| 16. Mr. Suthep Buramarn                | 8                        | 8   | -                                       |

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

(B) attendance of the Board of Directors.

## Social Responsibility

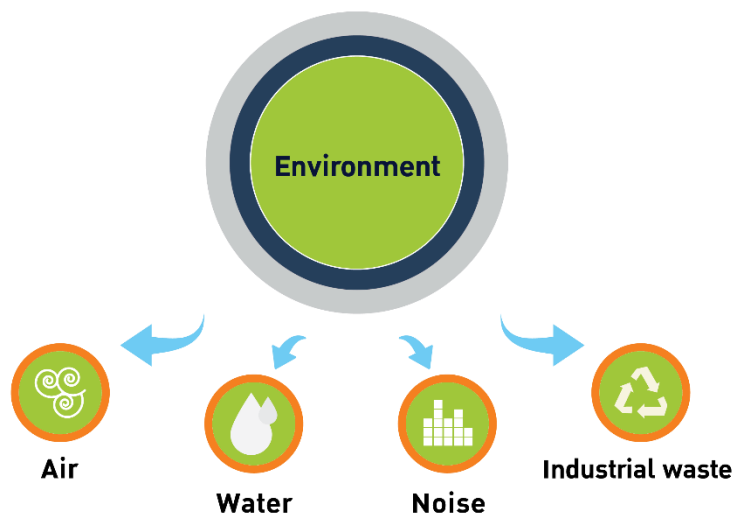
Thung Khaem Beer Public Company Limited operates its business by taking care of the surrounding community. And the communities that are affected by the business. We believe stable and sustainable business. Not only does the business benefit. But we also need to consider the surrounding community as our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



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

The Tungkabar 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 Tungkabar 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.





#### **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.

#### **Water quality**

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

#### **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.

#### **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.

## **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.

Sample Activities

**Children's Day 2560** CSR has joined the Saraburi community to organize activities on the occasion of the Children's Day of 2017 with many activities such as gifts, dolls, food and sweets. There is also a prize draw. All activities can make fun and smile for children and community members very much.



**Support activities of local organizations in the area.** On August 10, 2017, representatives of the people of Thung Khae Saraburi. On the day of birth, the village headman and headman To be a capital for the public interest.



**Donate money to support the project to select the management board and the establishment of a youth and youth council.**

Representatives from the Company donated money to support the selection of the Executive Board and the establishment of the Children and Youth Council. Tambon Tha Tum and Tambon Ban to promote activities for the youth in the Saraburi stone mine.



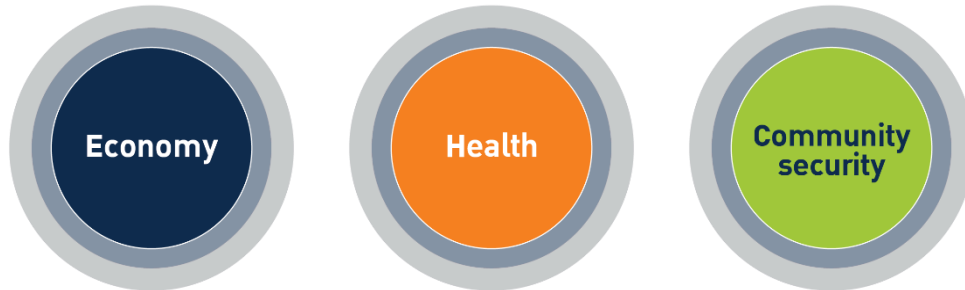
**On December 18, 2016, the leaders of Tung Ka and the CSR team joined with the leaders of the community and religious leaders.**

Luncheon for children and elderly people in the village of Ka Pui, Chon Buri, Chonburi, Thawida, a community in the area. On the occasion of the National Day of the Republic of the Union of Myanmar.



### **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.



#### **-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.

**Promoting self-help: Distributing vegetable seeds, gardening provide various agricultural seeds to community representatives in the nearby area.** To distribute to low-income villagers, another way to help generate income for villagers.



**Supported Housing Fund on the area** on August 18, 2017. Representative of the company. Field Donated 100,000 baht to village headman. And community representatives in the area near Saraburi stone mine.





## - Health

We care about the health of our community members. Be strong both physical and mental health.

### 1. Physical health is divided into 3 aspects.

**Promote:** Promote good health. The annual health check-up for community members encourages everyone to pay attention to their health. It also promotes physical activity. Sports to strengthen and strengthen the body. Including promoting and providing good nutritional knowledge. There are five benefits to health and hygiene.

**Prevention:** Campaigning and educating community members about the risks of illness. To prevent yourself from being at risk, be patient.

**Relief:** Support for medical supplies. It is necessary for community members to have access to equipment and medicines. Training is provided to educate the use of first aid and the use of drugs. Preliminary step We also provide assistance in the treatment of patients who are directly affected by the business.

**Sports equipment** support Representatives from Tongkah Harbor Sports equipment was provided to the children in the mill. Saraburi To encourage children. We are interested in sports and leisure time.



**On 19 November, 1960, the team met with members of Moo 4 community in Saraburi province.** To discuss the establishment of a health surveillance fund and community development fund. By the way, the community will present the related projects to the mass media.



### 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.

**He presided over the construction of a pagoda for a temple in a mining community.** Field office in Myanmar President of the pagoda. Dedicated to the temple of Yen Mon village, nearby the Tin Mine. The pagoda was built in collaboration with villagers in the village of Yen Mon. And the villagers from the neighboring villages join hands and heart.



**Artificial Intelligence Project The volunteer spirit project,** together with the villagers in the Saraburi stone mill, on July 9, 2560, to show the loyalty and remembrance of His Majesty King Bhumibol Adulyadej.





**Wat Phra Kaew Saraburi Province,** October 29, It was hosted at Wat Khao Kham, Saraburi.



**Dedicated to various factors.** To the temple on the day of Lent. On the occasion of the Buddhist Lent. Thungkha Office Offer rice dry food. And the factors to measure in the vicinity of the mine.

**- 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.

**Support for road maintenance in the area.** Donated stone to the Saraburi Forest Department to improve the road to the Kaeng Khoi hunting grounds. And the Forest Guard Unit. To be a public interest to the community.



**Garbage collection and harvesting grass around community 4 on Mother's Day.** Collected and collected garbage and grass around the village in the community of Moo 4 to celebrate the 2560 Mother's Day.





**Plant more trees to reduce and prevent dust and noise from quarries.** The Thung Khae Saraburi community has been involved in planting trees around the stone mill. To prevent dust and noise from the stone mill to go out to the community.



**On September 2, 2017, the Tungkah brothers joined hands to reforest the Saraburi Rock Mine** to restore the natural environment around the mine.



On September 14, 2017, the Company donated stones to Tham Tao School, Kaeng Khoi District, Saraburi, which is a school in the vicinity of the Tung Karah Buri Mine. Repairing damaged areas and roads in school grounds.



Participated in community forest plantation on September 15, 2017. Representatives of Thung Kha Saraburi. Participated in community forest planting. Organized by Saraburi Quality and Environment Promotion Department To create a natural return to community 4 Moo Saraburi.



CCTV cameras for community welfare. Implemented CCTV cameras in community area, Moo 4, Tha Tum District, Saraburi Province to participate in promoting the welfare of the community according to the corporate social responsibility concept





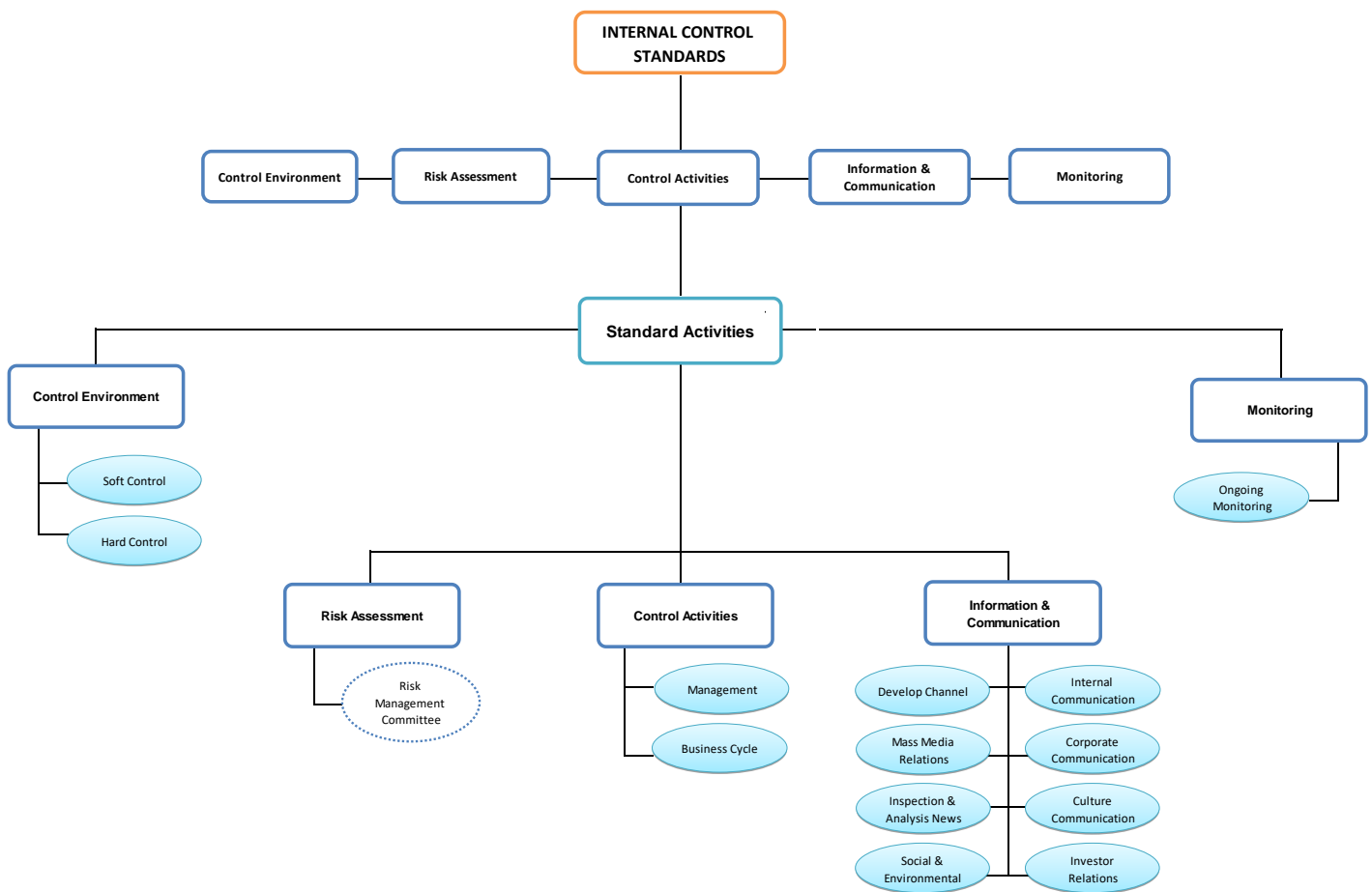
## Internal Control and Risk Management

### Internal control system

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:



**(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

**1.1 Soft Control**

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

**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.

**(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.

**(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:

### **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:

#### **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.

#### **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.

#### **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.

#### **3.1.4 Accounting**

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

#### **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.

### **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.

#### **3.2.1 Revenue Cycle**

##### **3.2.1.1 Sales**

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

**3.2.1.2 Collection of Customers and debt collection**

- The agency responsible for collecting and tracking debt.

**3.2.2 Circumstances of Expenditure****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.

**3.2.2.2 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.

**3.2.2.3 Debt Repayment**

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

**3.2.3 Production Cycles****3.2.3.1 Production Planning**

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

**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.

**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.

**3.2.4 Financing Circles****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.

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.

- 4.1 Develop communication channels within the organization.
- 4.2 Communication activities within the organization
- 4.3 Media Relations Activities
- 4.4 Corporate Communications
- 4.5 Monitoring and Analysis of Corporate and Business News
- 4.6 Corporate culture
- 4.7 Social and Environmental Activities
- 4.8 Investor Relations Activities

### **(2) 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)

**Related Transactions**

- **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

- **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.

**1. Grant or Grant of Financial Assistance Between connected parties**

| Amount (1)  | step   |
|---|--|
| 1.1 from Baht 1 to less than Baht 20 million (per share).<br>(Approximately US \$ 1 to US \$ 570,000) | - Submit the matter to the Board of Directors for approval.  |
| 1.2 From 20 million baht up (once)<br>(Approximately US \$ 570,000.-)                                 | - immediately disclose to the SET and<br>- Submit the matter to the Board of Directors for approval.<br>- Submit to the shareholders for approval. |

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

| Amount (1)  | (2) Steps  |
|---|--|
| 2.1 from 1 million baht but less than 20 million baht<br>(About 28,000.- to US \$ 570,000<br>Like no general trading terms. (Except for 3 years or less)<br>Assets / Services | - immediately disclose to the SET and<br>- may also be required for the board meeting to approve in some cases.  |
| 2.2 from 20 million baht or more - immediately disclose to the SET<br>(About US \$ 570,000)   | - Submit the matter to the Board of Directors for approval.<br>- Proposals may be submitted to the shareholders' meeting for approval.<br>General trade terms or about assets / services |

*(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

#### **Connected transaction with subsidiaries**

##### **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, 2017:

Unit : Baht

| List              | Cholsin Company Limited | Skycliff company limited | Sea Mineral company limite | 89 Capicorn Development Co., LTD. | Necessity and reasonableness   |
|-------------------|-------------------------|--------------------------|----------------------------|-----------------------------------|--|
| Management Fee    | 2,808,000.00            | 5,392,800.00             | -                          | 7,560,000.00                      | Service fee is determined by contract and is reasonable when compared with market price. |
| Cost of stone sub | 23,380,413.75           |                          |                            |                                   | Service fee is determined by contract and is reasonable when compared with market price. |

##### **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, 2017:

Unit : Baht

| list          | Cholsin Company Limited | Skycliff company limited | Sea Mineral company limited |
|---------------|-------------------------|--------------------------|-----------------------------|
| Rental income | 117,600.00              | 1,980,000.00             | 57,600.00                   |

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

##### **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 Capicorn<br>Development Co., LTD.                                      | Cholsin Company<br>Limited                                      | Skycliff company<br>limited                                     | Sea Mineral company<br>limited                                  |
|---|---|---|---|---|
| <b>Outstanding balance as at 31<br/>December 2016</b> |   |   |   |   |
|   | 15,215,400.00   | 6,614,360.85  | 16,026,311.25   | 2,487,844.43  |
| Long-term loans to                                    |   |   |   |   |
|   | -   | -   | 58,757,500.00   | -   |
|   | -   |   | 299,449.45  | -   |
|   | -   |   | 1,221,000.00  |   |
| principle   |   | none  | none  | none  |
| Accrued interest receivable                           | Sky Cliff holds 99.90%<br>There are directors and<br>common shareholders. | Holds 88.19%<br>There are directors and<br>common shareholders. | Holds 94.99%<br>There are directors and<br>common shareholders. | Holds 99.99%<br>There are directors and<br>common shareholders. |

**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



## 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 2017, the Audit Committee reviews issues and conclude as follows.

**1. The review of financial reports** The Audit Committee has reviewed the quarterly and annual financial statements 2017 as well as consolidated financial statements of The Tongkah Harbour Public Company Limited and its subsidiaries. The committee review of the key issues and a joint meeting with the auditors 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 report of the Company financial position and results of operations of the Company correctly as it should be prepared in accordance with accounting standards generally accepted and the disclosure of action taken.

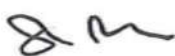
The Audit Committee met four times with the auditor without the management to discuss key issues in auditing, Independence of duty and the auditor's opinion. It emphasizes the presentation of additional information in the auditor's report in accordance with new standards. (Key Audit Matters: KAMs)

**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 2017, the Internal Audit Department to offer. The Audit Committee met with the internal audit department to discuss and exchange views and approved internal audit plan for the year 2018, which 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 at the fair level. However, the Board of Directors has recognized the importance of such matters. The Risk Management Committee has been established. It is in the process of recruiting the right person to monitor, evaluate, and propose ways to reduce the risk to acceptable levels.

**4. To consider the appointment of the auditor and the auditor for the year 2018** The Audit Committee has considered the nomination and remuneration of the auditors for the year 2018 by the end of their independence. Skills, knowledge Experience in monitoring the company's business and the auditor's support team. The Audit Committee has the opinion that Auditor of the company A. M. T & Associates Limited, a qualifying attributed to the performance in the past year is satisfactory overall. The Board of Directors has resolved to approve the appointment Mrs. Natsarak Sarochanunjeen Registration No. 4563 or Mr. Chaityuth Angsuwithaya Registration No. 3885 to be the auditors for the year 2018 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

March 21, 2018

## Financial status and performance

### Financial Statements and Financial Statements

#### Certified Public Accountant

#### To Shareholders and Board of Directors of Tungkah Harbor Public Company Limited

I have audited the consolidated financial statements of the Company, Tungkah Harbor Public Company Limited and its subsidiaries ("The Group") and the separate financial statements of Tungkah Harbor Public Company Limited ("the Company"), which comprise the statements of financial position as at 31 December 2016, the statements of changes in shareholders' equity. Consolidated and separate Consolidated and Separate Financial Statements Consolidated and separate financial statements the consolidated and separate statements of income, changes in shareholders' equity and cash flows for the years then ended. Including notes on significant accounting policies. I see these consolidated financial statements and the separate financial statements present the financial position of Tungkah Harbor Public Company Limited and its subsidiaries and of Tungkah Harbor Public Company Limited as at 31 December 2017 and the results of its operations and cash flows for the years then ended. Cash flows for the year then ended the financial statements are prepared in accordance with the generally accepted accounting principles.

#### Criteria for comment

I conducted my audit in accordance with Thai Standards on Auditing. My responsibility is to express an opinion on these financial statements based on my auditor's report on the consolidated and separate financial statements. I am independent of the Group. The Code of Ethics of Professional Accountants FAPA In relation to the inspection. Consolidated and separate financial statements And I have followed other ethical responsibilities. These requirements are met. I believe that the audit evidence I have obtained is sufficient and appropriate to serve as a basis for my opinion.

#### Important to monitor

The important thing to check is the various issues. My responsibility is to express a conclusion on this interim financial information based on my reviews. I conducted my reviews in accordance with the auditing standard applicable to review engagements. For the current year these financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews. I conducted my reviews in accordance with the auditing standard applicable to review engagements. However, I do not express any separate opinion for these matters.

#### Important to monitor and how to check are as follows

Recognition of mining service income in Myanmar: as reflected in the income statement. The Group's consolidated income statement is included in the consolidated financial statements. The net profit amounted to Baht 409.88 million and net profit amounted to Baht 113.99 million, resulting from the mining service income in Myanmar. The service fee was a significant item of the Group's performance. It is a foreign transaction. So I stated Recognition of service income. It is significant. They need to pay special attention to the inspection. My review of the matter is as follows.

#### Revenue recognition of mining services in Myanmar

I conducted my reviews in accordance with the auditing standard applicable to review engagements. Review the content by sampling the service revenue generated during the year and the period near the end of the accounting period to check with related documentation. And review the credit memos issued by the Company after the end of the accounting period. In addition, the comparative income data were analyzed. To check for potential irregularities in the service income throughout the accounting period. Especially the accounts made through the general voucher.

#### Other matters

Company Consolidated Financial Statements of Tungkah Harbor Public Company Limited and its subsidiaries. The separate financial statements of Tungkah Harbor Public Company Limited for the year ended on the 31st December 2016 which were presented for comparative purposes and are audited by another auditor in the same office. The unconditional comment According to a report dated February 27, 2017

#### Other Information

Manager is responsible for other information. Other information includes in the annual report, Group of Companies (But not including the financial statements and the auditor's report presented in that report) which are expected to be prepared after the date of the auditor's report.

My opinion on the consolidated and separate financial statements does not include any other information and I do not believe in any other information.

My responsibility is to express an opinion on these financial statements based on my audits. To read and consider other material that may have material conflicts with the financial statements or with the knowledge obtained from my audit.

When I read the annual report. If I conclude that the material is misrepresentative I must communicate this matter with the regulators and the manager of the Group.

**The Company's management is responsible for the correctness and completeness of information presented in these financial statements.**

Management team is responsible for the preparation and presentation of these consolidated financial statements and financial statements in accordance with the generally accepted accounting standards. The Company's management is responsible for the correctness and completeness of information in these interim financial statements.

For the preparation of the consolidated and separate financial statements Management team is responsible for assessing the Group's and the Company's ability to continue as a going concern. Disclose matters related to ongoing operations -The Company and its subsidiaries use this accounting standard for accounting purposes only and in the normal course of business where they are expected to be effective.

**The supervisor is responsible for overseeing the process of preparing the financial statements of the Group and the Company. The auditor's responsibility for auditing the consolidated and separate financial statements**

My objective is to obtain reasonable assurance as to whether the consolidated and separate financial statements are free from material misstatement. Whether caused by fraud or error. I present the auditor's report, which includes my opinion. Reasonable confidence in a high level, but it does not guarantee that auditing practice in accordance with auditing standards will always be able to detect material facts that are materially inaccurate. Unfavorable information may be due to fraud or error, and is considered material when it is reasonably anticipated that any item of fact or fact that is incompatible will affect the economic decisions of the user. Consolidated and separate financial statements from the statements of financial position

In my audit according to the audit standards. I have exercised my discretion and professional observation throughout the examination. My work includes:

- Identify and assess about the risks of material misstatement of the consolidated and Separate financial statements whether due to fraud or error. Design and implement audit trails to respond to those risks. I have also provided sufficient and appropriate audit evidence as a basis for my opinion. The risk that material is not found to be material that is a result of fraud is greater than the risk of error. Due to corruption may involve conspiracy to forge evidence. Intention to ignore data, Displays information that does not meet the facts, or internal control interventions.
- Understand the internal control system related to the audit. To design appropriate monitoring procedures. It is not for the purpose of expressing an opinion on the effectiveness of internal controls of the Group and the Company.
- Review the appropriateness of the accounting policies used by the management and the reasonableness of the accounting estimates and the disclosures made by the management.
- A summary of the appropriateness of applying the accounting criteria of the management and the audit evidence. To assess whether there is any material uncertainty about an event or situation that may cause a material uncertainty as to the ability of the Group and the Company to continue as a going concern. If I conclude that there is a material uncertainty I must say in my report to the relevant disclosures in the financial statements. Or if the disclosure is not enough. My opinion will change. My conclusion depends on the audit evidence given up to the date of my report. However, future events or circumstances could cause the Group and the Company to cease its operations.
- Evaluate the presentation of the structure and content of the consolidated and separate financial statements. Including disclosures that the consolidated and separate financial statements show events in a format that accurately represents the information.
- Obtaining adequate audit evidence about the entity's financial information within the Group or business activities to express an opinion on the consolidated financial statements. I am responsible for setting guidelines. Supervision and audit work. I am solely responsible for my opinion.

I have communicated with the regulators on a number of important issues, including the scope and timing of the planned audit. The significant issues identified by the audit include significant deficiencies in the internal control system.

I hereby certify to the person responsible for compliance that I have complied with the Code of Conduct relating to independence and has communicated with all parties responsible for oversight of the relationship, as well as any other matters I believe in. There is a reason that outsiders may consider affecting my independence and the measures that I use to prevent it.

From the subject communicates with the regulator. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I have described these matters in the auditor's report unless the law or regulation does not disclose to the public about such matters. Or in a difficult situation to happen. I consider that the report should not be disclosed in my report, as it would reasonably be expected to have a material adverse effect on the public interest.



(Mrs.Natsaruk Sarokanunjeen)

Certified Public Accountant

Registration number 4563

AMT Associates Office

Bangkok

February 26, 2018

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017

|   |         | BAHT                              |                       |                               |                         |
|---|---------|-----------------------------------|-----------------------|-------------------------------|-------------------------|
|   |         | Consolidated financial statements |                       | Separate financial statements |                         |
| Note  |         | December 31, 2017                 | December 31, 2016     | December 31, 2017             | December 31, 2016       |
| <b>ASSETS</b>                                   |         |                                   |                       |                               |                         |
| <b>CURRENT ASSETS</b>                           |         |                                   |                       |                               |                         |
| Cash and cash equivalents                       | 5       | 114,192,537.78                    | 16,402,039.22         | 73,525,151.99                 | 7,468,762.91            |
| Trade receivables and Other receivables         |         |                                   |                       |                               |                         |
| Trade receivables, net                          | 6.1     | 187,505,194.12                    | 16,756,367.36         | 187,505,194.12                | 16,096,367.36           |
| Other receivables- related party                | 4.3     | -                                 | -                     | 40,343,916.53                 | 19,768,024.53           |
| Other receivables- other parties                | 6.2     | 17,431,181.83                     | 23,208,058.07         | 3,968,680.85                  | 4,916,329.56            |
| Inventories, net                                | 7       | 326,041,724.91                    | 370,416,069.13        | 49,758,522.69                 | 52,224,841.47           |
| Deposit for share subscription - Other Company  | 2.6 8.4 | 3,000,000.00                      | -                     | -                             | -                       |
| Other current assets                            |         |                                   |                       |                               |                         |
| - Input tax refundable                          |         | 8,507,276.86                      | 10,620,530.19         | 7,555,006.13                  | 9,392,922.72            |
| - Other   |         | 4,480.94                          | 591,232.65            | -                             | -                       |
| <b>TOTAL CURRENT ASSETS</b>                     |         | <b>656,682,396.44</b>             | <b>437,994,296.62</b> | <b>362,656,472.31</b>         | <b>109,867,248.55</b>   |
| <b>NON - CURRENT ASSETS</b>                     |         |                                   |                       |                               |                         |
| Investments in subsidiaries, net                | 8       | -                                 | -                     | 700,262,186.31                | 491,581,086.31          |
| Prepayment for Investments in subsidiaries      | 8.2     | -                                 | -                     | -                             | 184,181,100.00          |
| Advance payment for acquisition an investment   | 8.3     | 70,080,000.00                     | 70,080,000.00         | 70,080,000.00                 | 70,080,000.00           |
| Bank deposits pledged as collateral             | 9       | 3,004,132.75                      | 2,984,602.01          | 673,308.60                    | 672,039.25              |
| Deferred expenditures of projects, net          |         |                                   |                       |                               |                         |
| - Andesite mining                               | 10      | 3,680,261.64                      | 4,416,312.96          | 3,680,261.64                  | 4,416,312.96            |
| - Project in the Foreign country                | 11      | 69,099,857.27                     | 64,624,778.82         | 69,099,857.27                 | 64,624,778.82           |
| - Tin mining operation service- Myanmar Project | 13      | 36,804,545.40                     | -                     | 36,804,545.40                 | -                       |
| Property, plant and equipment, net              | 14      | 243,222,506.57                    | 259,601,444.87        | 187,305,438.85                | 221,094,925.18          |
| Intangible assets, net                          | 15      | 56,783.20                         | 156,506.83            | 2,966.51                      | 66,413.01               |
| Advance payment for purchase of land            |         |                                   |                       |                               |                         |
| - andesite mining project                       | 16      | 17,686,903.63                     | 17,686,903.63         | 17,686,903.63                 | 17,686,903.63           |
| Other non - current assets                      | 17      | 37,243,254.89                     | 49,108,878.15         | 15,023,649.98                 | 19,812,838.14           |
| <b>TOTAL NON - CURRENT ASSETS</b>               |         | <b>480,878,245.35</b>             | <b>468,659,427.27</b> | <b>1,100,619,118.19</b>       | <b>1,074,216,397.30</b> |
| <b>TOTAL ASSETS</b>                             |         | <b>1,137,560,641.79</b>           | <b>906,653,723.89</b> | <b>1,463,275,590.50</b>       | <b>1,184,083,645.85</b> |

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

Director

Director

## TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (Continue)

AS OF DECEMBER 31, 2017

|  |      | BAHT                              |                     |                               |                     |
|--|------|-----------------------------------|---------------------|-------------------------------|---------------------|
|  |      | Consolidated financial statements |                     | Separate financial statements |                     |
|  | Note | December 31, 2017                 | December 31, 2016   | December 31, 2017             | December 31, 2016   |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>      |      |                                   |                     |                               |                     |
| CURRENT LIABILITIES                              |      |                                   |                     |                               |                     |
| Trade payables - related party                   | 4.4  | -                                 | -                   | 10,059,024.47                 | 9,976,429.56        |
| - other parties                                  |      | 28,803,388.09                     | 21,031,877.88       | 22,971,102.27                 | 11,673,788.14       |
| Other payables - related party                   | 4.5  | -                                 | -                   | 521,625.00                    | -                   |
| - other parties                                  | 18   | 41,347,852.62                     | 21,744,599.12       | 26,933,461.26                 | 6,925,485.45        |
| Other current liabilities - other                | 19   | 3,615,655.76                      | 2,536,382.25        | 3,408,750.60                  | 1,606,373.17        |
| TOTAL CURRENT LIABILITIES                        |      | 73,766,896.47                     | 45,312,859.25       | 63,893,963.60                 | 30,182,076.32       |
| NON - CURRENT LIABILITIES                        |      |                                   |                     |                               |                     |
| Long - term loans from related parties           | 4.6  | -                                 | -                   | 60,277,949.45                 | 141,532,684.62      |
| Employee benefit obligation                      | 20   | 11,070,572.00                     | 8,651,706.00        | 8,804,730.00                  | 7,343,366.00        |
| Provision for environmental restoration expenses | 21   | 250,000.00                        | 250,000.00          | 250,000.00                    | 250,000.00          |
| Other non-current liabilities                    | 22   | 4,715,887.86                      | 8,306,261.69        | 3,600,000.00                  | 3,600,000.00        |
| TOTAL NON - CURRENT LIABILITIES                  |      | 16,036,459.86                     | 17,207,967.69       | 72,932,679.45                 | 152,726,050.62      |
| TOTAL LIABILITIES                                |      | 89,803,356.33                     | 62,520,826.94       | 136,826,643.05                | 182,908,126.94      |
| SHAREHOLDERS' EQUITY                             |      |                                   |                     |                               |                     |
| Share capital                                    |      |                                   |                     |                               |                     |
| Authorized share capital of Baht 1 each          |      |                                   |                     |                               |                     |
| 24,156,939,463 ordinary shares                   | 23   |                                   | 24,156,939,463.00   |                               | 24,156,939,463.00   |
| 24,482,667,127 ordinary shares                   | 23   | 24,482,667,127.00                 |                     | 24,482,667,127.00             |                     |
| Issued and fully paid - up share capital         |      |                                   |                     |                               |                     |
| 20,402,222,606 ordinary shares                   | 23   |                                   | 20,402,222,606.00   |                               | 20,402,222,606.00   |
| 20,661,397,549 ordinary shares                   | 23   | 20,661,397,549.00                 |                     | 20,661,397,549.00             |                     |
| Premium (Discount) on common stocks, net         |      | (18,480,335,092.79)               | (18,310,784,768.58) | (18,480,335,092.79)           | (18,310,784,768.58) |
| Total other components of shareholders' equity   |      | -                                 | -                   | -                             | -                   |
| Retained earnings (deficit) - Unappropriated     |      | (1,216,392,184.35)                | (1,329,497,375.98)  | (854,613,508.76)              | (1,090,262,318.51)  |
| Total Equity of Parent Company's Shareholders    |      | 964,670,271.86                    | 761,940,461.44      | 1,326,448,947.45              | 1,001,175,518.91    |
| Non - controlling interests                      |      | 83,087,013.60                     | 82,192,435.51       | -                             | -                   |
| TOTAL SHAREHOLDERS' EQUITY                       |      | 1,047,757,285.46                  | 844,132,896.95      | 1,326,448,947.45              | 1,001,175,518.91    |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY       |      | 1,137,560,641.79                  | 906,653,723.89      | 1,463,275,590.50              | 1,184,083,645.85    |

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

Director

Director

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2017

BALIT

Consolidated financial statements

|  | Equity holder of parent company |  |                                     |  |  |   |  |                |   |                 |                                 |
|--|---------------------------------|--|-------------------------------------|--|--|---|--|----------------|---|-----------------|---------------------------------|
|  | note                            | Issued and<br>fully paid - up<br>share capital | Premium on<br>common<br>stocks, net | Advance receipt<br>for Capital Increase<br>The Company | Retained<br>earnings (deficit)<br>Unappropriated | Other components of shareholders' equity                      |  |                |   |                 | Total                           |
|  |                                 |  |                                     |  |  | Deficit<br>from change<br>in equity interest<br>of subsidiary | Other Comprehensive Income                 |                | Total<br>other<br>components of<br>shareholders' equity |                 |                                 |
|  |                                 |  |                                     |  |  |   | Gain (loss) on<br>actuarial<br>assumptions |                |   |                 |                                 |
| Balance as of January 1, 2016                    |                                 | 756,939,463.00                                 | 358,607,564.77                      | 28,750,000.00  | (2,366,540,102.73)                               | (4,449,510.37)  | -  | (4,449,510.37) | (1,226,692,585.33)                                      | 106,325,075.69  | (1,120,367,509.64) <sub>0</sub> |
| Changes in equity for the period                 |                                 |  |                                     |  |  |   |  |                |   |                 |                                 |
| Total comprehensive income (loss) for the period |                                 | -  | -                                   | -  | (213,254,494.85)                                 | -   | -  | -              | (213,254,494.85)  | 1,630,757.53    | (211,623,737.32) <sub>0</sub>   |
| Capital Share Increase                           | 23                              | 19,645,283,143.00                              | (18,669,392,333.35)                 | -  | -  | -   | -  | -              | 975,890,809.65  | -               | 975,890,809.65                  |
| Transfer Advance receipt for Capital Increase    |                                 | -  | -                                   | (28,750,000.00)  | -  | -   | -  | -              | (28,750,000.00)   | -               | (28,750,000.00)                 |
| Transfer equity due to changes in subsidiaries   |                                 | -  | -                                   | -  | 1,250,297,221.60                                 | 4,449,510.37  | -  | 4,449,510.37   | 1,254,746,731.97  | (25,791,597.71) | 1,228,955,134.26                |
| Balance as of DECEMBER 31, 2016                  |                                 | 20,402,222,606.00                              | (18,310,784,768.58)                 | -  | (1,329,497,375.98)                               | -   | -  | -              | 761,940,461.44  | 82,164,235.51   | 844,104,696.95                  |
| Balance as of January 1, 2017                    |                                 | 20,402,222,606.00                              | (18,310,784,768.58)                 | -  | (1,329,497,375.98)                               | -   | -  | -              | 761,940,461.44  | 82,192,435.51   | 844,132,896.95                  |
| Changes in equity for the period                 |                                 |  |                                     |  |  |   |  |                |   |                 |                                 |
| Total comprehensive income (loss) for the period |                                 | -  | -                                   | -  | 113,105,191.63                                   | -   | -  | -              | 113,105,191.63  | 894,578.09      | 113,999,769.72                  |
| Capital Share Increase                           | 23                              | 259,174,943.00                                 | (169,550,324.21)                    | -  | -  | -   | -  | -              | 89,624,618.79   | -               | 89,624,618.79                   |
| Balance as of DECEMBER 31, 2017                  |                                 | 20,661,397,549.00                              | (18,480,335,092.79)                 | -  | (1,216,392,184.35)                               | -   | -  | -              | 964,670,271.86  | 83,087,013.60   | 1,047,757,285.46                |

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

Director \_\_\_\_\_

Director \_\_\_\_\_

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TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

|  |  | Separate Financial Statement  |                                      |                             |                                      |  |                         |                  |  |
|--|--|-------------------------------|--------------------------------------|-----------------------------|--------------------------------------|--|-------------------------|------------------|--|
| note   | Issued and fully paid - up share capital | Premium on common stocks, net | Advance receipt for Capital Increase | Retained earnings (deficit) |                                      | Other components of shareholders' equity |                         | Total            |  |
|  |  |                               |                                      | Unappropriated              | Gain (loss) on actuarial assumptions | Gain (loss) on                           | of shareholders' equity |                  |  |
| Balance as of January 1, 2016                    | 756,939,463.00                           | 358,607,564.77                | 28,750,000.00                        | (1,208,605,206.24)          | -                                    | -  | -                       | (64,308,178.47)  |  |
| Changes in equity for the period                 |  |                               |                                      |                             |                                      |  |                         |                  |  |
| Total comprehensive income (loss) for the period | -  | -                             | -                                    | 118,342,887.73              | -                                    | -  | -                       | 118,342,887.73   |  |
| Transfer Advance receipt for Capital Increase    | -  | -                             | (28,750,000.00)                      | -                           | -                                    | -  | -                       | (28,750,000.00)  |  |
| Capital Share Increase                           | 19,645,283,143.00                        | (18,669,392,333.35)           | -                                    | -                           | -                                    | -  | -                       | 975,890,809.65   |  |
| Balance as of DECEMBER 31, 2016                  | 20,402,222,606.00                        | (18,310,784,768.58)           | -                                    | (1,090,262,318.51)          | -                                    | -  | -                       | 1,001,175,518.91 |  |
| Balance as of January 1, 2017                    | 20,402,222,606.00                        | (18,310,784,768.58)           | -                                    | (1,090,262,318.51)          | -                                    | -  | -                       | 1,001,175,518.91 |  |
| Changes in equity for the period                 |  |                               |                                      |                             |                                      |  |                         |                  |  |
| Total comprehensive income (loss) for the period | -  | -                             | -                                    | 235,648,809.75              | -                                    | -  | -                       | 235,648,809.75   |  |
| Capital Share Increase                           | 259,174,943.00                           | (169,550,324.21)              | -                                    | -                           | -                                    | -  | -                       | 89,624,618.79    |  |
| Balance as of DECEMBER 31, 2017                  | 20,661,397,549.00                        | (18,480,335,092.79)           | -                                    | (854,613,508.76)            | -                                    | -  | -                       | 1,326,448,947.45 |  |

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

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Director

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Director



## TONGKHAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

|  | BAHT                              |                         |                               |                       |
|--|-----------------------------------|-------------------------|-------------------------------|-----------------------|
|  | Consolidated financial statements |                         | Separate financial statements |                       |
|  | For the year ended                |                         | For the year ended            |                       |
|  | December 31, 2017                 | December 31, 2016       | December 31, 2017             | December 31, 2016     |
| <b>REVENUES</b>  |                                   |                         |                               |                       |
| Revenue from the sale of                                 |                                   |                         |                               |                       |
| - Andesite sales   | 59,046,403.63                     | 46,713,191.14           | 59,046,403.63                 | 46,713,191.14         |
| - Revenues from sales of Real Estate-THE BAY             | 50,589,750.00                     | 129,742,150.00          | -                             | -                     |
| Service Income from mining production in Myanmar         | 219,156,660.00                    | -                       | 219,156,660.00                | -                     |
| Other income   |                                   |                         |                               |                       |
| Gain on exchange rate                                    | 111,695.22                        | -                       | 111,695.22                    | 25,498.74             |
| Gain on revaluation of inventories                       | 2,519.02                          | 291,802.22              | 2,519.02                      | 291,802.22            |
| Gain on sale of property, plant and equipment            | -                                 | 1,822,195.89            | 100,434,355.00                | 223,464.74            |
| Gain on Rehabilitation creditors' Paid                   | 77,963,969.54                     | 54,039,177.81           | 77,963,969.54                 | 257,473,098.83        |
| Reverse Provision for Doubtful CSL                       | -                                 | -                       | -                             | 79,154,637.43         |
| Reverse Provision for guarantee of subsidiaries debts    | -                                 | -                       | -                             | 312,061,817.85        |
| Other :  |                                   |                         |                               |                       |
| - Interest income  | 140,716.18                        | 3,918,365.49            | 107,188.50                    | 459,946.25            |
| - income from Adjustment as Rehabilitation Plan Creditor | -                                 | 6,008,700.92            | -                             | 6,008,700.92          |
| - Management fee   | -                                 | -                       | 15,408,000.00                 | 16,200,000.00         |
| - Reversal of Accrued tax fines                          | -                                 | 18,706,859.57           | -                             | -                     |
| - Other  | 2,871,305.62                      | 5,936,619.39            | 5,824,214.06                  | 5,702,050.71          |
| <b>TOTAL REVENUES</b>                                    | <b>409,883,019.21</b>             | <b>267,179,062.43</b>   | <b>478,055,004.97</b>         | <b>724,314,208.83</b> |
| <b>EXPENSES</b>  |                                   |                         |                               |                       |
| Cost of the sale of                                      |                                   |                         |                               |                       |
| - Cost of andesite sales                                 | 50,673,969.87                     | 26,227,774.02           | 56,164,612.66                 | 30,342,678.93         |
| - Cost of Sales of Real Estate-THE BAY                   | 42,440,594.21                     | 98,309,866.17           | -                             | -                     |
| - Cost of Mining Operation Service in Myanmar            | 97,810,558.87                     | -                       | 97,810,558.87                 | -                     |
| Selling expenses   | 4,652,248.14                      | 5,360,225.27            | 3,967,328.14                  | 1,620,855.20          |
| Administrative expenses                                  | 100,278,802.46                    | 138,524,603.85          | 74,449,341.71                 | 74,116,517.59         |
| Loss on exchange rate                                    | -                                 | 13,341.61               | -                             | -                     |
| Loss from Sale Investments in subsidiaries               | -                                 | 206,151,014.70          | -                             | 206,428,844.70        |
| Allowance for doubtful account of receivable wore rights | -                                 | -                       | -                             | 289,847,709.75        |
| Allowance for doubtful account of guarantee Tungkum      | -                                 | 800,000.00              | -                             | 800,000.00            |
| Finance costs  | 27,075.94                         | 355,482.68              | 10,014,353.84                 | 2,814,714.93          |
| <b>TOTAL EXPENSES</b>                                    | <b>295,883,249.49</b>             | <b>475,742,308.30</b>   | <b>242,406,195.22</b>         | <b>605,971,321.10</b> |
| <b>PROFIT (LOSS) FOR THE YEAR BEFORE INCOME TAX</b>      | <b>113,999,769.72</b>             | <b>(208,563,245.87)</b> | <b>235,648,809.75</b>         | <b>118,342,887.73</b> |
| Income tax   | -                                 | (3,060,491.45)          | -                             | -                     |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                      | <b>113,999,769.72</b>             | <b>(211,623,737.32)</b> | <b>235,648,809.75</b>         | <b>118,342,887.73</b> |
| <b>TOTAL INCOME (LOSS) ATTRIBUTABLE TO :</b>             |                                   |                         |                               |                       |
| EQUITY HOLDERS OF THE PARENT                             | 113,105,191.63                    | (213,254,494.85)        | 235,648,809.75                | 118,342,887.73        |
| NON - CONTROLLING INTERESTS                              | 894,578.09                        | 1,630,757.53            | -                             | -                     |
|  | <b>113,999,769.72</b>             | <b>(211,623,737.32)</b> | <b>235,648,809.75</b>         | <b>118,342,887.73</b> |
| <b>BASIC EARNINGS (LOSS) PER SHARE (BAHT PER SHARE)</b>  |                                   |                         |                               |                       |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE</b>    |                                   |                         |                               |                       |
| TO EQUITY HOLDERS OF THE PARENT                          | 0.00551                           | (0.00001)               | 0.01149                       | 0.00001               |
| <b>THE WEIGHTED AVERAGE NUMBER</b>                       |                                   |                         |                               |                       |
| OF ORDINARY SHARES (SHARES)                              | 20,510,152,993                    | 17,153,906,783,967      | 20,510,152,993                | 17,153,906,783,967    |

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

Director

Director

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2017

|   | BAHT                              |                   |                               |                   |
|---|-----------------------------------|-------------------|-------------------------------|-------------------|
|   | Consolidated financial statements |                   | Separate financial statements |                   |
|   | For the year ended                |                   | For the year ended            |                   |
|   | December 31, 2017                 | December 31, 2016 | December 31, 2017             | December 31, 2016 |
| PROFIT (LOSS) FOR THE PERIOD                        | 113,999,769.72                    | (211,623,737.32)  | 235,648,809.75                | 118,342,887.73    |
| OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIODS   | -                                 | -                 | -                             | -                 |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIODS   | 113,999,769.72                    | (211,623,737.32)  | 235,648,809.75                | 118,342,887.73    |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO : |                                   |                   |                               |                   |
| EQUITY HOLDERS OF THE PARENT                        | 113,105,191.63                    | (213,254,494.85)  | 235,648,809.75                | 118,342,887.73    |
| NON - CONTROLLING INTERESTS                         | 894,578.09                        | 1,630,757.53      | -                             | -                 |
|   | 113,999,769.72                    | (211,623,737.32)  | 235,648,809.75                | 118,342,887.73    |

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

\_\_\_\_\_  
Director

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Director

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2017

|   | BAHT                              |                   |                               |                   |
|---|-----------------------------------|-------------------|-------------------------------|-------------------|
|   | Consolidated financial statements |                   | Separate financial statements |                   |
|   | For the year ended                |                   | For the year ended            |                   |
|   | December 31, 2017                 | December 31, 2016 | December 31, 2017             | December 31, 2016 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                                   |                   |                               |                   |
| Net profit (loss)   | 113,999,769.72                    | (211,623,737.32)  | 235,648,809.75                | 118,342,887.73    |
| Adjustment to reconcile net loss to net cash inflow (outflow) |                                   |                   |                               |                   |
| from operating activities :-                                  |                                   |                   |                               |                   |
| Depreciation and amortization                                 | 19,292,622.40                     | 24,455,003.63     | 10,994,113.49                 | 5,577,602.75      |
| Amortization on expenditures of andesite mining project       | 736,051.32                        | 736,051.32        | 736,051.32                    | 736,051.32        |
| Amortization on expenditures of Tin mining Myanmar project    | 1,295,454.60                      | -                 | 1,295,454.60                  | -                 |
| (Gain) Loss on revaluation of inventory                       | (2,519.02)                        | (291,802.22)      | (2,519.02)                    | (291,802.22)      |
| Loss on sale of investment in subsidiaries                    | -                                 | 206,151,014.70    | -                             | 206,428,844.70    |
| Interest Adjustment as Rehabilitation Plan                    | (77,963,969.54)                   | (54,039,177.81)   | (77,963,969.54)               | (257,473,098.83)  |
| Loss (gain) on sale fixed assets and intangible assets        | -                                 | (1,822,195.89)    | (100,434,355.00)              | (223,464.74)      |
| Unrealised loss (gain) on exchange rate                       | (46,730.83)                       | 13,341.61         | (46,730.83)                   | (25,498.74)       |
| Reversal of Accrued tax fines                                 | -                                 | (18,706,859.57)   | -                             | -                 |
| Reverse Provision for guarantee of subsidiaries debts         | -                                 | -                 | -                             | (312,061,817.85)  |
| Allowance for doubtful account of guarantee Tungku            | -                                 | 800,000.00        | -                             | 800,000.00        |
| Allowance for doubtful account of receivable work rights      | -                                 | -                 | -                             | 289,847,709.75    |
| income from Adjustment as Rehabilitation Plan Creditor        | -                                 | (6,008,700.92)    | -                             | (6,008,700.92)    |
| Reverse Provision for Doubtful CSL                            | -                                 | -                 | -                             | (79,154,637.43)   |
| Employee benefit expense                                      | 2,418,866.00                      | 1,753,955.00      | 1,461,364.00                  | 1,387,576.00      |
| Decrease on Non Controlling Interest                          | -                                 | (23,550,000.00)   | -                             | -                 |
| Increase on Non Controlling Interest                          | -                                 | 28,200.00         | -                             | -                 |
| Interest Income   | (140,716.18)                      | (3,918,365.49)    | (107,188.50)                  | (459,946.25)      |
| Interest expenses   | 27,075.94                         | 355,482.68        | 10,014,353.84                 | 2,814,714.93      |
| Deferred income tax expenses (income)                         | -                                 | 3,060,491.45      | -                             | -                 |
|   | 59,615,904.41                     | (82,607,298.83)   | 81,595,384.11                 | (29,763,579.80)   |
| <b>Decrease (increase) in operating assets :-</b>             |                                   |                   |                               |                   |
| Trade accounts receivable                                     | (170,748,826.76)                  | (13,011,840.64)   | (171,408,826.76)              | (12,351,840.64)   |
| Accounts receivable other- related party                      | -                                 | -                 | (20,575,892.00)               | 10,684,245.86     |
| Accounts receivable other - other party                       | 7,776,876.24                      | (396,219.60)      | 2,947,648.71                  | (16,590,227.03)   |
| Inventories, net  | 44,376,863.24                     | (49,046,347.21)   | 2,468,837.80                  | (23,489,936.64)   |
| Other current assets  | 2,700,005.04                      | (8,801,627.16)    | 1,837,916.59                  | (6,641,060.04)    |
| Other non - current assets                                    | 6,093,267.09                      | (3,056,987.52)    | 2,789,188.16                  | (3,635,167.48)    |
| <b>Increase (decrease) in operating liabilities :-</b>        |                                   |                   |                               |                   |
| Trade payables - related party                                | -                                 | -                 | 82,594.91                     | 743,772.24        |
| Trade payables - other party                                  | 26,577,639.71                     | (3,904,420.36)    | 30,130,519.57                 | 1,614,742.36      |
| Accounts payable for purchase of investments                  | -                                 | -                 | 521,625.00                    | -                 |
| Accounts payable other and other current liabilities          | 1,885,576.36                      | (89,215,360.73)   | 3,013,402.59                  | 4,486,694.80      |
| Employee benefits   | -                                 | (2,241,000.00)    | -                             | (2,241,000.00)    |
| Other non-current liabilities                                 | (3,668,223.18)                    | 821,183.61        | (77,849.35)                   | 49,849.35         |
| Net cash inflow (outflow) from operating activities           | (25,390,917.85)                   | (251,459,918.44)  | (66,675,450.67)               | (77,133,507.02)   |

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## TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOW (Continue)

FOR THE YEAR ENDED DECEMBER 31, 2017

|  | BAHT                              |                   |                               |                   |
|--|-----------------------------------|-------------------|-------------------------------|-------------------|
|  | Consolidated financial statements |                   | Separate financial statements |                   |
|  | For the year ended                |                   | For the year ended            |                   |
|  | December 31, 2017                 | December 31, 2016 | December 31, 2017             | December 31, 2016 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                  |                                   |                   |                               |                   |
| Decrease (increase) in long - term investment -                              |                                   |                   |                               |                   |
| -bank deposits pledged as collateral   | (19,530.74)                       | 1,522,777.03      | (1,269.35)                    | 2,717.92          |
| Decrease (increase) in long - term loans to related parties                  | -                                 | -                 | -                             | 123,783,582.57    |
| Cash paid for capital increase shares in a subsidiary that sells             | -                                 | -                 | -                             | (216,000,000.00)  |
| Cash paid for capital increase shares in a subsidiary                        | -                                 | -                 | (24,500,000.00)               | (169,971,700.00)  |
| Cash paid for Stock Deposit in other company                                 | (3,000,000.00)                    | -                 | -                             | -                 |
| Proceeds from sale of investment in subsidiaries .                           | -                                 | 9,848,985.30      | -                             | 9,571,155.30      |
| Prepayment for Investments in a subsidiary                                   | -                                 | -                 | -                             | (184,181,100.00)  |
| Prepayment for Investments in Loans  | -                                 | (70,080,000.00)   | -                             | (70,080,000.00)   |
| Payment for expenditure of mining gold projects                              | -                                 | (1,536,785.41)    | -                             | -                 |
| Payment for expenditure of mining projects in Loans                          | (4,475,078.45)                    | (15,087,008.99)   | (4,475,078.45)                | (15,087,008.99)   |
| Payment for purchase property, plant and equipment                           | (37,138,342.62)                   | (176,625,080.92)  | (34,803,563.98)               | (167,123,369.07)  |
| Received from sale on property, plant and equipment                          | -                                 | 3,343,925.23      | 27,701,765.82                 | 14,159,136.67     |
| Payment for purchase Intangible assets                                       | (3,261.68)                        | (66,340.00)       | (3,261.68)                    | -                 |
| Interest received  | 140,716.18                        | 559,594.99        | 107,188.50                    | 459,946.25        |
| Net cash provide by (used in) investing activities                           | (44,495,497.31)                   | (248,119,932.77)  | (35,974,219.14)               | (674,466,639.35)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |                                   |                   |                               |                   |
| Net proceeds from the capital increase shares                                | 89,624,618.79                     | 947,140,809.65    | 89,624,618.79                 | 947,140,809.65    |
| Cash paid for debt Rehabilitation Plan                                       | -                                 | (491,653,680.61)  | -                             | (499,181,530.39)  |
| Proceeds from the Cash paid for debt Rehabilitation Plan                     | 77,963,969.54                     | -                 | 77,963,969.54                 | -                 |
| Proceeds from the debtor a right to payment Rehabilitation Plan              | -                                 | -                 | -                             | 116,500,000.00    |
| Increase (decrease) in Short - term loans from related parties               | -                                 | -                 | -                             | 137,666,969.69    |
| Proceeds from long - term loans from related parties                         | -                                 | -                 | 38,600,000.00                 | -                 |
| Cash paid for long - term loans from related parties                         | -                                 | -                 | (37,570,854.83)               | -                 |
| Increase (decrease) in finance lease obligations                             | -                                 | (124,392.86)      | -                             | -                 |
| Interest paid  | -                                 | (40,704.23)       | -                             | -                 |
| Net cash inflow (outflow) from financing activities                          | 167,588,588.33                    | 455,322,031.95    | 168,617,733.50                | 702,126,248.95    |
| EFFECT OF EXCHANGE RATE CHANGE ON CASH                                       | 88,325.39                         | (1,718.47)        | 88,325.39                     | -                 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET                        | 97,790,498.56                     | (44,259,537.73)   | 66,056,389.08                 | (49,473,897.42)   |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODS                            | 16,402,039.22                     | 62,575,954.52     | 7,468,762.91                  | 56,942,660.33     |
| CASH AND CASH EQUIVALENTS DECREASE ON SUBSIDIARIES SALES                     | -                                 | (1,914,377.57)    | -                             | -                 |
| CASH AND CASH EQUIVALENTS AT END OF PERIODS                                  | 114,192,537.78                    | 16,402,039.22     | 73,525,151.99                 | 7,468,762.91      |
| <b>ACTIVITIES NOT AFFECTING CASH</b>   |                                   |                   |                               |                   |
| Result on "SKY Cliff" purchased "89 Capicorn" 's shares from other persons ; |                                   |                   |                               |                   |
| Decrease in Other Receivable   | -                                 | 70,650,000.00     | -                             | -                 |
| Increase on accounts payable for purchase of investments                     | -                                 | 70,650,000.00     | -                             | -                 |
| Advance receipt of Capital Increase Y'2015                                   | -                                 | 28,750,000.00     | -                             | -                 |
| Inventory(Land) Increase from Deposit transfer                               | -                                 | 17,500,000.00     | -                             | -                 |
| Decrease in property, plant and equipment from Loan settlements              | -                                 | -                 | 92,298,234.18                 | -                 |

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

Director

Director

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

1. General information

1.1 General matter

The Company was incorporated as a limited company under the Thai Civil and Commercial Code on January 7, 1976, and changed its status to a public company limited under the Public Company Limited Act on June 6, 1994. The address of its head office is 252/11, Muang Thai - Phatra Office Tower I, 7th Floor, Ratchadapisek Road, Huaykhwang, Bangkok. The Company and its subsidiaries operate in Thailand, and its principal activity is tin mining, igneous rock quarrying, and rental building and service residence.

1.2 Basis for preparation of interim financial statements

The financial statement of the company have been prepared in accordance with financial reporting standards including guidance promulgated by the Federation of Accounting Professional.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

These consolidated financial statements include the financial statements of Tongkah Harbour Public Company Limited and its subsidiaries. Significant intercompany transactions are eliminated from the consolidated financial statements. The subsidiaries of the Company are as follow:

|   | Share holding (%)<br>As of |            | Type of Business                       | Percent                                |            |  |       |
|---|----------------------------|------------|--|--|------------|--|-------|
|   |                            |            |  | Percentage of                          |            |  |       |
|   |                            |            |  | Total assets included                  |            | Total revenues included  |       |
|   |                            |            |  | in the consolidated total assets as of |            | in the consolidated total revenue for the year As of December,31 |       |
|   | Dec-31, 17                 | Dec-31, 16 |  | Dec-31, 17                             | Dec-31, 16 | 2017   | 2016  |
| Sky Cliff Limited                             | 94.99                      | 94.99      | Rental building and service residence  | 5.90                                   | 7.59       | 0.01   | 9.03  |
| Cholsin Limited                               | 88.19                      | 73.67      | Crushing andesite company's concession | 2.92                                   | 0.18       | 0.03   | 0.21  |
| Sea Minerals Limited                          | 99.99                      | 99.99      | Exploring tin mining in deep sea zone  | 0.31                                   | 0.94       | -  | 1.16  |
| THL Power Limited                             | 98.00                      | -          |  | 2.17                                   | -          | -  | -     |
| 89 Capricorn Development - Limited (indirect) | 94.91                      | 94.91      | Rental building and service residence  | 23.45                                  | 50.01      | 12.37  | 43.09 |

### 1.3 Related parties

As of December 31, 2017, enterprises are controlled by or under common control with the company and the former related parties through shareholding and/or directors as follows:

| Name                                      | Type of Business  | Relationship               | % of Shares Held             |
|---|---|----------------------------|------------------------------|
| <b><i>Subsidiary Companies:</i></b>       |   |                            |                              |
| Cholsin Limited (Cholsin)                 | Crushing andesite                                       | Holding and Joint Director | 88.19                        |
| Sky Cliff Limited (Sky Cliff)             | Rental building and service residence                   | Holding and Joint Director | 94.99                        |
| 89 Capricorn Development                  | Real estate developer                                   | Holding and Joint Director | 94.91<br>(Through Sky Cliff) |
| Sea Minerals Limited (Sea Minerals)       | Tin mining in the sea                                   | Holding and Joint Director | 99.99                        |
| THL Power Limited (THL Power)             | Power Generation and Transmission from renewable energy | Holding and Joint Director | 98.00                        |
| <b><i>Former Related Parties:</i></b>     |   |                            |                              |
| Sintana Holdings Limited *                | Investment  | Through shareholder        | -                            |
| Paron Holdings Limited *                  | Investment  | Through shareholder        | -                            |
| Sino Pac Investment (Labuan) Limited *    | Investment  | Through shareholder        | -                            |
| Paron Resources Inc. *                    | Exploration and mining                                  | Through shareholder        | -                            |
| Sintana Resources Limited *               | Exploration and mining                                  | Through shareholder        | -                            |
| Authong Enterprise Limited *              | Investment  | Through shareholder        | -                            |
| Cheing Rai Riverside Limited *            | Property development                                    | Through shareholder        | -                            |
| Sintana Minings Limited *                 | Exploration and mining                                  | Through shareholder        | -                            |
| Aspac Construction Limited *              | Property development                                    | Through shareholder        | -                            |
| Sino Pac Development (Thailand) Co., Ltd. | Investment  | Through shareholder        | -                            |

#### ***Former Related person:***

|                           |   |             |   |
|---------------------------|---|-------------|---|
| Mr. Ronald Ng Wai Choi ** | - | Shareholder | - |
|---------------------------|---|-------------|---|

\* Being a former related company through the Company shareholding, and/or through Mr. Ronald Ng Wai Choi

\*\* Retired from the Company's director according to resolution of extra-ordinary shareholder meeting no 1/2012 dated June 22, 2012, but still the Company's shareholder.

### 1.4 Financial reporting standards which are effective for the current year

#### Adoption of new financial reporting standards

##### 1.4.1 Financial reporting standards which are effective for the current period

During the period, the Company adopted a number of revised and new accounting standards and financial reporting standards including their interpretations, issued by the Federation of Accounting Professions, which are effective for financial statements year beginning on or after January 1, 2017. Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements.

#### 1.4.2 Financial reporting standards which are not effective for the current period

During the period, the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2018 as follows.

##### **Accounting Standards**

|     |    |   |
|-----|----|---|
| TAS | 1  | Presentation of Financial Statements (revised 2017)                                     |
| TAS | 2  | Inventories (revised 2017)  |
| TAS | 7  | Statement of Cash Flows (revised 2017)  |
| TAS | 8  | Accounting Policies, Changes in Accounting Estimates and Errors (revised 2017)          |
| TAS | 10 | Events after the Reporting Period (revised 2017)  |
| TAS | 11 | Construction Contracts (revised 2017)   |
| TAS | 12 | Income Taxes (revised 2017)   |
| TAS | 16 | Property, Plant and Equipment (revised 2017)  |
| TAS | 17 | Leases (revised 2017)   |
| TAS | 18 | Revenue (revised 2017)  |
| TAS | 19 | Employee Benefits (revised 2017)  |
| TAS | 20 | Accounting for Government Grants and Disclosure of Government Assistance (revised 2017) |
| TAS | 21 | The Effects of Changes in Foreign Exchange Rates (revised 2017)                         |
| TAS | 23 | Borrowing Costs (revised 2017)  |
| TAS | 24 | Related Party Disclosures (revised 2017)  |
| TAS | 26 | Accounting and Reporting by Retirement Benefit Plans (revised 2017)                     |
| TAS | 27 | Separate Financial Statements (revised 2017)  |
| TAS | 28 | Investments in Associates and Joint Ventures (revised 2017)                             |
| TAS | 29 | Financial Reporting in Hyperinflationary Economies (revised 2017)                       |
| TAS | 33 | Earnings per Share (revised 2017)   |
| TAS | 34 | Interim Financial Reporting (revised 2017)  |
| TAS | 36 | Impairment of Assets (revised 2017)   |
| TAS | 37 | Provisions, Contingent Liabilities and Contingent Assets (revised 2017)                 |
| TAS | 38 | Intangible Assets (revised 2017)  |
| TAS | 40 | Investment Property (revised 2017)  |
| TAS | 41 | Agriculture (revised 2017)  |

##### **Financial Reporting Standards**

|      |    |   |
|------|----|---|
| TFRS | 2  | Share - based Payment (revised 2017)  |
| TFRS | 3  | Business Combinations (revised 2017)  |
| TFRS | 4  | Insurance Contracts (revised 2017)  |
| TFRS | 5  | Non - current Assets Held for Sale and Discontinued Operations (revised 2017) |
| TFRS | 6  | Exploration for and Evaluation of Mineral Resources (revised 2017)            |
| TFRS | 8  | Operating Segments (revised 2017)   |
| TFRS | 10 | Consolidated Financial Statements (revised 2017)                              |
| TFRS | 11 | Joint Arrangements (revised 2017)   |

TFRS 12 Disclosure of Interests in Other Entities (revised 2017)

TFRS 13 Fair Value Measurement (revised 2017)

**Accounting Standard Interpretations**

TSIC 10 Government Assistance - No Specific Relation to Operating Activities (revised 2017)

TSIC 15 Operating Leases - Incentives (revised 2017)

TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2017)

TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2017)

TSIC 29 Service Concession Arrangements : Disclosures (revised 2017)

TSIC 31 Revenue - Barter Transactions Involving Advertising Services (revised 2017)

TSIC 32 Intangible Assets - Web Site Costs (revised 2017)

**Financial Reporting Standard Interpretations**

TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2017)

TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2017)

TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2017)

TFRIC 7 Applying the Restatement Approach under TAS 29 (revised 2017)  
Financial Reporting in Hyperinflationary Economies (revised 2017)

TFRIC 10 Interim Financial Reporting and Impairment (revised 2017)

TFRIC 12 Service Concession Arrangements (revised 2017)

TFRIC 13 Customer Loyalty Programmes (revised 2017)

TFRIC 14 TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset,  
Minimum Funding Requirements and their Interaction (revised 2017)

TFRIC 15 Agreements for the Construction of Real Estate (revised 2017)

TFRIC 17 Distributions of Non - cash Assets to Owners (revised 2017)

TFRIC 18 Transfers of Assets from Customers (revised 2017)

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2017)

TFRIC 21 Levies (revised 2017)

The management of the Company has assessed that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 24, TAS 33, TAS 34, TAS 36, TAS 37 and TFRS 8 and TFRS 13 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Company's business, therefore they do not have impact on the financial statement when they are applied.



## 1.5 Summary of Significant Accounting Policies

### 1.5.1 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

### 1.5.2 Revenue recognition

Revenue from sale of goods is recognized as revenue when goods are delivered and the risk and reward of goods ownership are transferred to customer.

### 1.5.3 Inventories

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

### 1.5.4 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.

### 1.5.5 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.

### 1.5.6 Deferred Expenditure - Tin mining operation service project in Myanmar

Deferred Expenditure on tin mining operation service 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.

### 1.5.7 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  |

#### 1.5.8 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.

#### 1.5.9 Deferred environmental restoration expenditures

Deferred environmental restoration expenditures consisted of:

- Expenditure for rehabilitation of the concession area which are amortized on the straight line method over the remaining life of mining licenses.
- Expenditure for forest restoration which are amortized on the straight line method over the remaining life of the permit for mining operation in the concession forest area.

#### 1.5.10 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.

#### 1.5.11 Financial instruments

Financial instruments carried in the statement of financial position include cash and cash equivalents, investments, trade accounts receivable and payable, bank overdrafts, loans, account payable for purchase of assets, accrued expenses, and finance lease obligations. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 1.5.12 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.

#### 1.5.13 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.

#### 1.5.14 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.

#### 1.5.15 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.

#### 1.5.16 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.

### 1.5.17 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) noticed its action against the Company regarding the improvement of its financial position and operation results.

As the Stock Exchange of Thailand, “SET” has set the Company that it improves the financial position and operation results on the stage 1 (NC Stage1) with the NC (Non-compliance) sign since December 9, 2011 and the SP sign (Suspension) to suspend the buying or selling of the securities of the Company. SET has set 3-year duration for the Company to improve its financial position and operation results.

Later the Company requested to extend one more year, which has been approved by the SET to extend of the duration for not being delisted to March 31, 2018

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

On November 5, 2014, the Central Bankruptcy Court order for the company’s rehabilitation.

On March 25, 2016 and March 28, 2016, the Company has paid the 1<sup>st</sup> installment and the 2<sup>nd</sup> to 5<sup>th</sup> installments to the creditors in the plan for every group of creditor by condition which is regarded as completed settlement rehabilitation plan

Later on October 10, 2016 the Company submitted a request to terminate the rehabilitation plan as the Bankruptcy Law B.C. 2483 Section 90/70 the first paragraph, the Central Bankruptcy Court investigated the petition and make the appointment to have the order on May 8, 2017. On the date, the terminate order has been issued by the Court. Therefore the authority to manage its business and assets is returned to the Company’s management. And the Court is also raise all pending petition.

### 2.2 Sky Cliff Company Limited (Sky Cliff)

Sky Cliff was incorporated as a limited company under the Thai Civil and Commercial Code on September 5, 1990. Sky Cliff was designated to be a real estate Skycliff studied and negotiated for other appropriate real estate businesses. Sky Cliff has invested in 89 Capricorn Development Co.,Ltd. in holding 99.90% of shares. The total investment is Baht 317.53 million.

### 2.3 89 Capricorn Development Company Limited

89 Capricorn Development was incorporated as a limited company under the Civil and Commercial Code on July 26, 2012. was designated to be a real estate developer. The address is 15 Pratiphat Road. Taladnuea district, Muang, Phuket Province.

Currently, the project is “The Bay” which are the Commercial Buildings and Twin houses. The total value of the two project for about 405.28 Million Baht. The first transference was on June 2015.

#### 2.4 Sea Minerals Company Limited (Sea Minerals)

Sea Minerals was incorporated as a limited company under the Thai Civil and Commercial Code on March 26, 1981. The business of Sea Minerals has been the offshore tin mining with the on-going application of large Mining Lease off the coast of Andaman Sea, covered area approximately 50,000 rais (19,768 acres). The Environment Impact Assessment (EIA) Study for Sea Minerals has already been approved by the Office of Natural Resources and Environmental Policy and Planning (ONEP). Sea Minerals is currently in the process of creating the understanding among local people in preparation for the public hearing and consent.

In accordance with the Note to Financial Statement No 29.12 the Company (Tongkah Harbour) is currently in legal dispute with a related person (Mr. Ronald Ng Wai Choi) and two related companies (Sintana Holdings Company Limited and Sino Pac Development Company Limited) over the legal right on the share certificate of Sea Minerals.

#### 2.5 Cholsin Company Limited (Cholsin)

Cholsin was incorporated as a limited company under the Thai Civil and Commercial Code on March 20, 1984. Cholsin was originally established to operate the tunnel gold mine at Toh Moh Sub-District, Sukirin District, Narathiwat Province. Later on, with the rising production cost and political violence within the Southern Province area, the operation of Cholsin became infeasible and Cholsin has ceased its Toh Moh mine Operation. At the present Cholsin has returned the right on the mining operation to the government.

Since its abandon of Toh Moh operation, Cholsin has transferred a major part of comminuting process (rock crushing machines) from Toh Moh to Saraburi Quarry of the Company. Cholsin has been currently engaged by the Company to perform the rock crushing operation at the Saraburi Andesite Quarry.

#### 2.6 THL Power Limited (THL Power)

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

On February 9, 2018, the Board of Directors' Meeting No. 2/2018 passed a resolution approving the purchase of shares in Sawasdee Energy Holdings Ltd., who operates the consultancy business on renewable energy systems, construction of electrical system, and water works. On August 15, 2013, Sawasdee Energy Holdings Ltd., was registered with a registered capital of Baht 100 million and THL Power Limited had paid an initial deposit of Baht 3.0 million, which is part of the total share subscription. Both also agreed to pay an additional amount of Baht 21,900,000, totaling Baht 24,900,000, when the Seller transfers 60% of common shares of its total registered capital to THL Power Limited.

### 3. Going concern

Due to the review of the going concern of the company. The management has determined that the Company has succeeded according to the rehabilitation plan and has the stable business. The consolidated financial statement and the separate financial statement as of December 31, 2017 shows the higher current assets than the current liability. Shareholders' equity is positive, as well as showing the net profits for the year end period. The above events indicated that the operation of the group of company is no doubt as going concern. The interim financial is prepared on going concern basis.

### 4. Related parties transactions

The Company had significant business transactions with the related parties (related by way of common shareholders and/or common directors). Such transactions, which were concluded on the terms and basis as determined between the Company and those companies and persons or in the ordinary course of business, are summarized below:-

#### 4.1 Related parties transactions

The Company had significant business transactions with its subsidiaries (which were eliminated in consolidation) and related companies (related by shareholding and/or common directors). Such transactions are summarized as follows:-

| Thousand Baht                          |      |                               |        |        | Pricing Policies                      |
|--|------|-------------------------------|--------|--------|---------------------------------------|
| Consolidated financial statements      |      | Separate financial statements |        |        |                                       |
| For the year ended December 31         |      |                               |        |        |                                       |
| 2017                                   | 2016 | 2017                          | 2016   |        |                                       |
| <u>Transaction with subsidiaries:-</u> |      |                               |        |        |                                       |
| <b>Income</b>                          |      |                               |        |        |                                       |
| Rental receive                         | -    | -                             | 2,155  | 3,896  | contract price                        |
| Common area charge                     | -    | -                             | 1,048  | 786    | contract price                        |
| Management fee                         | -    | -                             | 15,408 | 16,200 | contract price                        |
| <b>Expenses</b>                        |      |                               |        |        |                                       |
| Interest expense                       | -    | -                             | 10,014 | 2,815  | Average actual cost of funds provided |
| Crushing cost                          | -    | -                             | 23,380 | 14,570 | contract price                        |

#### 4.2 Management remuneration

Management remuneration for the year ended December 31, 2017 and 2016 consist of directors and managements salaries, bonuses, and other benefits are as follows:

| Thousand Baht                    |               |                              |               |               |
|----------------------------------|---------------|------------------------------|---------------|---------------|
| Consolidated Financial Statement |               | Separate Financial Statement |               |               |
| 2017                             | 2016          | 2017                         | 2016          |               |
| Short-term benefits              | 10,977        | 11,310                       | 7,918         | 9,601         |
| Retirement benefits              | 9,419         | 7,419                        | 5,419         | 5,419         |
| <b>Total</b>                     | <b>20,396</b> | <b>18,729</b>                | <b>13,337</b> | <b>15,020</b> |

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 31,2017 and December 31,2016 as follows:-

|                                      | Thousand Baht                 |          |          |              | Pricing<br>Policy  |
|--------------------------------------|-------------------------------|----------|----------|--------------|--------------------|
|                                      | Separate financial statements |          |          |              |                    |
|                                      | Dec-31, 2016                  | Increase | Decrease | Dec-31, 2017 |                    |
|                                      |                               |          |          |              |                    |
| 4.3 Other receivables- relates party |                               |          |          |              |                    |
| Subsidiaries                         |                               |          |          |              | As mutually agreed |
| - Cholsin                            | 2,648                         | 3,966    | -        | 6,614        |                    |
| - Skycliff                           | 7,594                         | 8,432    | -        | 16,026       |                    |
| - Sea Minerals                       | 2,400                         | 88       | -        | 2,488        |                    |
| - 89 Capricorn Development           | 7,126                         | 8,090    | -        | 15,216       |                    |
| Total other receivable               | 19,768                        | 20,576   | -        | 40,344       |                    |
| Less : Allowance for doubtful        |                               |          |          |              |                    |
| -accounts                            | -                             | -        | -        | -            |                    |
| Long-term loans to related party-net | 19,768                        | 20,576   | -        | 40,344       |                    |

The other receivables are mainly administrative expenses charged by the Parent Company. In January 2018 the Company received payment amounting to Baht 7,867,375.

|  | Thousand Baht                 |          |          |              |
|--|-------------------------------|----------|----------|--------------|
|  | Separate financial statements |          |          |              |
|  | Dec-31, 2016                  | Increase | Decrease | Dec-31, 2017 |
| <b>4.4 Trade payables- related party</b> |                               |          |          |              |
| Subsidiaries - Cholsin                   | 9,976                         | 25,017   | (24,934) | 10,059       |
| Total                                    | 9,976                         | 25,017   | (24,934) | 10,059       |

|  | Thousand Baht                 |          |          |              |
|--|-------------------------------|----------|----------|--------------|
|  | Separate financial statements |          |          |              |
|  | Dec-31, 2016                  | Increase | Decrease | Dec-31, 2017 |
| <b>4.5 Other payables- related party</b> |                               |          |          |              |
| - 89 Capricorn Development               | -                             | 522      | -        | 522          |
| Total                                    | -                             | 522      | -        | 522          |



Thousand Baht

Separate financial statements

4.6 Long-term loans from related parties

Subsidiaries

|   | December 31<br>2016 | Increase | Decrease  | December 31<br>2017 | Pricing<br>Policy |
|---|---------------------|----------|-----------|---------------------|-------------------|
| - Sky Cliff - Principal                   | 86,221              | -        | (26,242)  | 59,979              | 4.62-7.50% p.a.   |
| - Accrued interest                        | 1,910               | 6,017    | (7,628)   | 299                 |                   |
| - 89 Capricorn - Principal                | 52,800              | 38,600   | (91,400)  | -                   |                   |
| - Accrued interest                        | 602                 | 3,997    | (4,599)   | -                   |                   |
| Total long-term loan from related parties | 141,533             | 49,136   | (129,869) | 60,278              |                   |

5. CASH AND CASH EQUIVALENTS

Thousand Baht

|   | Consolidated<br>financial statements |              | Separate<br>financial statements |              |
|---|--------------------------------------|--------------|----------------------------------|--------------|
|   | Dec-31, 2017                         | Dec-31, 2016 | Dec-31, 2017                     | Dec-31, 2016 |
| Cash and cheque on hand                             | 3,771                                | 3,875        | 90                               | 80           |
| Saving and current bank accounts                    | 110,422                              | 12,527       | 73,435                           | 7,389        |
| Fixed deposits with banks                           | 3,004                                | 2,985        | 673                              | 672          |
| Total   | 117,197                              | 19,387       | 74,198                           | 8,141        |
| Less : Bank deposits pledged as collateral (Note 9) | (3,004)                              | (2,985)      | (675)                            | (672)        |
| Total cash and cash equivalents                     | 114,193                              | 16,402       | 73,525                           | 7,469        |

## 6. TRADE RECEIVABLES AND OTHERS RECEIVABLES

### 6.1 TRADE RECEIVABLES NET

As of December 31, 2017 and 2016 and there were accounts receivable outstanding in the accounts of the Company and its subsidiaries, classified by aging as follows:

|                                       | Thousand Baht                     |              |                               |              |
|---------------------------------------|-----------------------------------|--------------|-------------------------------|--------------|
|                                       | Consolidated financial statements |              | Separate financial statements |              |
|                                       | Dec-31, 2017                      | Dec-31, 2016 | Dec-31, 2017                  | Dec-31, 2016 |
| <b><u>Andesite mining (THL)</u></b>   |                                   |              |                               |              |
| Current                               | 4,488                             | 1,482        | 4,488                         | 1,482        |
| Overdue - less than 3 months          | 1,557                             | 1,935        | 1,557                         | 1,935        |
| - 3 months to 6 months                | 3,003                             | 12,679       | 3,003                         | 12,679       |
| - over than 12 months                 | 979                               | -            | 979                           | -            |
| Total                                 | 10,027                            | 16,096       | 10,027                        | 16,096       |
| <b><u>Tin mining (Myanmar) **</u></b> |                                   |              |                               |              |
| Current                               | 47,478                            | -            | 47,478                        | -            |
| Overdue - less than 3 months          | 48,748                            | -            | 48,748                        | -            |
| - 3 months to 6 months                | 81,252                            | -            | 81,252                        | -            |
| Total                                 | 177,478                           | -            | 177,478                       | -            |

\*\* The Company start tin mining operation service in Myanmar in end of 1<sup>st</sup> quarter of 2017, and during first period, the employer company shall carry out formalities to send money abroad, which affect payment delay. However, the Company has follow up the payment process to get it collection as agreed. In February 2018 the Company had collected the addition amount of Baht 29,089,555.61.

### Real Estate- THE BAY

|  |         |        |         |        |
|--|---------|--------|---------|--------|
| Current                                    | -       | 660    | -       | -      |
|  | -       | 660    | -       | -      |
| Total trade receivables                    | 187,505 | 16,756 | 187,505 | 16,096 |
| <u>Less</u> allowance for doubtful account | -       | -      | -       | -      |
| Trade receivables - net                    | 187,505 | 16,756 | 187,505 | 16,096 |

### 6.2 OTHER RECEIVABLES NET

As of December 31, 2017 and 2016, other receivable as follows:

|  | Thousand Baht                     |              |                               |              |
|--|-----------------------------------|--------------|-------------------------------|--------------|
|  | Consolidated financial statements |              | Separate financial statements |              |
|  | Dec-31, 2017                      | Dec-31, 2016 | Dec-31, 2017                  | Dec-31, 2016 |
| Interest receivable - share subscription | 13,047                            | 17,702       | -                             | -            |
| Advance payment and others               | 3,906                             | 5,141        | 3,620                         | 4,652        |
| Prepaid insurance                        | 478                               | 365          | 349                           | 264          |
| Total                                    | 17,431                            | 23,208       | 3,969                         | 4,916        |

## 7. INVENTORIES – NET

|  | Thousand Baht                     |              |                               |              |
|--|-----------------------------------|--------------|-------------------------------|--------------|
|  | Consolidated Financial Statements |              | Separate Financial Statements |              |
|  | Dec-31, 2017                      | Dec-31, 2016 | Dec-31, 2017                  | Dec-31, 2016 |
| <u>Andesite mining (THL)</u>                 |                                   |              |                               |              |
| Finished goods                               | 22,306                            | 22,892       | 22,306                        | 22,892       |
| Raw Material & Work in process               | 29,595                            | 31,829       | 29,595                        | 31,829       |
| Supplies                                     | 3,120                             | 2,237        | 1,233                         | 882          |
| Total  | 55,021                            | 56,958       | 53,134                        | 55,603       |
| <u>Less</u> allowance for declining in value | (3,375)                           | (3,378)      | (3,375)                       | (3,378)      |
| Inventories - andesite mining, net           | 51,646                            | 53,580       | 49,759                        | 52,225       |
| <u>Property - Phuket province (89)</u>       |                                   |              |                               |              |
| Developing land                              | 33,644                            | 33,644       | -                             | -            |
| Cost on developing                           | 80,919                            | 80,919       | -                             | -            |
| Commercial Building with Land for Sale       | 114,811                           | 157,251      | -                             | -            |
| Total  | 229,374                           | 271,814      | -                             | -            |
| <u>Property- Tak province (SCL)</u>          |                                   |              |                               |              |
| Developing land                              | 40,079                            | 40,079       | -                             | -            |
| Cost on developing                           | 4,943                             | 4,943        | -                             | -            |
| Total  | 45,022                            | 45,022       | -                             | -            |
| Inventories, net                             | 326,042                           | 370,416      | 49,759                        | 52,225       |

7.1 The movement of allowance for declining in value of inventories for the year ended December 31, 2017 is as follows:

|                                 | Thousand Baht                     |                               |
|---------------------------------|-----------------------------------|-------------------------------|
|                                 | Consolidated Financial Statements | Separate Financial Statements |
| Balance as of December 31, 2016 | 3,378                             | 3,378                         |
| Increased                       | -                                 | -                             |
| Decreased (Reverse)             | (3)                               | (3)                           |
| Balance as of December 31, 2017 | 3,375                             | 3,375                         |

## 8. INVESTMENTS IN SUBSIDIARIES, NET

As of December 31, 2017 and 2016 investments in subsidiaries are as follows:

| Investment in subsidiaries, net           | Paid up Share Capital |              | Share Holding (%) |              | Thousand Baht                 |                |
|---|-----------------------|--------------|-------------------|--------------|-------------------------------|----------------|
|   | (Million Baht)        |              |                   |              | Separate Financial Statements |                |
|   | Dec-31, 2017          | Dec-31, 2016 | Dec-31, 2017      | Dec-31, 2016 | Dec-31, 2017                  | Dec-31, 2016   |
| <b><i>Sky Cliff Limited</i></b>           |                       |              |                   |              |                               |                |
| Investment at cost                        | 212                   | 212          | 94.99             | 94.99        | 491,581                       | 491,581        |
| <u>Less</u> Allowance for impairment loss |                       |              |                   |              | -                             | -              |
| Investment at cost - net                  |                       |              |                   |              | 491,581                       | 491,581        |
| <b><i>Sea Minerals Limited</i></b>        |                       |              |                   |              |                               |                |
| Investment at cost                        | 105                   | 105          | 99.99             | 99.99        | 56,501                        | 56,501         |
| <u>Less</u> Allowance for impairment loss |                       |              |                   |              | (56,501)                      | (56,501)       |
| Investment at cost - net                  |                       |              |                   |              | -                             | -              |
| <b><i>Cholsin Limited</i></b>             |                       |              |                   |              |                               |                |
| Investment at cost                        | 334                   | 150          | 88.19             | 73.67        | 246,182                       | 62,001         |
| <u>Less</u> Allowance for impairment loss |                       |              |                   |              | (62,001)                      | (62,001)       |
| Investment at cost - net                  |                       |              |                   |              | 184,181                       | -              |
| <b><i>THL Power Limited</i></b>           |                       |              |                   |              |                               |                |
| Investment at cost                        | 24.5                  | -            | 98.00             | -            | 24,500                        | -              |
| <u>Less</u> Allowance for impairment loss |                       |              |                   |              | -                             | -              |
| Investment at cost - net                  |                       |              |                   |              | 24,500                        | -              |
| <b>Investment in subsidiaries, net</b>    |                       |              |                   |              | <b>700,262</b>                | <b>491,581</b> |

8.1 As of September 30, 2017 and December 31, 2016, the investment in subsidiaries have been pledged as collateral by a former executive of the Company (Tongkah) made pledged agreements with 2 former related companies (Sintana Holdings and Sino Pac Development) by using the investment in subsidiaries as collateral. However, the former executive of the Company has not delivery the share certificate of common share of subsidiaries to both companies. In addition, the pledged agreement has not been approved by the Company (Tongkah)'s board of director at that time. The shares are as follow;

1. The 1.05 million units of common share of *Sea Minerals*, Percent to 99.99 of the shares of the Company.
2. The 314,454 units of common share of *Sky Cliff* (second pledged)

As mention in note no. 28.10, on September 25, 2012 the Company filed a lawsuit to 2 related companies for the act in law revocation the case above.

## 8.2 Advance payment for increase capital shares in subsidiary

The board of directors had the resolution approving the additional investment in Cholsin Limited according to the rehabilitation plan which the shareholders' meeting of Cholsin on March 25, 2016 to increase the capital amounting Baht 250 million. The Company has paid up share capital of Cholsin in the amount of Baht 184,181,100 (1,841,811 Ordinary shares with par value at Baht 100 each). Since the capital increase has not yet reached the registered capital, in doing so Cholsin is unable to register a changed copy of shareholders list at the Department of business development.

Due to no other shareholder wishing to raise capital in Cholsin Limited. On December 28, 2017 Cholsin limited, it has reduced the number of capital from Baht 400,000,000 fell to Baht 334,181,000 in doing so Cholsin has registered a changed copy of shareholders list at the Department of business development in completed.

## 8.3 Advance payment for acquisition an investment

On August 1, 2016 the Company entered into share purchasing contract with Lao Nghan Guang Tong Mining Co., LTD. for 70% shares of its total registration shares at total US\$ 3.0 million purchase price, or Baht amount at the exchange rate Baht 35.04 to US\$ 1. The objective of the deal is to expand its business and to invest in copper mining in Lao PDR.

In August 2016 the Company paid an advance for share purchase amounting to US\$ 2 million equivalent to Baht 70.08 million and the balance of US\$ 1 million will be paid in 15 days since the date that all shares and all related documents have been transferred to the Company.

## 8.4 Deposit for share subscription - other companies

In December 2017, a subsidiary (THL Power Limited) paid a deposit of Baht 3 million to acquire shares from an unrelated company for the study of feasibility in renewable energy business.

Later on February 9, 2018, a subsidiary's Board of Directors' Meeting No. 2/2018 passed a resolution approving the purchase of shares of the mentioned unrelated company who engages in consultancy business on renewable energy system, construction of electricity system, and water works. The said company was registered on 15 August 2013 with registered capital of Baht 100 million. The transfer of the above deposit is part of the share payment, and agreed to pay an additional amount of Baht 21,900,000 when the Seller transfers 60% of its common shares of the registered capital to the Subsidiary. The tender offer price is Baht 24,900,000, which is a fair price appraised by two independent appraisers who are approved by the Office of the Securities and Exchange Commission.

## 9. BANK DEPOSITS PLEDGED AS COLLATERAL

As of December 31, 2017 and 2016 the Company and its subsidiaries have bank deposit pledged as collateral as follow;

|  | Thousand Baht |              |       |
|--|---------------|--------------|-------|
|  | Dec-31, 2017  | Dec-31, 2016 | Note  |
| The Company  | 1,473         | 1,472        | A     |
| Less : Allowance for may not be<br>recoverable guarantee deposit | (800)         | (800)        |       |
|  | 673           | 672          |       |
| Subsidiaries   |               |              |       |
| Cholsin Limited  | 414           | 413          | B.(1) |
| 89 Capricorn Development Limited                                 | 1,917         | 1,900        | B.(2) |
| Total  | 3,004         | 2,985        |       |

### A. The Company

The company has bank deposits used as banks collateral for issuing bank guarantee as follow;

1. The Company credit line of Baht 0.39 million in year 2017 and year 2016
2. The two subsidiaries' credit line of Baht 1.0 million in year 2017 and year 2016. The total amount including Baht 0.80 million pledged for "TKL" bank guarantee. Upon the Company sale all "TKL" shares, the pledged deposit amount has been consider may not be recoverable, thus, provision for loss has been realize.

### B. Subsidiaries

1. Cholsin has bank deposit used as banks collateral for issuing bank guarantee of Cholsin.
2. 89 Capricorn Development Limited has bank deposits collateral its bank guarantee for 2 contracts Public Utilities.

# 10. DEFERRED EXPENDITURES OF PROJECT - ANDESITE MINING – NET

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

|   | Thousand Baht                                  |              |
|---|--|--------------|
|   | Consolidated and Separate Financial Statements |              |
|   | Dec-31, 2017                                   | Dec-31, 2016 |
| Deferred expenditures for the andesite mining project     | 23,653   | 23,653       |
| <u>Less amortization</u>                                  | (19,973)                                       | (19,237)     |
| Deferred expenditures for the andesite mining project Net | 3,680  | 4,416        |

The Company operate the mining in the Company land approximately 243 rai, under the following mining right.

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

- Mining right no 28675/15632 is being prepared information according to mineral resources geological characteristics report, mining project plan report, the age of mining right calculation report, and environmental impact analysis report.
- Mining right no 28676/15268 ,on October 3, 2017 The Company has entered into Concession Department of Primary Industries and Mines. industry Office Saraburi. According to a written notice issued on September 19 ,2017. Permission to renew the mining right. The mining license has been renewed for 15 years from the date of the license expires. Is from the date of May 24, 2009 until May 23, 2024.

## 11. DEFERRED EXPENDITURE OF PROJECT IN THE FOREIGN COUNTRY.

As of December 31, 2017 and 2016, the deferred mining exploration expenses in The Foreign follow:

| Expenditure Items  | Thousand Baht                       |               |
|--|-------------------------------------|---------------|
|  | Consolidated and Separate Financial |               |
|  | Dec-31, 2017                        | Dec-31, 2016  |
| <b>Deferred mining exploration expenses on Laos</b>                      |                                     |               |
| <u>Tin Mining</u>  |                                     |               |
| Exploration expenditures   | 4,800                               | 4,800         |
| Other expenses (Travelling, allowance, ore specimens analysis)           | 1,879                               | 1,655         |
| Total  | 6,679                               | 6,455         |
| <u>Copper Mining</u>   |                                     |               |
| Exploration, Seeking wages   | 10,000                              | 10,000        |
| Exploration expenditures   | 38,911                              | 38,911        |
| Other expenses (Travelling, allowance, ore specimens analysis)           | 8,211                               | 8,211         |
| Total  | 57,122                              | 57,122        |
| <b>Total Deferred mining exploration expenses on LPDR</b>                | <b>63,801</b>                       | <b>63,577</b> |
| <b>Deferred mining exploration expenses on MYANMAR</b>                   |                                     |               |
| Exploration expenditures   | 4,055                               | -             |
| Other expenses (Travelling, allowance, ore specimens analysis)           | 985                                 | 789           |
| Total  | 5,040                               | 789           |
| <b>Deferred mining exploration expenses on MALAYSIA</b>                  |                                     |               |
| Other expenses-(Travelling, allowance, ore specimens analysis)           | 259                                 | 259           |
| <b>Total Deferred mining exploration expenses in the Foreign Country</b> | <b>69,100</b>                       | <b>64,625</b> |

Other Mining Project in The Laos People's Democratic Republic are as follow:

### 1. Tin Exploration

An agreement signed between the company and Lao Farmers Promoting Co., Ltd. for an exploration of tin in Hinboun which the Company paid an amount of USD 155,000 (approximately Baht 4.8 million) for initial exploration. The exploration found tin deposit in the quantity that is feasible for investment. The co-investor in Laos proposed the Company pay USD 2.0 million initial payments prior to investment-in the tin mining project. As the amount is substantial and there are other risks, the management is in negotiation of the co-investment condition with the investor which initially agreed on the investment condition. The Company is in the additional negotiation with Lao Farmers Promoting Co., Ltd. that Lao Farmers has the obligation to apply for the concession after that the Company will invest in the business.



## 2. Copper Exploration

- There was an agreement signed between the Company and GMT Corporation Co., Ltd for an exploration and evaluation of Copper and Gold at Chiang Kwang province Lao on the total amount of Baht 12.98 million. The Company already fully paid for initial amount.
- As of April 7, 2016, there was an agreement signed between the Company and GMT Corporation Co., Ltd for an details step of exploration and evaluation of Copper at Sukhuma, Champasak province Lao on the total amount of Baht 23.56 million. The amount of Baht 8.24 million had been paid.
- As of May 27, 2016, there was an agreement signed between the Company and Wan La Drilling Service Company for an exploration and evaluation of Copper and Gold at Sukhuma and Munlapamok, Champasak province Lao. The Company already paid an amount of Baht 8.9 million for initial payment and drilling service,survey amount Baht 8.8 million.

## 12. DAWAI PRINCESS PROJECT IN MYANMAR PROJECT

On February 23, 2016, the Company signed a joint contractor with Sea Mineral Myanmar Company Limited under a contractor name of “Dawei Princess Project”. The objective is to explore, produce Tin ore and other ore in the area of 50 acres in Dawei, Republic of Union of Myanmar under the concession of Sea Mineral Myanmar Company Limited.

Present, the joint contractor, Sea Mineral Myanmar Company Limited, is processing production license which is delay, due to changing system and regulation cause by political change in Myanmar.

## 13. OPERATION SERVICE MINING PROJECT IN MARID DISTRICT, MYANMAR

On February 8, 2017, the Company was entered into Tin Mining Operation Agreement with NgweKabar Myanmar Company limited at Marid District and the tin operation production was started on March 2017  
Deferred expenditures for tin mining project as follow;

| Expenditure Items  | Thousand Baht  |
|--|--|
|  | Consolidated and<br>Separate Financial<br>Statements |
|  | December 31, 2017                                    |
| -Expenditures to set up the readiness of mining area and<br>to support mining operation – Mining | 17,100   |
| <u>Less amortization</u>   | (1,295)  |
| Expenditures Mining - Net  | 15,805   |
| -Expenditures to set up the readiness of mining area-Mining 2,3                                  | 21,000   |
| Total Deferred expenditures for tin mining project -Net  | 36,805   |

Amortization charge for the year ended December 31, 2017 in consolidated financial statements and in separate financial statements amounted to Baht 1.29 million respectively.

14. PROPERTY, PLANT AND EQUIPMENT – NET

|                          | Thousand Baht                     |                  |                                   |                                |                         |          |   |         |  |           |
|--------------------------|-----------------------------------|------------------|-----------------------------------|--------------------------------|-------------------------|----------|---|---------|--|-----------|
|                          | Consolidated financial statements |                  |                                   |                                |                         |          |   |         |  |           |
|                          | Land                              | Land improvement | Building and building improvement | Furniture and office equipment | Machinery And equipment | Vehicles | Cost of dismantling, removing and restoring | Other   | Work in progress and machinery in progress | Total     |
| Cost                     |                                   |                  |                                   |                                |                         |          |   |         |  |           |
| As of December 31, 2016  | 27,176                            | 14,441           | 73,634                            | 6,759                          | 47,371                  | 36,404   | -   | 1,277   | 157,008                                    | 364,070   |
| Increase                 | -                                 | -                | -                                 | 248                            | 664                     | 79       | -   | 288     | 35,859                                     | 37,138    |
| Decrease                 | -                                 | -                | -                                 | -                              | -                       | -        | -   | -       | (38,100)                                   | (38,100)  |
| Transfer                 | -                                 | -                | -                                 | -                              | 68,426                  | -        | -   | -       | (68,426)                                   | -         |
| As of December 31, 2017  | 27,176                            | 14,441           | 73,634                            | 7,007                          | 116,461                 | 36,483   | -   | 1,565   | 86,341                                     | 363,108   |
| Accumulated depreciation |                                   |                  |                                   |                                |                         |          |   |         |  |           |
| As of December 31, 2016  | -                                 | -                | (42,795)                          | (2,152)                        | (42,476)                | (15,876) | -   | (1,170) | -  | (104,469) |
| Increase                 | -                                 | -                | (4,041)                           | (847)                          | (5,571)                 | (4,915)  | -   | (43)    | -  | (15,417)  |
| Decrease                 | -                                 | -                | -                                 | -                              | -                       | -        | -   | -       | -  | -         |
| Transfer                 | -                                 | -                | -                                 | -                              | -                       | -        | -   | -       | -  | -         |
| As of December 31, 2017  | -                                 | -                | (46,836)                          | (2,999)                        | (48,047)                | (20,791) | -   | (1,213) | -  | (119,886) |
| Net book value           |                                   |                  |                                   |                                |                         |          |   |         |  |           |
| As of December 31, 2016  | 27,176                            | 14,441           | 30,839                            | 4,607                          | 4,895                   | 20,528   | -   | 107     | 157,008                                    | 259,601   |
| As of December 31, 2017  | 27,176                            | 14,441           | 26,798                            | 4,008                          | 68,414                  | 15,692   | -   | 352     | 86,341                                     | 243,222   |

Thousand Baht

Separate financial statements

|                                 | Land     | Land improvement | Building and building improvement | Furniture and office equipment | Machinery And equipment | Vehicles | Cost of dismantling, removing and restoring | Other   | Work in progress and machinery in progress | Total    |
|---------------------------------|----------|------------------|-----------------------------------|--------------------------------|-------------------------|----------|---|---------|--|----------|
| <b>Cost</b>                     |          |                  |                                   |                                |                         |          |   |         |  |          |
| As of December 31, 2016         | 27,176   | 14,441           | 65,739                            | 3,139                          | 3,787                   | 28,811   | -   | 1,277   | 133,806                                    | 278,177  |
| Increase                        | -        | -                | -                                 | 189                            | 592                     | 79       | -   | 288     | 33,656                                     | 34,804   |
| Decrease                        | (11,150) | (8,416)          | -                                 | -                              | -                       | -        | -   | -       | (38,100)                                   | (57,666) |
| Transfer                        | -        | -                | -                                 | -                              | 43,021                  | -        | -   | -       | (43,021)                                   | -        |
| As of December 31, 2017         | 16,026   | 6,025            | 65,739                            | 3,328                          | 47,400                  | 28,890   | -   | 1,565   | 86,341                                     | 255,315  |
| <b>Accumulated depreciation</b> |          |                  |                                   |                                |                         |          |   |         |  |          |
| As of December 31, 2016         | -        | -                | (41,010)                          | (1,508)                        | (3,336)                 | (10,058) | -   | (1,170) | -  | (57,082) |
| Increase                        | -        | -                | (3,162)                           | (243)                          | (3,359)                 | (4,121)  | -   | (43)    | -  | (10,928) |
| Decrease                        | -        | -                | -                                 | -                              | -                       | -        | -   | -       | -  | -        |
| Transfer                        | -        | -                | -                                 | -                              | -                       | -        | -   | -       | -  | -        |
| As of December 31, 2017         | -        | -                | (44,172)                          | (1,751)                        | (6,695)                 | (14,179) | -   | (1,213) | -  | (68,010) |
| <b>Net book value</b>           |          |                  |                                   |                                |                         |          |   |         |  |          |
| As of December 31, 2016         | 27,176   | 14,441           | 24,729                            | 1,631                          | 451                     | 18,753   | -   | 107     | 133,807                                    | 221,095  |
| As of December 31, 2017         | 16,026   | 6,026            | 21,567                            | 1,577                          | 40,705                  | 14,711   | -   | 352     | 86,341                                     | 187,305  |

Depreciation charges for the year ended As of December 31, 2017 and 2016 are included in determining earnings as follow:

|                         | Thousand Baht                     |        |                               |       |
|-------------------------|-----------------------------------|--------|-------------------------------|-------|
|                         | Consolidated financial statements |        | Separate financial statements |       |
|                         | 2017                              | 2016   | 2017                          | 2016  |
| Production costs        | 9,071                             | 14,172 | 6,850                         | 1,905 |
| Administrative expenses | 6,346                             | 6,409  | 4,078                         | 3,626 |
| Total                   | 15,417                            | 20,581 | 10,928                        | 5,531 |

As of December 31, 2017 and 2016 gross carrying cost of fully depreciated of property and equipment that still in use are amount of;

|  | Million Baht                      |       |                               |       |
|--|-----------------------------------|-------|-------------------------------|-------|
|  | Consolidated financial statements |       | Separate financial statements |       |
|  | 2017                              | 2016  | 2017                          | 2016  |
| Gross carrying amount of fully depreciated | 60.38                             | 59.40 | 13.82                         | 13.72 |

Two units of the Company's condominium pledged as collateral with a court, in order to stay of execution during the appeal, is being redeemed due to the case has been settled.

- 14.1 The two units of Company's condominium were pledged as collateral to the court for temporary suspension of enforcement. It is in the process of redemption at present due to the case has been completed.
- 14.2 On October 27, 2017, the Company sold a part of land in Phuket, with a book value of Baht 19.57 million to 89 Capricorn Development Company Limited (subsidiary) at the price of Baht 120 million. The sale price is based on the appraised value of the independent appraiser approved by the Office of the Securities and Exchange Commission. The gain on sale was Baht 100.43 million (the item was eliminated in the consolidated financial statements). The Company have received in cash of Baht 27.7 million and the remaining of Baht 92.30 million will be paid by settlement between each others of the borrowing amounting to Baht 92.3 million
- 14.3 On February 9, 2018, the Board of Directors' Meeting No. 1/2018 passed a resolution approving the purchase of land and investment in the construction of a mineral processing plant in Tambol Pangwan, Amphur Phatoh, Chumphon Province. In this regards, the BOD unanimously approved the budget for the mineral processing plant of Baht 50 million as well. The project is expected to be completed in May 2018

15. INTANGIBLE ASSETS, NET

|                                 | Thousand Baht                        |                                  |
|---------------------------------|--------------------------------------|----------------------------------|
|                                 | Consolidated<br>financial statements | Separate<br>financial statements |
| <u>Computer software</u>        |                                      |                                  |
| <u>Cost</u>                     |                                      |                                  |
| As of December 31, 2016         | 1,316                                | 1,174                            |
| Increase                        | 3                                    | 3                                |
| Decrease                        | -                                    | -                                |
| As of December 31, 2017         | 1,319                                | 1,177                            |
| <u>Accumulated amortization</u> |                                      |                                  |
| As of December 31, 2016         | (1,160)                              | (1,108)                          |
| Increase                        | (102)                                | (66)                             |
| Decrease                        | -                                    | -                                |
| As of December 31, 2017         | (1,262)                              | (1,174)                          |
| <u>Net book value</u>           |                                      |                                  |
| As of December 31, 2016         | 156                                  | 66                               |
| As of December 31, 2017         | 57                                   | 3                                |

Amortization charge for the year ended December 31, 2017 and 2016, in consolidated financial statements amounted to Baht 0.10 million and Baht 0.06 million respectively and in separate financial statements amounted to Baht 0.07 million and Baht 0.03 million respectively.

As of December 31, 2017 and 2016 the gross carrying amount of the fully-amortized computer software that is still in use are, in consolidated financial statements amounted to Baht 1.21 million and Baht 0.93 million respectively and in separate financial statements amounted to Baht 1.17 million and Baht 0.93 million respectively.

16. ADVANCE PAYMENT FOR PURCHASE OF LAND - ANDESITE MINING PROJECT

Advance payment for purchase of land for andesite mining project is the cost for 6 title deeds and 5 land possessory rights (Nor. Sor. 3 and Nor. Sor. 3 Kor) currently under the name of a related company (Sintana Mining). These were to be transferred to the Company by June 1998 and June 2001 in accordance with the underlying Sale and Purchase Agreement and Assignment of Claim made with that related company. However, on the claim of the tight liquidity in the financial markets and the material sum of the balance payable upon title transfer, the former management of the Company decided to postpone the transfer. The current management is in the process of transferring the lands accordingly.

At present, the current executives are on the process of status verification to obtain ownership under the agreement. Moreover, the petition had been submitted to the Official Receiver (in accordance with business rehabilitation plan) for further order issuance.

When the Company has terminated the business rehabilitation plan, it filed a lawsuit on July 27, 2017 against a related company (Sintana Mining) to the court of PhraKhanong to claim all plots of land. Subsequently, on

September 4, 2017, the Court had held mediation and settlement of issues. On October 9, 2017, the court scheduled a hearing to present evidence of plaintiff and defendant. Later, the court ordered witness examination on February 27, 2018.

A former management of the Company (Tongkah Harbour) pledged the aforementioned land title deeds and Nor. Sor. 3 Kor currently to two banks as following detail:

1. Two land title deeds and three Nor. Sor. 3 Kor were pledged together with other security to secured an Overdraft facility from a local bank for amounted to Baht 14 million under the name of a former related company (Aspac Construction). For that time, the former related company (Aspac Construction) has provided this overdraft facility for the benefit of the Company (Tongkah Harbour) for the working capital purpose. Later on, the Company has completely repaid the loan including interest to the former related company (Aspac Construction). However, the former management of the Company (Tongkah Harbour) has not released the land pledge.
2. Two land title deeds under the name of related company (Sintana Mining) are pledged to secure Baht 5 million overdraft facility of the Company (Tongkah Harbour) from another local bank. Presently the Company made already fully payment and processing to return of the two land title deeds.

#### 17. OTHER NON - CURRENT ASSETS

|   | Thousand Baht                     |              |                               |              |
|---|-----------------------------------|--------------|-------------------------------|--------------|
|   | Consolidated financial statements |              | Separate financial statements |              |
|   | Dec-31, 2017                      | Dec-31, 2016 | Dec-31, 2017                  | Dec-31, 2016 |
| Deferred expenditure for rehabilitation (1)     |                                   |              |                               |              |
| of the concession area                          | 250                               | 250          | 250                           | 250          |
| <u>Less</u> Amortization                        | (250)                             | (250)        | (250)                         | (250)        |
| Balance as at end of year                       | -                                 | -            | -                             | -            |
| The debtor under the contract of debt (2)       | 7,298                             | 12,524       | 7,298                         | 12,524       |
| <u>Less</u> Allowance for doubtful account      | -                                 | -            | -                             | -            |
| The debtor under the contract of debt- net      | 7,298                             | 12,524       | 7,298                         | 12,524       |
| Deferred expenditures of decoration office (3)  | 33,951                            | 33,951       | -                             | -            |
| <u>Less</u> Amortization                        | (13,582)                          | (9,810)      | -                             | -            |
| Deferred expenditures of decoration office-net. | 20,369                            | 24,141       | -                             | -            |
| other non - current assets- other (4)           | 9,576                             | 12,444       | 7,726                         | 7,288        |
| Total other non - current assets                | 37,243                            | 49,109       | 15,024                        | 19,812       |

- (1) The quarrying operations of the Company shall follow the regulations of the office of Environmental Policy and Planning, regarding environmental protection and rehabilitation of the concession areas, as were proposed by the Company which was proposed by the Office.

- (2) Being receivable from Newton Microfinance Co, Ltd. for an exploration of coal in Vieng Phu Ka which the Company paid an amount of USD 160,000 (approximately Baht 5.0 million) for initial exploration and USD 250,000 (approximately Baht 7.7 million) for 2<sup>nd</sup> and 3<sup>rd</sup> exploration stages. The exploration is in the 2<sup>nd</sup> and 3<sup>rd</sup> stages.

As Newton Microfinance Co., Ltd. could not complete the exploration of 2nd stage within the date-line specified in the agreement, the exploration of the further stages could not be carried out according to the schedule. Thus, the Company cancelled the agreement by a letter dated November 20, 2013, and claimed a refund of exploration charge amounting to USD. 410,000.

On March 7, 2016, Newton Microfinance Co., Ltd. signed an acknowledgement of debt agreement and repay debt to the Company amounting to USD 410,000 in 4 year-period. The first installment is US \$ 5,000 to be paid on May 31, 2016. The second installment is US \$ 95,000 to be paid on December 31, 2016, and within end of year 2017, 2018 and 2019 amounting to US\$ 100,000 each year.

- (3) Amortization charged for the year ended December 31, 2017 and 2016 amount to Baht 3.77 million and Baht 3.77 million respectively are included in determining earnings.
- (4) The above other non-current assets included the fully impaired machinery and equipment of Cholsin (a subsidiary) amounting to Baht 30.5 million, due to temporary ceased its gold mining operation at Toh Moh District, Narathiwat Province.

At present, Cholsin returned the mining concession rights to the government and such machinery and equipment have been cut-off from the account.

#### 18. OTHER PAYABLES

|                                    | Thousand Baht                        |                      |                                  |                      |
|------------------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
|                                    | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|                                    | December 31,<br>2017                 | December 31,<br>2016 | December 31,<br>2017             | December 31,<br>2016 |
| Accrued Salary                     | 1,976                                | 1,994                | 26                               | 44                   |
| Accrued Director Fee & Meeting Fee | 2,803                                | 5,056                | 2,275                            | 4,367                |
| Accrued Audit Fee                  | 1,320                                | 1,240                | 600                              | 600                  |
| Advance receive for inventory      | 2,869                                | 4,481                | 274                              | 215                  |
| Accrued expense and other Payable  | 31,880                               | 8,974                | 23,258                           | 1,699                |
| Share payable on other investment  | 500                                  | -                    | -                                | -                    |
| Total                              | 41,348                               | 21,745               | 26,933                           | 6,925                |

19. OTHER CURRENT LIABILITIES

As at December 31, 2017 and 2016, other current liabilities consisted of :

|  | Thousand Baht                            |                     |                                      |                     |
|--|--|---------------------|--------------------------------------|---------------------|
|  | <u>Consolidated Financial Statements</u> |                     | <u>Separate Financial Statements</u> |                     |
|  | <u>Dec-31, 2017</u>                      | <u>Dec-31, 2016</u> | <u>Dec-31, 2017</u>                  | <u>Dec-31, 2016</u> |
| Corporate income tax payable             | -  | 766                 | -                                    | -                   |
| Fine & Penalty                           | 8  | 15                  | -                                    | -                   |
| Defer Output Vat                         | 2,303                                    | 1,150               | 2,303                                | 1,150               |
| Value added tax                          | 206                                      | 108                 | 206                                  | 78                  |
| Withholding tax                          | 1,099                                    | 477                 | 900                                  | 378                 |
| Specific Business tax(S.B.T.) Payable    | -  | 20                  | -                                    | -                   |
| Total other current liabilities – others | <u>3,616</u>                             | <u>2,536</u>        | <u>3,409</u>                         | <u>1,606</u>        |

20. EMPLOYEE BENEFIT OBLIGATION

Movement during the ended December 31, 2017 and 2016 are as follow :

|  | Thousand Baht                            |                     |                                      |                     |
|--|--|---------------------|--------------------------------------|---------------------|
|  | <u>Consolidated financial statements</u> |                     | <u>Separate financial statements</u> |                     |
|  | <u>For the year</u>                      | <u>For the year</u> | <u>For the year</u>                  | <u>For the year</u> |
|  | <u>Ended</u>                             | <u>Ended</u>        | <u>Ended</u>                         | <u>Ended</u>        |
|  | <u>December</u>                          | <u>December</u>     | <u>December</u>                      | <u>December</u>     |
|  | <u>31, 2017</u>                          | <u>31, 2016</u>     | <u>31, 2017</u>                      | <u>31, 2016</u>     |
| Beginning balance                      | 8,652                                    | 12,415              | 7,343                                | 8,197               |
| Current service cost and interest cost | 2,419                                    | 1,754               | 1,461                                | 1,387               |
| Reverse (Gain)Loss for actuarial       | -  | -                   | -                                    | -                   |
| Cut off Tungsum                        | -  | (3,276)             | -                                    | -                   |
| Paid benefit                           | -  | (2,241)             | -                                    | (2,241)             |
| End balance                            | <u>11,071</u>                            | <u>8,652</u>        | <u>8,804</u>                         | <u>7,343</u>        |



Expenses recognized in gain or loss for the year ended December 31, 2017 and 2016 is as follow;

|                      | Thousand Baht                                 |   |   |   |
|----------------------|---|---|---|---|
|                      | Consolidated<br>financial statements          |   | Separate<br>financial statements              |   |
|                      | For the year<br>Ended<br>December<br>31, 2017 | For the year<br>Ended<br>December<br>31, 2016 | For the year<br>Ended<br>December<br>31, 2017 | For the year<br>Ended<br>December<br>31, 2016 |
|                      |   |   |   |   |
| Current service cost | 2,154   | 1,510   | 1,231   | 1,190   |
| Interest cost        | 265   | 244   | 230   | 197   |
| Total                | 2,419   | 1,754   | 1,461   | 1,387   |

The Company had engaged an actuary to compute this provision according to the accounting standard. The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as at December 31, 2017 are as follows:

|                                  | Consolidated<br>Financial Statement | Separate<br>Financial Statement |
|----------------------------------|-------------------------------------|---------------------------------|
| Discount rate                    | 2.21% - 4.23 %                      | 2.40 %                          |
| Expected rate of salary increase | 5 %                                 | 5%                              |
| Voluntary resignation rate       | 0-27 % *                            | 0-25 % *                        |
| Mortality rate                   | TMO 2008 **                         | TMO 2008 **                     |

\* Based on weighted rate by age group of employee

\*\* Referred to Thai Mortality Ordinary Tables of 2008 (TMO 2008 : Thai Mortality Ordinary Tables of 2008)

#### THE SENSITIVITY ANALYSIS OF KEY ASSUMPTIONS IN FORECASTING ACCORDING TO ACTUARIAL INSURANCE

Key assumption in forecasting according to actuarial insurance used to analyze sensitivity are discount rate, rate of salary raise and death assuming that other assumptions remain the same. As of June 30, 2016 , the impact of sensitivity analysis from changes in related assumptions above that are reasonably possible are as follows:

- If the discount rate increases (decreases) by 1.0 %, employee benefit obligation will decreases by Baht 0.00 to 0.45 million (increases by Baht 0.00 to 0.51 million).
- If the rate of salary raise increases (decreases) by 1.0 %, employee benefit obligation will increases by Baht 0.00 to 0.59 million (decreases by Baht 0.00 to 0.53 million).
- If employee longevity increases (decreases) by 1 year, employee benefit obligation will increases by Baht 0.00 to 0.04 million (decrease by Baht 0.00 to 0.04 million).

In the sensitivity analysis report above, the present value of employee benefit obligation is calculated by using the same method as calculation of employment benefit obligation acknowledged in balance sheet.

## 21. PROVISION FOR ENVIRONMENTAL RESTORATION

|  | Thousand Baht                        |                      |                                  |                      |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
|  | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|  | December<br>31, 2017                 | December<br>31, 2016 | December<br>31, 2017             | December<br>31, 2016 |
| <u>Provision for environmental restoration</u> |                                      |                      |                                  |                      |
| Beginning balance                              | 250                                  | 250                  | 250                              | 250                  |
| Increase                                       | -                                    | -                    | -                                | -                    |
| Decrease                                       | -                                    | -                    | -                                | -                    |
| End balance                                    | 250                                  | 250                  | 250                              | 250                  |

The Company provision for environmental restoration as the amount assess by Department of Forestry for each period, and amortize to expense over the estimated period. The environmental restoration expenditure, such as purchase of seedling plants, occur in each period will be deducted from the provision.

## 22. OTHER NON-CURRENT LIABILITIES

As at December 31, 2017 and 2016, other non-current liabilities consisted of :

|                                     | Thousand Baht                     |              |                               |              |
|-------------------------------------|-----------------------------------|--------------|-------------------------------|--------------|
|                                     | Consolidated Financial Statements |              | Separate Financial Statements |              |
|                                     | Dec-31, 2017                      | Dec-31, 2016 | Dec-31, 2017                  | Dec-31, 2016 |
| Deposit for Office rental           | -                                 | 3,600        | 3,600                         | 3,600        |
| Retention                           | 4,716                             | 4,706        | -                             | -            |
| Total other non-current liabilities | 4,716                             | 8,306        | 3,600                         | 3,600        |

## 23. SHARE CAPITAL

On October 18, 2015, the Company registered its increasing capital with Department of Business Development, Ministry of Commerce for an amount of 23.40 Million shares at par value of 1.00 Baht per share which make the registered capital of the Company as of June 30, 2016 became 24,156,939,463.00 Baht.

Subsequently, the Company issued new ordinary shares as follows;

- 23.1 New ordinary shares for an amount of 8,075,000,000 shares to Private Placement at offering price of 0.05 Baht per share totaling 403,750,000 Baht and registered the paid-up capital of 8,075,000,000 Baht on February 11, 2016.
- 23.2 New ordinary shares for an amount of 1,758,283,143 shares to existing shareholders (Right Offering) at offering price of 0.05 Baht per share totaling 87,914,157.15 Baht and registered the paid-up capital of 1,758,283,143 Baht on February 17, 2016.
- 23.3 New ordinary shares for an amount of 9,812,000,000 shares to Private Placement (2) at offering price of 0.05 Baht per share totaling 490,600,000 Baht and registered the paid-up capital of 9,812,000,000 Baht on March 18, 2016.

On July 17, 2017, the Company registered its decreasing capital with Department of Business Development, Ministry of Commerce for an amount of 3,754,716,857 Million shares at par value of 1.00 Baht per share which make the registered capital of the Company as of July 17, 2017, became 20,402,222,606 Baht.

On July 19, 2017, the Company registered its increasing capital with Department of Business Development, Ministry of Commerce for an amount of 4,080,444,521 Million shares at par value of 1.00 Baht per share which make the registered capital of the Company as of July 19, 2017, became 24,482,667,127 Baht.

and issued new ordinary shares for an amount of 259,174,943 shares to existing shareholders (Right Offering) at offering price of 0.35 Baht per share totaling 90,711,230.05 Baht and registered the paid-up capital of 259,174,943 Baht on August 2, 2017.

After the capital increase, the Company has registered capital, issued ordinary shares and paid-up shares are as follows:

| Detail                           | Capital        |                | Premium(Discount) |
|----------------------------------|----------------|----------------|-------------------|
|                                  | Amount         | Amount         | Common stocks     |
|                                  | (Shared)       | (Baht)         | (Baht)            |
| <b><u>Registered Capital</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 |                   |
| <b><u>Paid - up Capital</u></b>  |                |                |                   |
| 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. EXPENSES BY NATURE

The expenditure items of expenses for the year ended December 31, 2017 and 2016 which categorized by nature are as follows:

| Expense Classifications                                      | Thousand Baht                     |             |                               |             |
|--|-----------------------------------|-------------|-------------------------------|-------------|
|  | Consolidated financial statements |             | Separate financial statements |             |
|  | Dec-31,2017                       | Dec-31,2016 | Dec-31,2017                   | Dec-31,2016 |
| Changes in inventories of finished goods and work in process | (42,867)                          | 27,151      | (427)                         | 7,823       |
| Raw material and supplies used                               | 19,491                            | 6,391       | 12,723                        | 5,543       |
| Depreciation and amortization                                | 21,324                            | 25,191      | 13,025                        | 6,314       |
| Employee benefits expenses                                   | 46,122                            | 48,189      | 35,351                        | 34,946      |
| Legal fee  | 150                               | 1,705       | 150                           | 1,525       |
| Electricity  | 4,289                             | 3,515       | 620                           | 720         |

25. GAIN (LOSS) ON EXCHANGE RATE

|                        | Thousand Baht                     |             |                               |             |
|------------------------|-----------------------------------|-------------|-------------------------------|-------------|
|                        | Consolidated financial statements |             | Separate financial statements |             |
|                        | Dec-31,2017                       | Dec-31,2016 | Dec-31,2017                   | Dec-31,2016 |
| Realized gain (loss)   | 65                                | -           | 65                            | -           |
| Unrealized gain (loss) | 47                                | (13)        | 47                            | 25          |
| Total                  | 112                               | (13)        | 112                           | 25          |

26. INCOME TAX EXPENSES

Income Tax Expense for the year ended December 31, 2017 and 2016 are as follows:

|   | Baht                              |                  |                               |          |
|---|-----------------------------------|------------------|-------------------------------|----------|
|   | Consolidated financial statements |                  | Separate financial statements |          |
|   | 2017                              | 2016             | 2017                          | 2016     |
| <b>Income tax:</b>  |                                   |                  |                               |          |
| Income tax for the years  | -                                 | 3,060,491        | -                             | -        |
| <b>Deferred Tax:</b>  |                                   |                  |                               |          |
| Deferred tax from temporary different and reversal of temporary different | -                                 | -                | -                             | -        |
| Effect of deferred tax from changed in tax rate                           | -                                 | -                | -                             | -        |
| <b>Income tax expenses present in statement of income</b>                 | <b>-</b>                          | <b>3,060,491</b> | <b>-</b>                      | <b>-</b> |

The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the year ended December 31, 2017 and 2016 are presented as the following:

|  | Baht                   |           |                    |      |
|--|------------------------|-----------|--------------------|------|
|  | Consolidated financial |           | Separate financial |      |
|  | statements             |           | statements         |      |
|  | 2017                   | 2016      | 2017               | 2016 |
| Income tax expenses presented in the statement of income       | -                      | 2,681,926 | -                  | -    |
| Effects to deferred income tax from change of income tax rates | -                      | -         | -                  | -    |
| Effects from income tax for:                                   |                        |           |                    |      |
| Dividend income exempted in tax calculation                    | -                      | -         | -                  | -    |
| Revenue exempted in tax calculation                            | -                      | -         | -                  | -    |
| Non-deductible expenses  | -                      | 378,565   | -                  | -    |
| Deductible expenses at a greater amount                        | -                      | -         | -                  | -    |
| Others   | -                      | -         | -                  | -    |
| Total  | -                      | -         | -                  | -    |
| Income tax expenses presented in the statement of income       | -                      | 3,060,491 | -                  | -    |

The components of deferred tax assets account comprises the following items.

|  | Baht                              |            |                               |            |
|--|-----------------------------------|------------|-------------------------------|------------|
|  | Statements of Financial Position  |            |                               |            |
|  | Consolidated financial statements |            | Separate financial statements |            |
|  | As of December 31,                |            | As of December 31,            |            |
|  | 2017                              | 2016       | 2017                          | 2016       |
| <b>Deferred tax assets:</b>                              |                                   |            |                               |            |
| Allowance for declining in value of inventories          | 675,107                           | 675,611    | 675,107                       | 675,611    |
| Allowance for doubtful account of guarantee Tungku       | 160,000                           | 160,000    | 160,000                       | 160,000    |
| Allowance for doubtful account of receivable work rights | 53,405,824                        | 57,969,542 | 53,405,824                    | 57,969,542 |
| Employee benefits  | 2,214,114                         | 1,730,341  | 1,760,946                     | 1,468,673  |
| Total  | 56,455,045                        | 60,535,494 | 56,001,877                    | 60,273,826 |

There is no income tax was payable of the Company and the subsidiary, (except 89 Capricorn Development Limited) because of the utilization of the tax benefits arising from loss carry forward of the Company.

As of December 31, 2017 and 2016 the Group has temporary different for tax deduction and unused of income tax deduction from loss which is not presented as deferred income tax assets in Statement of financial position. Therefore, the Group's management has consider that there is no evidence to prove that the Group will has income tax payment in the future which is enough to utilized of deferred tax assets as mention above.

## 27. BUSINESS SEGMENT INFORMATION

Mining is the core business of the Company and three of its four subsidiaries. This includes andesite mining in Saraburi Province, gold exploration and mining in Loei Province and tin mining in Phuket Province, Another subsidiary, Sky Cliff Limited, is in the property development business.

Sales and cost of sales classified by segment for the year ended December 31, 2017 and 2016 were presented in the statements of income for the periods. The classification of the assets of the Company and its subsidiaries by segment as of the respective statement of financial position date are presented below:

|  |                       |      |                 |   | Million Baht    |         |                   |       |                           |      |            |           |         |       |
|--|-----------------------|------|-----------------|---|-----------------|---------|-------------------|-------|---------------------------|------|------------|-----------|---------|-------|
|  | Core Business: Mining |      |                 |   |                 |         | Property Business |       | Renewable Energy Business |      | Eliminated |           | Total   |       |
|  | Tin Mining            |      | Myanmar Project |   | Andesite Mining |         |                   |       |                           |      |            |           |         |       |
|  |                       |      |                 |   |                 |         | 2017              | 2016  | 2017                      | 2016 | 2017       | 2016      | 2017    | 2016  |
| Deferred expenditures of other projects, net |                       |      |                 |   |                 |         |                   |       |                           |      |            |           |         |       |
| Andesite mining                              | -                     | -    | -               | - | 3.9             | 4.4     | -                 | -     | -                         | -    | -          | -         | 3.9     | 4.4   |
| Tin Mining                                   | -                     | -    | 36.8            | - | -               | -       | -                 | -     | -                         | -    | -          | -         | 36.8    | 0     |
| Phuket project                               | -                     | -    | -               | - | -               | -       | -                 | -     | -                         | -    | -          | -         | 0       | 0     |
| Property, plant and equipment, net           | 19.6                  | 19.6 | 125.4           | - | 195.8           | 220.3   | 8.3               | 10.5  | -                         | -    | -          | -         | 349.1   | 250.4 |
| Other assets                                 | 3.5                   | 4.0  | -               | - | 1125.3          | 1,188.3 | 859.2             | 832.7 | 24.7                      | -    | (1,264.90) | (1373.2)  | 747.8   | 651.8 |
| General assets                               | -                     | -    | -               | - | -               | -       | -                 | -     | -                         | -    | -          | -         | -       | -     |
| Total assets                                 | 23.1                  | 23.6 | 162.2           | - | 1,325.0         | 1,413.0 | 867.5             | 843.2 | 24.7                      | -    | (1,264.9)  | (1,373.2) | 1,137.6 | 906.6 |

## 28. COMMITMENTS AND CONTINGENT LIABILITIES

### Guarantee

28.1 As of December 31, 2017 and 2016, the Company and its subsidiaries have contingent liabilities due to banks guarantee as follows:

|   | Thousand Baht                        |                      |                                  |                      |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
|   | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|   | December<br>31, 2017                 | December<br>31, 2016 | December<br>31, 2017             | December<br>31, 2016 |
| <b><u>Banks guarantee receiver</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        | 0.40                                 | 0.40                 | 0.20                             | 0.20                 |
| Department of Public Work and Town & Country Plan | 1.86                                 | 1.86                 | -                                | -                    |
| Total   | 2.85                                 | 2.85                 | 0.39                             | 0.39                 |

### Regulatory Commitment

28.2 These rehabilitation measures are in accordance with the regulations of the Office of Natural Resources and Environmental Policy and Planning (ONEP), Ministry of Natural Resources and Environment and Forestry Department on environmental impact caused by Andesite mining in which the Company has to prepare the rehabilitation plan for the rock quarrying concession area and provide the rehabilitation costs amounting to Baht 0.4 million.

28.3 With the measures to prevent and improve environmental impacts announced by Department of Primary Industries and Mines defined that the holder of concession No. 28676/15268, an andesite quarry mining for the 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 Relation Committee and deposited the first fund on November 1, 2017. The details of the fund are as follows:

#### - Mining rehabilitation fund

The objective of the fund is for the rehabilitation of mined areas and areas not related to mining. The rehabilitation levy is at a rate of 34,000 Baht per rai per year. The Company will determine the mining area each year. The amount of money to be paid into the Mining Rehabilitation Fund is calculated based on the number of rai actually mined for each year until the rights and duties of the concession ends, which must not exceed 88 rai, 3 ngan, 81 square wah, according to the area specified in the concession.

- **The Community Infrastructure Improvement Fund**

The objective of the fund is for the activities of public development, education, traditions and culture in local communities surrounding the concession area and areas associated with the concession. Funds for the first year are set at 500,000 Baht, and the fund for the following year will be paid at the proportion of 1 Baht per metric ton of production in the previous year. The minimum fund is set at 500,000 Baht per annum with continuous payments until the rights and obligations under the license will expire.

- **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 surrounding the concession area and areas associated. Funds for the first year are set at 200,000 Baht, and the fund for the following year will be paid at the proportion of 0.5 Baht per metric ton of production in the previous year. The minimum fund is set at 200,000 Baht per annum with continuous payments until the rights and obligations under the license will expire.

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 in a year to consider the plan and the results of the activities, and also prepare reports, plans and performance required to report to Department of Primary Industries and Mines and the relevant agencies.

**Contractual Obligations**

- 28.4 Contract to produce, installation and maintenance 3 sets of “tin production machinery” to be used in 3 Tin-mines in the Republic of the Union of Myanmar with Phetch-Pailin-Kao Co., Ltd. The contract dated July 5, 2016, total contract value is Baht 136.0 million which has been paid amount of Baht 108.0 million.
- 28.5 Contract to area preparation, document processing, tin transport from 3 Tin-mines in the Republic of the Union of Myanmar with SI Engineering Company Limited. The contract dated September 18, 2016, total contract value is Baht 51.3 million which has been paid amount of Baht 38.1 million.
- 28.6 Contract conducted a survey to assess the profile tin reserves in the Republic of the Union of Myanmar with GMT Corporation Ltd. The contract dated April 01, 2017, total contract value is Baht 4.8 million which has been paid amount of Baht 3.9 million.

**89 Capricorn Development Company Limited** had enter into several agreements with non-related companies as follow:

- 28.7 Security contract for THE BAY dated 31 December 2017, in which the contract is paid on a monthly basis at Baht 64,000 per month for 1 year from January 1, 2018 to December 31, 2018.



## LAWSUIT THAT THE COMPANY IS A DEFENDANT

### 28.8 The case for the breach of shareholder agreement of Sky Cliff Company Limited

On January 25, 2012, two related companies filed a lawsuit against the Company to the Civil Court for that the Company, holding 75% share in Sky Cliff, breached the shareholder agreement of Sky Cliff, and claimed a damage amounting to approximately Baht 12 million. The Company filed the testimony to the Court arguing that the agreement was not binding and asked for case dismissal. The case now is under the consideration by the Civil Court. The Court scheduled for witness hearing on October 2, 2013. However, the case under the consideration has been postponed on August 28, 2014 and October 29, 2014 by the Civil Court. On the purpose is awaiting for judgment of the Company's the rehabilitation plan. Therefore, the Company filed to rehabilitation. So, any the Company's lawsuit cases have been awaiting to complete the rehabilitation.

On November 5, 2014, the Central Bankruptcy Court ordered for the company's rehabilitation, as a result, the companies related to the company used the amount of debt to file an application for debt repayment with the Official Receiver. Currently, the Official Receiver still does not have any order regarding the application for debt repayment, but the Official Receiver has set the right to vote at zero votes to be used for voting in the creditors' meeting in which later meet the completed repayment duration according to the plan, the Company has repaid or deposited the asset as mention in the note no 2.1 (B)2.

On September 7, 2016 the Officer had the order to reject the request after that November 14, 2016 the Creditor which is the connected company filed the appeal to the Central Bankruptcy Court. On December 9, 2016 the Company filed the statement to appeal the statement of the said creditor.

On January 17, 2017, the Central Bankruptcy Court examined the petition and ordered an examination on March 21, 2017.

On August 8, 2017, the court examined the petitioner and the dissenter, and ordered a petition on September 20, 2017. Subsequently, on November 1, 2017, the Company requested the court to issue a letter of case termination, in which the court issued one on November 3, 2017 to file a refund for the deposit from the Legal Execution Department. The company received the refund on November 9, 2017.

### 28.9 Bankruptcy Case

On December 24, 2012, creditors, which are two related companies, filed complaint against the Company to the Bankruptcy Court alleging that the Company indebted to the two related companies amounting to approximately Baht 46 million, and the 2011 financial statements of the Company showed liabilities greater than assets. The plaintiff asked the Court to order the Company absolute receivership and insolvent. The Company filed testimony against the plaintiff's claim by disputing the debt claimed by the plaintiff with the Central Bankruptcy Court. The case is under the consideration of the Bankruptcy Court. The Court scheduled for witness hearing on September 10, 2013. Therefore, the Company filed to rehabilitation. So, any the Company's lawsuit cases have been awaiting to complete the rehabilitation.

On November 5, 2014, the Central Bankruptcy Court ordered for the company's rehabilitation, as a result, the companies related to the company used the amount of loan debt to file an application for debt repayment with

the Official Receiver. After due of the payment which mentioned in the rehabilitation plan, the Company deposit the money as mentioned in the remark clause 2.1 B (2).

On September 2016 the Officer had the order to reject the request of the Creditor and on November 14, 2016 the Creditor which is the 2 connected company filed the appeal to the Central Bankruptcy Court and on December 9, 2016 the Company filed the statement to object the Creditor's statement.

On January 17, 2017, the Central Bankruptcy Court examined the petition and ordered an examination on March 21, 2017.

On August 8, 2017, the court examined the petitioner and the dissenter, and ordered a petition on September 20, 2017. Subsequently, on November 1, 2017, the Company requested the court to issue a letter of case termination, in which the court issued one on November 3, 2017 to file a refund for the deposit from the Legal Execution Department. The company received the refund on November 9, 2017.

**28.10 Case for the revocation of the contractual arrangement of loan and the pledge of Sea Minerals Limited share certificates between the Company and a subsidiary and two related companies**

On May 11, 2012, a company related to the former director sent a notice to the Company claiming that the Company has an outstanding debt amounting to Baht 56.80 million and would enforce the pledge agreement of share certificates in a subsidiary (Sea Mineral) to auction. On June 28, 2012, the related company enforced to auction the pledge agreement of Sea Mineral share certificates. The related company was being the only bidder and won the auction at the value of approximately Baht 18.5 million.

The current Board of Directors of the Company opined that the three loan agreements and the three pledge agreements referred by the related company including that a former director of the Company took out the share certificates of Sea Mineral share from the Company's office for the auction caused damage to the Company. Therefore, the Company filed a lawsuit against the two related companies and against the former director of the Company as the following details:

- (1) On June 15, 2012, Criminal Case – at the Economic Crime Division (the Royal Thai Police Bureau) on the counts of false statements to the document, violating the Security and Security Exchange Act. The case is under the investigation of inquiry officer.

However, the Inquiry Official has issued a warranty since the former executives did not meet with the Inquiry Official.

Later on The Company subsequently brought the matter to the Criminal Court as Black Case No. 3574/2015. The court scheduled an examination of the plaintiff on July 18, 2017, which was postponed to September 1, 2017. Upon completion of the examination, the court scheduled hearing of the judgment on October 30, 2017. The court has dismissed the case and ordered the Company to revoke the share certificates in the Civil Court case in which the lawsuit has already been filed. The Company appealed the judgment to the court on January 29, 2018. Thus, the case is pending the appeal to the Court of Appeal.

- (2) On September 25, 2012, Civil Case – at the Civil Court for the revocation of three loan agreements and three pledge agreements. The case is under consideration by the Civil Court. The Court scheduled for witness hearing on September 19, 2013. Therefore, the Company filed to rehabilitation. So, any the Company's lawsuit cases have been awaiting to complete the rehabilitation. Although the company is out of the rehabilitation plan. But can not prosecute a civil court. Because the case involves a request for repayment of creditor in the reorganization that no order or judgment to the Court.

In the civil case, the Central Bankruptcy Court has finally passed final judgment on September 20, 2017 detailing that the November 2010 loan agreement pledged to secure the share certificates of the Company held in Sea Minerals Limited has already been terminated since December 22, 2010.

- (3) On October 26, 2012, Civil Case – at the Civil Court for the revocation of the auction of Sea Mineral share certificates. The case is under consideration by the Civil Court. The Court scheduled for witness hearing on September 19, 2013. Therefore, the Company filed to rehabilitation. So, any the Company's lawsuit cases have been awaiting to complete the rehabilitation. Although the company is out of the rehabilitation plan. But can not prosecute a civil court. Because the case involves a request for repayment of creditor in the reorganization that no order or judgment to the Court.

On November 3, 2017, the Company received the letter certifying the final judgment. The letter will be filed with the court for further consideration.

- (4) On June 12, 2013, Criminal Case – at the Economic Crime Division (the Royal Thai Police Bureau) on the counts of false statements to the document, violating the Security and Security Exchange Act. The case is under the investigation of inquiry officer.

## 29. FINANCIAL INSTRUMENTS

### Foreign currency risk

As of December 31, 2017 and 2016, the Group is exposed to a few foreign currency risks, due to major business transaction of the Group is few foreign currency and the major business transactions in foreign country are committed in Baht currency.

### Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the operations of the Company and its subsidiaries and their cash flows. The Company's and its subsidiaries not exposure to interest rate risks, due to no loans from financial institution

### Credit Risk

The Company is exposed to credit risk deal with the trade accounts receivable. However, due to the Company sales to creditworthy customers, they do not anticipate material losses from their collection from trade accounts receivable.

### Fair Value

The management believes that the fair value of the Company's financial assets and liabilities does not materially differ from their carrying value.

### 30. EVEN AFTER THE REPORTING PERIOD

There are events after the reporting date that are continuing subsequent from December 31, 2017 as mentioned in note to Financial statement 2.6, 4.3, 8.4, 14, 28.10(1)

### 31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements ended of December 31, 2017 have been approved by the Board of director on February 26, 2018

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## Analysis and explanation of management

To read the description and analysis of the management, therefore Investors should study the accompanying documents. These include the consolidated financial statements. Improved financial information and the summary of past performance is provided in the accompanying notes in the financial statements and the information presented in this document.

### Statements of financial position

| Million Baht  | 2015     | percentage | 2016   | percentage | 2017     | percentage |
|---|----------|------------|--------|------------|----------|------------|
| asset   |          |            |        |            |          |            |
| current assets  |          |            |        |            |          |            |
| Cash and cash equivalents   | 62.58    | 4.84%      | 16.40  | 1.81%      | 114.19   | 10.04%     |
| Accounts receivable - net   | 3.74     | 0.29%      | 16.76  | 1.85%      | 187.51   | 16.48%     |
| Other receivables   | 75.46    | 5.84%      | 23.21  | 2.56%      | 17.43    | 1.53%      |
| Short-term loans to related parties                                   | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| Inventories - net   | 377.99   | 29.24%     | 370.42 | 40.86%     | 326.04   | 28.66%     |
| Deposits from other companies   | -        | -          | -      | -          | 3.00     | 0.26%      |
| Other current assets  | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| - Estimated gold royalty overpayment -                                | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| - Pending tax refund  | 9.34     | 0.72%      | 10.62  | 1.17%      | 8.51     | 0.75%      |
| - other   | 11.55    | 0.89%      | 0.59   | 0.07%      | -        | 0.00%      |
| Total current assets  | 540.66   | 41.82%     | 437.99 | 48.31%     | 656.68   | 57.73%     |
| Non-current assets  |          |            |        |            |          |            |
| Investments in subsidiaries - net                                     | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| Advance payment for investment  | -        | 0.00%      | 70.08  | 7.73%      | 70.08    | 6.16%      |
| Other long-term investments - Deposits at banks pledged as collateral | 7.10     | 0.55%      | 2.98   | 0.33%      | 3.00     | 0.26%      |
| Deferred project expenses - net                                       | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| - Andean Quarry   | 5.15     | 0.40%      | 4.42   | 0.49%      | 3.68     | 0.32%      |
| - gold mining   | 176.61   | 13.66%     | -      | 0.00%      | -        | 0.00%      |
| - mines in Laos   | 49.54    | 3.83%      | 64.62  | 7.13%      | 69.10    | 6.07%      |
| - Gold mining in Myanmar  | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| - Tin mining - Myanmar.   | -        | 0.00%      | -      | 0.00%      | 36.80    | 3.23%      |
| Long-term loans to related parties - net                              | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| Advances to other companies - net                                     | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| Property, plant and equipment - net                                   | 456.07   | 35.28%     | 259.60 | 28.63%     | 243.22   | 21.38%     |
| Investment Property   | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| Intangible assets - net   | 0.63     | 0.05%      | 0.16   | 0.02%      | 0.06     | 0.01%      |
| Deferred tax assets   | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| Advance payment for land acquisition - Andadite Quarry                | 17.69    | 1.37%      | 17.69  | 1.95%      | 17.69    | 1.56%      |
| Goodwill  | -        | 0.00%      | -      | 0.00%      | -        | 0.00%      |
| Other non-current assets  | 39.29    | 3.04%      | 49.11  | 5.42%      | 37.24    | 3.27%      |
| Total non-current assets  | 752.08   | 58.18%     | 468.66 | 51.69%     | 480.88   | 42.27%     |
| Asset Included  | 1,292.74 | 100.00%    | 906.65 | 100.00%    | 1,137.56 | 100.00%    |

| Million Baht   | 2015      | percentage | 2016        | percentage | 2017        | percentage |
|--|-----------|------------|-------------|------------|-------------|------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |           |            |             |            |             |            |
| Total current liabilities  |           |            |             |            |             |            |
| Bank overdrafts and short-term loans from financial institutions   | -         | 0.00%      | -           | 0.00%      | -           | 0.00%      |
| Trade payables   |           |            |             |            |             |            |
| - Related parties  | -         | 0.00%      | -           | 0.00%      | -           | 0.00%      |
| - other business   | 32.05     | 2.48%      | 21.03       | 2.32%      | 28.80       | 2.53%      |
| Other payables   | 89.63     | 6.93%      | 24.28       | 2.68%      | 41.35       | 46.03%     |
| Liabilities under finance lease agreements due within one year   | 0.50      | 0.04%      | -           | 0.00%      | -           | 0.00%      |
| Default Loan   | 829.01    | 64.13%     | -           | 0.00%      | -           | 0.00%      |
| Short-term loans from related parties  | -         | 0.00%      | -           | 0.00%      | -           | 0.00%      |
| Estimation of damages suffered by the parties claiming non-compliance with the contract of delivery of gold. | 906.42    | 70.12%     | -           | 0.00%      | -           | 0.00%      |
| Provision for contingent liabilities of subsidiaries   | -         | 0.00%      | -           | 0.00%      | -           | 0.00%      |
| Other current liabilities  |           |            |             |            |             |            |
| - Approximate amount of gold ore paid -  | 317.92    | 24.59%     | -           | 0.00%      | -           | 0.00%      |
| - other  | 87.32     | 6.75%      | -           | 0.00%      | 3.62        | 4.03%      |
| Total current liabilities  | 2,262.85  | 175.04%    | 45.31       | 5.00%      | 73.77       | 6.48%      |
| Non-current liabilities  |           |            |             |            |             |            |
| Long-term loans from related parties   | 85.91     | 6.65%      | -           | 0.00%      | -           | 0.00%      |
| Liabilities under finance lease agreements   | 0.45      | 0.03%      | -           | 0.00%      | -           | 0.00%      |
| Employee benefits obligation   | 12.41     | 0.96%      | 8.65        | 0.95%      | 11.10       | 0.98%      |
| Provisions for the removal, relocation and restoration of assets.  | 38.09     | 2.95%      | -           | 0.00%      | -           | 0.00%      |
| Provision for environmental rehabilitation   | 5.83      | 0.45%      | 0.25        | 0.03%      | 0.25        | 0.02%      |
| Other non-current liabilities  | 7.56      | 0.59%      | 8.31        | 0.92%      | 4.72        | 0.41%      |
| Non-current liabilities  | 150.25    | 11.62%     | 17.21       | 1.90%      | 16.04       | 1.41%      |
| Debt consolidation   | 2,413.11  | 186.67%    | 62.52       | 6.90%      | 89.80       | 7.89%      |
| Shareholders' Equity   |           |            |             |            |             |            |
| Share capital  | -         |            | -           |            | -           |            |
| Registered capital   | -         |            | -           |            | -           |            |
| Ordinary shares 24,156,939,463 shares Baht 1 per share   | 24,156.94 |            | 24,156.94   |            | 24,482.67   |            |
| Ordinary shares 24,482,667,127 shares 1 Baht   | -         |            | -           |            | -           |            |
| Issued and fully paid-up share capital   | 756.94    | 58.55%     | 20,402.22   | 2250.28%   | 20,661.40   | 1816.29%   |
| Share premium - net  | 358.61    | 27.74%     | (18,310.78) | -2019.60%  | (18,480.34) | -1624.56%  |
| Advance received - Company   | 28.75     | 2.22%      | -           | 0.00%      | -           | 0.00%      |
| Amounts converted from equity attributable to equity holders of the Company                                  | (4.45)    | -0.34%     | -           | 0.00%      | -           | 0.00%      |
| Retained earnings  | -         | 0.00%      | -           | 0.00%      | -           | 0.00%      |

| Million Baht                               | 2015       | percentage | 2016       | percentage | 2017       | percentage |
|--|------------|------------|------------|------------|------------|------------|
| Unallocated                                | (2,366.54) | -183.06%   | (1,329.50) | -146.64%   | (1,216.39) | -106.93%   |
| Shareholders' equity of the Company        | (1,226.69) | -94.89%    | 761.94     | 84.04%     | 964.67     | 84.80%     |
| Non-controlling interests                  | 106.33     | 8.22%      | 82.19      | 9.07%      | 83.09      | 7.30%      |
| Total Shareholders' Equity (Deficit)       | (1,120.37) | -86.67%    | 844.13     | 93.10%     | 1,047.76   | 92.11%     |
| Total liabilities and shareholders' equity | 1,292.74   | 100.00%    | 906.65     | 100.00%    | 1,137.60   | 100.00%    |

*Profit and Loss Statement*

| Million Baht   | 2015   | percentage | 2016   | percentage | 2017   | percentage |
|--|--------|------------|--------|------------|--------|------------|
| income   |        |            |        |            |        |            |
| sale income  |        |            |        |            |        |            |
| - Income from sales of Andadite Stone                                | 46.65  | 14.42%     | 46.71  | 17.48%     | 59.05  | 14.41%     |
| - Revenue from sales of gold   | 125.00 | 38.62%     | -      | 0.00%      | -      | 0.00%      |
| - Sales of land under development                                    | -      | 0.00%      | -      | 0.00%      | -      | 0.00%      |
| - Real Estate Sales - The Bay Project                                | 91.51  | 28.28%     | 129.74 | 48.56%     | 50.59  | 12.34%     |
| Mining and quarrying service income in Myanmar                       | -      | 0.00%      | -      | 0.00%      | 219.16 | 53.47%     |
| Exchange rate  | 19.17  | 5.92%      | -      | 0.00%      | 0.11   | 0.03%      |
| Gain on valuation of inventories                                     | 0.26   | 0.08%      | 0.29   | 0.11%      | -      | 0.00%      |
| Gain on sales of property, plant and equipment                       | -      | 0.00%      | 1.82   | 0.68%      | -      | 0.00%      |
| Gain on repayment under rehabilitation plan                          | -      | 0.00%      | 54.04  | 20.23%     | 77.96  | 19.02%     |
| Gains from the sale of investment assets                             | -      | 0.00%      | -      | 0.00%      | -      | 0.00%      |
| Other income   | -      | 0.00%      | -      | 0.00%      | -      | 0.00%      |
| -interest  | 10.76  | 3.33%      | 3.92   | 1.47%      | 0.14   | 0.03%      |
| - Income from creditors not repayment under the rehabilitation plan. | -      | 0.00%      | 6.01   | 2.25%      | -      | 0.00%      |
| - Improve penalties for corporate income tax increase.               | 13.09  | 4.04%      | 18.71  | 7.00%      | -      | 0.00%      |
| -other   | 17.19  | 5.31%      | 5.94   | 2.22%      | 2.87   | 0.70%      |
| Total incomes  | 323.64 | 100.00%    | 267.18 | 100.00%    | 409.88 | 100.00%    |
| Expenses   |        |            |        |            |        |            |
| Cost of sales  |        |            |        |            |        |            |
| - Cost of Stone Sales  | 23.87  | 7.38%      | 26.23  | 9.82%      | 50.67  | 12.36%     |
| - Cost of sales of gold and copper                                   | 128.27 | 39.63%     | -      | 0.00%      | -      | 0.00%      |
| - Cost of land sold during development                               | -      | 0.00%      | -      | 0.00%      | -      | 0.00%      |
| - Cost of mining operations - Myanmar                                | -      | 0.00%      | -      | 0.00%      | 97.81  | 23.86%     |
| - Cost of Sale of Real Estate - The Bay Project                      | 63.48  | 19.61%     | 98.31  | 36.80%     | 42.44  | 10.35%     |
| Cost of sales  | 9.95   | 3.08%      | 5.36   | 2.01%      | 4.65   | 1.13%      |
| Administrative expenses  | 224.21 | 69.28%     | 138.52 | 51.85%     | 100.28 | 24.47%     |
| Losses on sales of property, plant and equipment                     | 0.03   | 0.01%      | -      | 0.00%      | -      | 0.00%      |
| Loss on disposal of property, plant and equipment                    | -      | 0.00%      | -      | 0.00%      | -      | 0.00%      |
| Exchange losses  | -      | 0.00%      | 0.01   | 0.00%      | -      | 0.00%      |
| Doubtful   | -      | 0.00%      | -      | 0.00%      | -      | 0.00%      |
| Expenditures on gold mining projects                                 | -      | 0.00%      | -      | 0.00%      | -      | 0.00%      |
| Loss on impairment of investments in subsidiaries                    | -      | 0.00%      | 206.15 | 77.16%     | -      | 0.00%      |

| Million Baht                               | 2015     | percentage | 2016     | percentage | 2017   | percentage |
|--|----------|------------|----------|------------|--------|------------|
| Loss on diminution in value of inventories | -        | 0.00%      | 0.80     | 0.30%      | -      | 0.00%      |
| Financial costs                            | 1.46     | 0.45%      | 0.36     | 0.13%      | 0.03   | 0.01%      |
| Total cost                                 | 451.27   | 139.44%    | 475.74   | 178.06%    | 295.88 | 72.19%     |
| Profit (loss) before income tax            | (127.63) | -39.44%    | (208.56) | -78.06%    | 114.00 | 27.81%     |
| Income tax expense                         | (2.95)   | -0.91%     | (3.06)   | -1.15%     | -      | 0.00%      |
| Profit (loss) for the year                 | (130.58) | -40.35%    | (211.62) | -79.21%    | 114.00 | 27.81%     |

*Cash flow*

| Million Baht  | 2015    | 2016     | 2017    |
|---|---------|----------|---------|
| Net cash received from (used in) operating activities           | 34.72   | (251.46) | (25.39) |
| Net cash received from (used in) investing activities           | 34.30   | (248.12) | (44.50) |
| Net cash received from (used in) financing activities           | (11.93) | 455.32   | 167.59  |
| Impact of exchange rate on cash and cash equivalents            | 0.01    | (0.00)   | 0.09    |
| Net increase (decrease) in cash and cash equivalents            | 57.11   | (44.26)  | 97.79   |
| Cash and cash equivalents at beginning of year                  | 5.47    | 62.58    | 16.40   |
| Cash and cash equivalents decreased from sales of subsidiaries. | -       | (1.91)   | -       |
| Cash and cash equivalents at end of year                        | 62.58   | 16.40    | 114.19  |

*Financial Ratios*

| list                        | unit | 2015    | 2016     | 2017   |
|-----------------------------|------|---------|----------|--------|
| Liquidity ratio             |      |         |          |        |
| Liquidity ratio             | even | 0.24    | 9.67     | 8.90   |
| Quick ratio                 | even | 0.03    | 0.73     | 4.09   |
| Liquidity ratio, cash flow  | even | n/a     | 0.07     | (0.46) |
| Trade receivables turnover  | even | 40.65   | 17.21    | 3.22   |
| Average collection period   | day  | 8.98    | 20.91    | 111.82 |
| Inventory turnover ratio    | even | 0.35    | 0.33     | 0.55   |
| Average selling time        | day  | 1043.80 | 1,090.91 | 654.55 |
| Turnover Ratio              | even | n/a     | 2.58     | 2.09   |
| Repayment period            | day  | n/a     | 139.40   | 172.10 |
| cash cycle                  | day  | n/a     | 1,008.59 | 649.51 |
| Profitability Ratios        |      |         |          |        |
| Gross margin                | %    | 0.18    | 0.29     | 0.42   |
| Operating margin            | %    | (0.39)  | (0.78)   | 0.28   |
| Cash Ratio to Profitability | %    | (0.28)  | 1.21     | (0.22) |
| Net profit margin           | %    | (0.40)  | (0.79)   | 0.28   |
| Return on equity            | %    | n/a     | n/a      | 0.11   |
| Performance Ratio           |      |         |          |        |
| Return on Assets            | %    | (0.10)  | (0.23)   | 0.10   |
| Return on Fixed Assets      | %    | 0.43    | 0.57     | 0.85   |
| Asset Turnover              | even | 0.20    | 0.19     | 0.29   |



| list                             | unit | 2015   | 2016     | 2017 |
|----------------------------------|------|--------|----------|------|
| Financial Policy Analysis Ratios |      |        |          |      |
| Debt to equity ratio             | even | (2.15) | 0.07     | 0.09 |
| Interest Payment Capability      | even | 674.38 | 5,273.25 | -    |
| Dividend payout ratio            | %    | n/a    | n/a      | n/a  |

The Company's main income in 2017 came from two core businesses, namely mining and real estate. The core business will continue to generate revenue for the Company. Continuously in the future. The business analysis is as follows.

- **Income from quarrying And Andes:** Excavation and distribution of Andesite is the main business of the Company. Over the past 20 years, we have been the expert in this business. At present, the Company is expected to have a reserve of approximately 4.68 million tons of rock and the Company is still in the process of renewal of its license No. 28675/15632. This is the area that the company used to have the right to mine in the past, but expired. The company expects to be able to renew within 1-2 years, with approximately 25.39 million tons of rock reserves. If the total reserves of these two exploration blocks are 30.07 million tons, the amount of coal sold is 3.7 million tons. The remaining reserve of 26.37 million tons of rock, which is enough to continue the business for many years. Compared to the amount of rock sales in the year 2017, the Company produces and sells roughly 309,765.75 tons of coal, representing a utilization rate of approximately 90.00%, with a maximum capacity of 350,000 tons per year.

- **Revenue from Tin Mining Services - Myanmar:** The Company has been engaged in the mining of Tin Mine in Myanmar. The contract is for 11 years with the owner of tin mining. The mines were mined from Myanmar. In the first quarter of 2017, the company had revenue from services increased by Baht 219.16 million. The Revenue from this operation is expected to continue in the future.

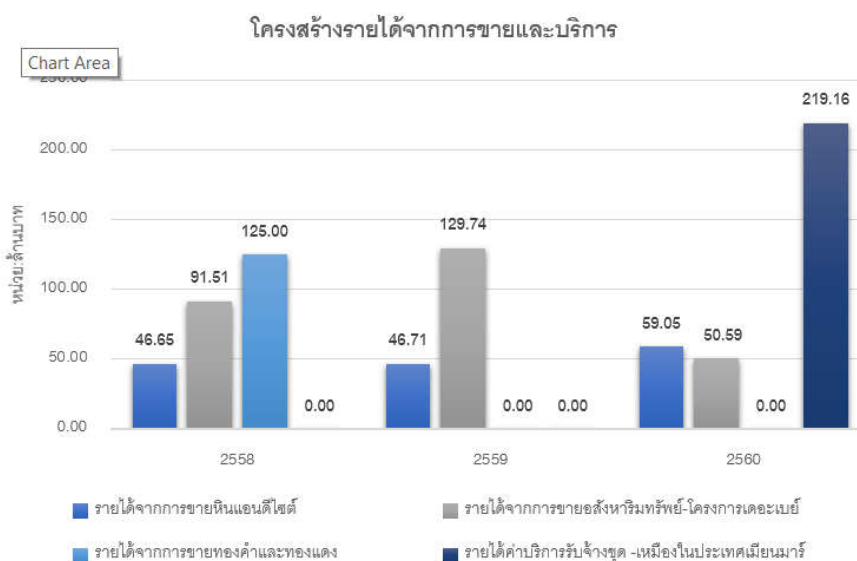
- **Real Estate Sales - The Bay Project:** The Company started its real estate development business in 2015 under its subsidiary, 89 Capitol Development Co., Ltd. in Phuket. The Bay Skycliff (32 units and 24 units) and The Bay District (9 units) have been launched. Sales of 16 units and 3 units followed, respectively. The Bay District project has 4 units of commercial buildings awaiting sale. There are three more projects to be developed over the next three to five years, which will generate revenue for the company. Continuously in the future.

#### Performance Analysis

##### Income

The main business of the Company is still a mining company. The company has been engaged in this business for more than 111 years. Although in 2016, the Company sold its investment in Tungsum Limited. Therefore, the company has no income from gold mining. However, at the end of 2016, the Company signed a management contract for tin mining in Muang Marid with the tin mining company. In Myanmar Later, The tin mining business started in March 2017. According to the financial statements ended December 31, 2017, the Company had revenue from digging tin mines in Myanmar amounting to Baht 219.16 million or 66.65%. All sales and service income from the disposal of Andesite stone amounted to Baht 59.05 million, decreasing to 17.96% of total revenue from sales and services. For real estate in 2010, revenue from sales of real estate is 50.59 million baht or 15.39% of total revenue from sales and services. Expansion of the business to real estate. The operation of mining pearl mines in Myanmar helps solving internal problems of the company. Over the past 3 years, the Company has continuously improved its performance over the period of

2015-2017. As a result, in the year 2017, the Company's net profit from operations excluding debt restructuring was Baht 32.91 million.



In 2015, the Company's total revenues were Baht 323.64 million, an increase of Baht 227.36 million or 236.15% from the previous year. Sales and service income were Baht 263.17 million, an increase of Baht 205.02 million or 352.57%. The revenue from sales and services comes from the Company. The revenue recognition from the Bay Skycliff property development business comprises 32 twin houses and 24 commercial buildings. Income from sales of semi-detached houses and commercial buildings totaled Baht 91.51 million. There is no income in this section. The revenue from sales of Andesite was 46.65 million baht, increased by 7.78 million baht or 20.03% from the previous year. This was mainly due to an increase in the sales volume of ¾ inch and 42.81%, the increase was in line with the government's demand of stone for road repairs. The revenue from sales of gold and copper totaled Baht 125.00 million, an increase of Baht 107.32 million or 607.00% from the previous year. As a result, Tungsum Limited has started selling gold again. In addition, the Company had other incomes totaling of Baht 41.04 million, which comprised of interest income of Baht 10.76 million, adjustment of penalty for corporate income tax, Baht 13.09 million, and other amount of Baht 17.19 million.

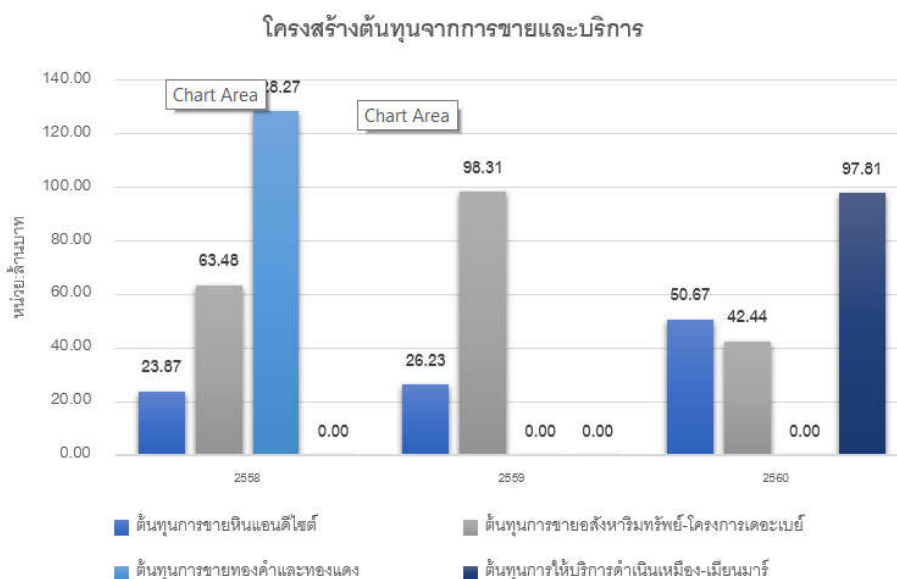
The Company's total revenues were Baht 267.17 million, a decrease of Baht 56.46 million or 17.45 percent from the previous year. The revenue from sales and services was Baht 176.45 million, a decrease of Baht 86.72 million or 32.95 percent. The decrease in sales and service income resulted from the disposal of investment in Tungsum Limited to restructure debt under rehabilitation plan. As a result, the revenue from the sale of gold and copper. The financial statements were not presented in the financial statements for the year. However, the company. Revenue from sale of real estate was Baht 129.74 million, an increase of Baht 38.23 million or 41.77% from the increase in the sale of twins in The Bay Skycliff. We have begun to recognize some of the new property projects, namely The Bay District. The project consists of nine commercial buildings. Income from Andesite Stone Sales Increased by 0.05% or 0.13% from the previous year In addition, the Company has other incomes totaling over Baht 34.57 million, mainly from Adjustment of penalty for corporate income tax of Baht 18.70 million and profit from repayment under rehabilitation plan of Baht 54.04 million.

In the year 2017, the Company's total revenue was Baht 409.83 million, an increase of Baht 142.70 million or 53.41% from the year 2016. Sales and service income were Baht 328.79 million, an increase of Baht 152.34 million or an increase of 86.33% from the year 2016. Main factors are: Recognized revenue from the mines excavation in Myanmar amounted to 219.16 million from the previous revenue in this section. Mine revenue in Myanmar has a long-term contract of 11 years. Earnings in this section continue to come in the long run. Income from Andesite Stone Sales increased by Baht 12.33 million or 26.40% due to the increase in demand for Andesite Stone. Especially stone crushed. On the other hand, real estate sales revenue declined significantly at Baht 79.15 million or 61.01% due to a decrease in sales of commercial buildings and semi-detached houses. The slowdown in real estate sector in Phuket. In addition, the Company has other income. The gain from debt repayment under the rehabilitation plan was Baht 77.96 million as a result of debt restructuring under the rehabilitation plan of the Company and other income of Baht 3.01 million.

#### Selling cost

In 2015, the Company's cost of sales and services was Baht 215.63 million, an increase of Baht 161.77 million or 300.39% from the year 2014, representing 81.93% of sales and service income. This was a decrease of 92.61% from the previous year. The significant increase in cost of sales and services was due to the

Company. The cost of copper increased by Baht 98.50 million or 330.88% from the previous year, which was in line with the increase in sales of gold and copper. In addition, in that year, the Company Has started the real estate business. As a result, the cost of sales of The Bay Skycliff increased by Baht 63.48 million, in line with the increase in real estate revenue. 69.36%. The cost of sales of Andesite stone was Baht 23.87 million, an increase of Baht 0.72 million or 3.09 percent, which accounted for 51.17 percent of sales revenue. Which fell from 59.58 percent in the previous year.



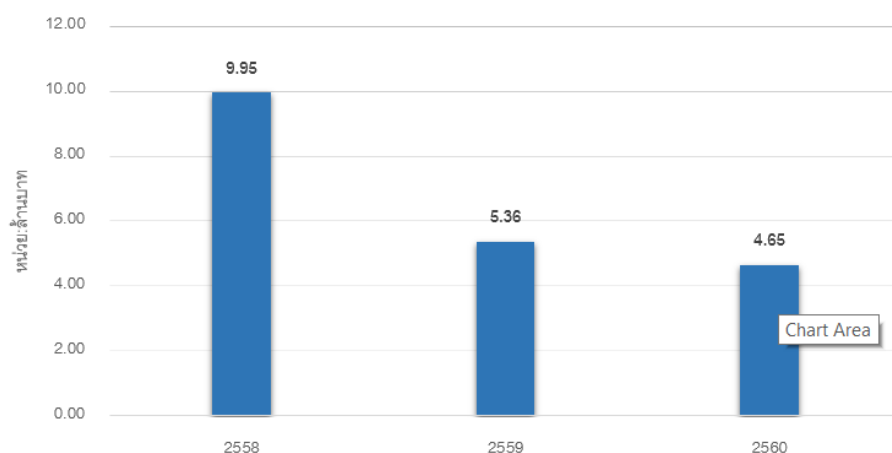
In 2016, the Company's cost of sales and services was Baht 124.54 million, a decrease of Baht 91.09 million or 42.24% from the previous year, accounting for 70.58% of sales and service income. This is a decrease from 81.93% in the previous year. Significant decrease in cost of sales and services came from the Company. The Company sold its investment in Tungsum Limited to restructure its debt under rehabilitation plan. As a result, the Company's revenue and cost of sales from gold and copper. The financial statements were not presented. The cost of sales of Andesite Stone was Baht 26.23 million, an increase of Baht 2.35 million or 9.86%, which accounted for 56.15% of sales revenue. The cost of sales of real estate was Baht 98.31 million, an increase of Baht 34.83 million or 54.87 percent, which accounted for 75.77 percent of the total sales revenue. The increase in cost of sales of real estate is in line with the increase in revenue. The Company new project, The Bay District, has been launched and revenue and has been gradually recognized.

In the year 2017, the cost of sales and services was Baht 190.93 million, an increase of Baht 66.39 million or 53.31% from the year 2016, representing 58.07% of sales and service income. Significant increase in cost of sales came from the company's Started mining mines in Myanmar in the early 2017, so the The cost of this part increased to Baht 97.81 million, which was in line with the increase in revenue. The cost of sales of Andesite stone was 50.67 million baht, increased by 24.45 million baht or 93.21%, which accounted for 85.82% of sales revenue. This is an increase from 56.15% in the previous year. The machinery, equipment and vehicles were repaired in that year for operation. The cost of real estate sales was Baht 42.44 million, a decrease of Baht 55.87 million or 56.83%, which accounted for 83.89% of sales revenue. The decrease in cost of sales was in line with declining revenue due to the slowdown of Phuket real estate sector.

#### Cost of sales

The Company's current selling expenses come from 2 parts: 1) Andesite and 2) Real estate. For the mining business in Myanmar, there will be no sales costs because the company is not a tin supplier. The cost for the Andean quarry business consists of transporting trucks, Advertising and Marketing Promotional fees, commissions and discounts. The overall cost of sales investment in Tungsum Limited Company will be stable at the level of 4.65 - 5.36 million baht per year in 2016, which is in line with the budget of the Company.

## ค่าใช้จ่ายในการขาย



For the year 2015, the Company had sales expenses of Baht 9.95 million, a decrease of Baht 6.39 million or 39.10% from the year 2014, representing 3.08% of total revenues, down from 16.98% before.

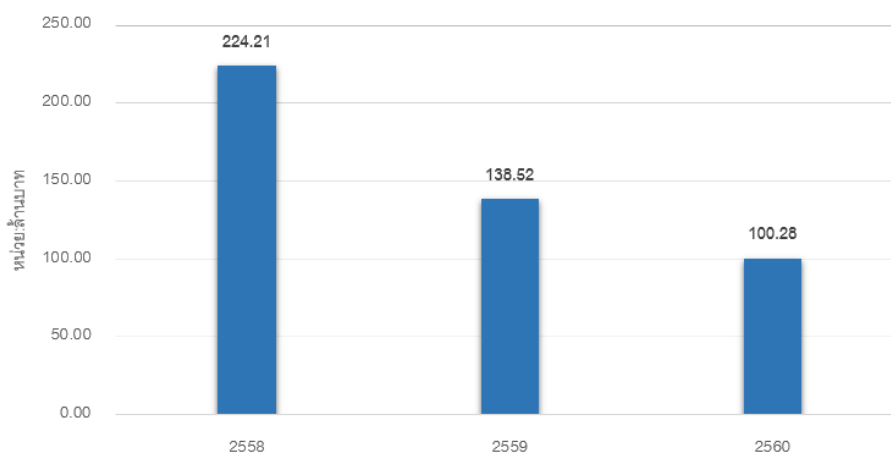
In 2016, the Company had selling expenses of Baht 5.36 million, a decrease of Baht 4.59 million or 45.24% from the year 2015, representing 2.01% of total revenues, down from 3.08% previously, Tungkum Limited Company sold its investment which made cost of sales decreased.

In the year 2017, the Company had selling expenses of Baht 4.65 million, a decrease of Baht 0.71 million or 13.21% from the year 2016, representing 1.14% of the total revenue, down from 2.01% previously, the company has reduced advertising costs and marketing of real estate. This is the cause of slowdown in real estate sector in Phuket.

Administrative expenses

An overview of the company's current management costs includes: Expenses for employees, consulting fees, audit fees, property depreciation Utilities, etc. Since 2015, the administrative expenses have significantly decreased. From the previous year's estimate of 224.21 million baht, down to 100.28 million in 2017.

## ค่าใช้จ่ายในการบริหาร



In 2015, the Company had administrative expenses of Baht 224.21 million, a decrease of Baht 21.66 million or 8.81% from the previous year, representing 69.28% of total revenues, down from 225.37% this is because the Company has lowered its administrative expenses by paying more attention to the approval of expenses. As a result, many operating expenses can be reduced.

In 2016, the Company had administrative expenses of Baht 138.52 million, a decrease of Baht 85.68 million or 38.22% from the previous year, representing 51.85% of total revenues, down from 69.28% previously, the Company Tungkom Limited has sold its investment, thus significantly lowering its cost of services. In addition, the Company still maintains its policy to reduce administrative expenses by emphasizing the approval of each expense item in a concise manner. As a result, many operating expenses can be reduced.

In the year 2017, the Company had administrative expenses of Baht 100.28 million, a decrease of Baht 38.25 million or 27.61% from the year 2016, representing 24.47% of total revenues, down from 51.85% previously some of the administrative expenses of Tungkom Co., Ltd. were cut off in the year. In addition, the Company has continued to reduce its administrative expenses by focusing on the approval of expense items. As a result, many operating expenses can be reduced.

Net profit (loss)

In 2015, the Company's net profit (loss) was Baht 130.58 million, an increase of Baht 311.90 million or 70.49% from the previous year. Total revenue increased by Baht 227.36 million. However, the Company still had production cost. And the cost of service is still high. And high financial costs. Therefore, the company. Continued net operating loss

In 2016, the Company's net profit (loss) was Baht 221.62 million, a decrease of Baht 81.04 million or 62.06% from the previous year with Total revenues decreased by Baht 75.17 million. It was a Restructuring of the Company Under the rehabilitation plan Therefore, Cost of sales And management decrease in total revenues. However, the company still has a loss in the year.

In the year 2017, the Company had net profit (loss) of Baht 114.00 million, an increase of Baht 325.62 million from the year 2016. Total revenue increased 161.41 million baht, from the operation of digging tin mining in Myanmar. The gain from debt restructuring under the rehabilitation plan has made the net profit for the year with Baht 114.00 million, a gain of Baht 32.91 million.

Financial AnalysisAsset

As at the end of the year 2015 - 2017, the Company had total assets of Baht 1,292.74 million, Baht 906.65 million and Baht 1,137.56 million, respectively. The current assets of the Company were Baht 540.66 million, Baht 437.99 million and Baht 656.68 million, respectively. The Company's current assets consist of the following major assets:

- 1) Cash and cash equivalents at the end of 2015 -2017 were Baht 62.58 million, Baht 16.40 million, Baht 114.19 million, representing 4.84%, 1.81% and 10.04% respectively. 2015 increased by 57.11 million baht or 1.43.93% from the previous year. The main reason is that the company The Company received advance payment from Lao China Base Mining Company Limited for Baht 46.99 million. Due to the unsuccessful performance of the contract, Lao Basis Company paid back to the Company in September 2015.

Cash and cash equivalents at the end of 2016 decreased from the previous year by Baht 46.17 million or 73.79% from the previous year. As a result, as of January 2016, the Company had invested in machinery and equipment for hire purchase. Subsequently, on August 1, 2016, the Company had paid up shares of Baht 70.08 million in August. 2016 for the contract to buy shares in Lao Beauty Company, Guangdong Mineral Co., Ltd., with the intention to expand business and investment in copper mining. The Lao People's Democratic Republic In addition, the Company However, the Company has issued and offered the new shares with the proceeds from the capital increase of Baht 947.14 million. Remaining cash balance at the end of 2016 of Baht 16.40 million.

Cash and cash equivalents at the end of 2017 increased from the previous year by Baht 97.79 million or 596.21% from the previous year. As a result of this year, the Company Net profit from operation excluding profit from debt repayment under rehabilitation plan is Baht 35.44 million. The Company has issued and offered new shares of the Company at the amount of Baht 89.62 million. Remaining cash at the end of 2017 amounting to Baht 114.19 million.

- 2) Trade accounts receivable - net at the end of the year 2015 - 2017 were Baht 3.74 million, Baht 16.76 million and Baht 187.51 million, representing 0.29%, 1.85% and 16.48% of total assets, respectively. Debt collection was 8.98 days, 20.91 days and 111.82 days, respectively. In the year 2017, the debt collection period was significantly higher. Because the company owns tin mining. Myanmar The employer of the company. Tin mining in Myanmar has been delayed payments do not meet the contract. Details of debtors are classified by aging as follows:

| Million Baht                              | December 31, 2015 | December 31, 2016 | December 31, 2017 |
|---|-------------------|-------------------|-------------------|
| <b>Andean Stone (THL)</b>                 |                   |                   |                   |
| Not yet due                               | 0.24              | 1.48              | 4.49              |
| Overdue - less than 3 months              | 2.93              | 1.94              | 1.56              |
| - 3 months to 6 months                    | 0.58              | 12.68             | 3.00              |
| - More than 12 months                     | 0.00              | 0.00              | 0.98              |
| total                                     | 3.74              | 16.10             | 10.03             |
| <b>Tin Mine - Myanmar</b>                 |                   |                   |                   |
| Not yet due                               | 0.00              | 0.00              | 47.48             |
| Overdue - less than 3 months              | 0.00              | 0.00              | 48.75             |
| - 3 to 6 months                           | 0.00              | 0.00              | 81.25             |
| Total                                     | 0.00              | 0.00              | 177.48            |
| <b>The Bay Project</b>                    | 0.00              | 0.00              | 0.00              |
| Not yet due                               | 0.00              | 0.66              | 0.00              |
| Total trade accounts receivable           | 78.60             | 16.76             | 187.51            |
| Less: Allowance for doubtful accounts 1 / | -74.86            | 0.00              | 0.00              |
| <b>Accounts receivable - net</b>          | 3.74              | 16.76             | 187.51            |
| <b>Average collection period</b>          | 8.98              | 20.91             | 111.82            |

Currently, the Company's business is divided into 3 types of business: 1) Most customers will be creditors for credit term of repayment. They will have a period of 30 days for the purchase order, and some customers will pay for the goods before ordering the stone in case of a discount. 2) Tin mining in Myanmar is the company. Contracted with the owner of tin mining. Myanmar is the only customer of the company. 3) Real estate The Company will record the income immediately when the house is transferred. Therefore, almost no trade receivables occurred in the past.

From the above trade receivables table, it can be observed that all the customers of the company. In the years 2015-2017, the Company had trade accounts receivable which exceeded the repayment period over 3 months of Baht 0.58 million, Baht 12.68 million and Baht 85.23 million. Million Baht, respectively. There is no policy to set aside doubtful debts since in the past, the Company's customers Continue to pay for goods and services continuously. The allowance for doubtful accounts in FY2015 amounted to Baht 74.86 million, due to the fact that one of them had entered into a copper-gold contract with Tungsum Limited Company, but later the company did not pay. The auditor has written off the bad debt.

- 3) Other receivables at the end of the year 2015-2017 were Baht 75.46 million, Baht 23.21 million and Baht 17.43 million, representing 5.84%, 2.56% and 1.53% of total assets respectively. In 2015, the Company has other receivables increased from the previous year by Baht 47.09 million. There was a deposit of Baht 35.00 million for the Manik Real Estate and The Bay District real estate projects. In this year, the Company had accrued interest receivable of Baht 16.46 million from other shareholders of the Company. Capricorn Development Co., Ltd. has not paid up capital since 2013.

Other receivables as of 2016 consisted of two significant items: 1) other receivables of Newton Microfinance Co., Ltd. amounting to Baht 12.52 million. Newton Microfinance Co., Ltd. has pending payment to the Company. 2) The Company has accrued interest receivable of Baht 17.70 million arising from other shareholders of the Company. 89 Capricorn Development Public Company Limited Has not paid up capital since 2013

Other receivables as of 2017 are as follows: Accrued interest receivable of Baht 13.05 million arising from other shareholders of the Company. 89 Capricorn Development Public Company Limited has not paid up its share capital since 2013. In that year, Accrued interest receivables decreased by Baht 4.65 million because the shareholders of 89 Capricorn Development Co., Ltd. had gradually accrued interest receivable.

- 4) Inventories - net of Baht 377.99 million, Baht 370.42 million and Baht 326.04 million, accounting for 29.24%, 40.86%, 10.85% and 28.66% of total assets, respectively.

| Million Baht  | December 31, 2015 | 31 December 2016 | December 31, 2017 |
|---|-------------------|------------------|-------------------|
| <b>Andean Stone</b>                                   |                   |                  |                   |
| Instant products                                      | 15.46             | 22.89            | 22.31             |
| Raw materials and goods during production             | 15.96             | 31.83            | 29.60             |
| Consumables   | 2.35              | 2.24             | 3.12              |
| total   | 33.77             | 56.96            | 55.02             |
| Less allowance for diminution in value of inventories | (3.67)            | (3.38)           | (3.38)            |
| Andean Mining Quarry - Net                            | 30.09             | 53.58            | 51.65             |
| <b>Real Estate - Phuket</b>                           | -                 | -                | -                 |
| Land between development                              | 33.64             | 33.64            | 33.64             |

|   |        |        |        |
|---|--------|--------|--------|
| Costs during development                              | 10.39  | 80.92  | 80.92  |
| Houses and commercial buildings with land for sale.   | 207.34 | 157.25 | 114.81 |
| total   | 251.37 | 271.81 | 229.37 |
| <b>Real Estate - Tak</b>                              | -      | -      | -      |
| Land between development                              | 17.05  | 40.08  | 40.08  |
| Costs during development                              | 4.94   | 4.94   | 4.94   |
| total   | 21.99  | 45.02  | 45.02  |
| <b>Gold mining</b>                                    | -      | -      | -      |
| Instant products                                      | 0.99   | -      | -      |
| raw material  | 26.81  | -      | -      |
| Consumables and more                                  | 46.74  | -      | -      |
| total   | 74.54  | -      | -      |
| Less allowance for diminution in value of inventories | -      | -      | -      |
| Gold Minerals Inventory - Net                         | 74.54  | -      | -      |
| <b>Inventories - net</b>                              | 377.99 | 370.42 | 326.04 |

The inventories of the mines in 2016 and 2017 increased significantly from the year 2015 as a result of the mining license number 28675/15632 that the company was allowed to drill the mines in Saraburi. It will expire on January 21, 2017, so the company. Accelerate the explosion of the stone to the inventory of raw materials and goods during production.

For inventories of properties in Phuket and Tak province in 2016 and 2017, the volume increased significantly from 2015, as the Company Buy land in Phuket Currently, there are 120.97 million baht of land awaiting property development. At the end of 2017, the Company still has houses and commercial buildings available for sale in The Bay. Skycliff and The Bay District are totaling Baht 114.81 million

At present, the Company has no inventories of gold mining. The Company Tungkum Limited has sold its investment in 2016.

Non-current assets of the Company as at the end of 2015 - 2017 were Baht 752.07 million, Baht 468.66 million and Baht 480.88 million, respectively, representing 58.18%, 51.69% and 42.27% of total assets respectively. Important

- 1) The Company had advance payment for the purchase of investment at the end of 2016 to Baht 70.08 million, since, on August 1, 2016, the Company entered into a share purchase agreement with Lao Ngam Gwangtung Mineral Co., Ltd. all at a purchase price of \$ 3.00 million the exchange rate is 35.04 baht per US dollar. In order to expand its business and invest in copper mining in the Lao People's Democratic Republic, the Company has already paid for the shares in advance of USD 2.00 million or THB 70.08 million in August 2016. The partnership the remaining \$ 1.00 million will be paid within 15 days from the date the seller has transferred the ownership of all shares to the buyer and delivered the document. The transfer of the shares to the buyer is already the current vendors have not yet transferred to the Company.



- 2) Deferred project expenses - net of exploration and development expenditure the cost of applying for a mining license. Project Consultant Fee Expenses for exploration and development, concession fees, exploration expenses and other costs directly related to the survey. At the end of 2015-2017, the Company had deferred project expenses of Baht 231.30 million, Baht 69.04 million and Baht 72.78 million, respectively. 2559 Deferred project expenses - net decreased by Baht 176.61 million because in this year, The Company sold its investment in Tungsum Limited company, a subsidiary company. Therefore, the company. The transaction was eliminated from Tungsum Limited Company by the statement of financial position of Tungsum Limited Company's Account Standard.
- 3) Property, plant and equipment - net As at the end of the year 2015 - 2017, the Company had property, plant and equipment - net of Baht 456.07 million, Baht 259.60 million and Baht 243.22 million, respectively, representing 35.28%, 28.63% and 21.38% respectively. In 2016, the Company sold its investment in Tungsum Limited Company, a subsidiary company. Therefore, the company. Has eliminated the land. The plant and equipment owned by Tungsum Limited Company are Baht 351.57 million from the financial statements. However, in the same year, the Company purchased machinery and equipment of Baht 176.63 million to expand the tin mining business. Myanmar So it makes During the year, the Company's property, plant and equipment - net decreased significantly by Baht 196.47 million or 43.08% from the previous year.

#### Debts

At the end of 2015-2017, the Company had total liabilities of Baht 2,413.11 million, Baht 62.52 million and Baht 89.80 million, respectively. In 2016, the Company had a decrease in liabilities amounting to Baht 2,350.58 million. The Company has disposed of its investment in Tungsum Limited, a subsidiary company. Therefore, the company. Tungsum Limited Company has not taken any liabilities in Tungsum Limited's consolidated financial statements such as defaulted loans amounting to Baht 829.01 million. Losses incurred by counterparties claiming non-performance of the contract of gold delivery amounted to 906.42. Approximately Baht 317.92 million was paid for gold and silver, and Baht 85.91 million for long-term loans from related parties. As a result, the liabilities will not be recorded in the financial statements from 2016 onwards. The current liabilities of the Company at the end of 2015 – 2017 were Baht 2,262.85 million, Baht 45.31 million and Baht 73.77 million respectively, representing 93.77%, 72.48% and 82.14% of total liabilities, respectively. Theme circular debt consists of the following key.

- 1) Accounts payable - net at the end of FY2015 - 2017 was Baht 32.05 million, Baht 21.03 million and Baht 28.80 million, representing 1.33%, 33.64% and 32.07% of total liabilities respectively. The Andean Quarry and the Tin Mine Project in Myanmar. Only because of real estate projects. The construction is complete. Houses and commercial buildings. Is under foreclosure by most of the Andean quarries. For the credit term of the mining project in Myanmar, the Company has entered into an agreement to hire Diamond Pailin Gao Company Limited as a contractor. Installation and maintenance of machinery for the production of 3 tin ore and SI Engineering Company Limited is the main operator of mining in Myanmar for the company. The repayment period is approximately 15 and 30 days, respectively. However, the Company has delayed repayment of the trade debt, resulting in a debt repayment period of 2015-2017 days, which is 8.98 days, 20.91 days and 111.82 days in sequence
- 2) Other payables at the end of 2015 - 2017 were Baht 89.63 million, 24.28 million and 41.35 million Baht, or 3.71%, 38.84% and 46.05% of total liabilities, respectively. Annual Directors' Fee and Accrued Remuneration Accrued audit fees Advance payment for goods as at the end of 2016, the Company had a decrease in trade accounts payable of Baht 65.35 million as a result of the reduction of the accrued salary. Accrued expenses and other payable in respect of Tungsum Limited Company. The company disposed of the investment.

Non-current liabilities of the Company are Baht 150.25 million, Baht 17.21 million, Baht 16.03 million, respectively, accounting for 6.23%, 27.52% and 17.86% of total liabilities respectively.

- 1) Employee benefit obligations Estimates of employee benefits on retirement And other long-term benefits to employees by rights and age As at the end of 2015-2017 , the Company has employee benefit obligations of Baht 12.41 million, Baht 8.65 million and Baht 11.07 million, respectively. In 2016, the Company sold its investment in Tungkum Limited, a subsidiary company. Therefore, the company. Employee benefit obligations of Tungkum Limited have not been included in the consolidated financial statements for the year. During the period from 2016 - 2017, the employee benefit obligations have increased due to the Company. The Company has set aside provision for additional expenses as calculated by the actuary.
- 2) Other non-current liabilities as at the end of 2015 – 2017 were Baht 7.56 million, Baht 8.31 million and Baht 4.71 million, respectively, consisting of office rental deposits. Insurance contributions, etc.

#### Shareholders' Equity

As at the end of 2015, the Company had shareholders' equity (Baht 1,120.38 million), a decrease of Baht 96.53 million or 9.43 percent from the end of the year. Also, the operating loss for the year (130.58) million

As at the end of 2016, the Company had shareholders' equity of Baht 844.13 million, an increase of Baht 1,964.50 million from the previous year. Since the Company received cash from the capital increase of Baht 947.14 million and the Company transferred the equity interest of Baht 1,250.30 million from Tungkum Limited Company. Shareholder equity is positive again.

As at the end of 2017, the Company had shareholders' equity of Baht 1,047.76 million, an increase of Baht 203.62 million or 24.12% from Baht 844.13 million at the end of 2016 due to cash received from the capital increase of Baht 89.62 million and net profit of the year. The total amount of Baht 114.00 million

#### Liquidity Analysis

##### Net cash flows from operating activities

In 2015, the Company had net cash (used) from operating activities of Baht 34.72 million. Cash flow increased from the decrease of inventories - net of Baht 114.48 million. Gold has been sold. And has gradually sold real estate projects in Phuket. This is a new project for the company. Other payables and other current liabilities increased by Baht 57.87 million from the penalty's payment of additional tax and other payable. However, the company. Net operating loss (130.58) resulted in a net cash flow from operating activities of Baht 34.72 million.

2016 Net cash received from operating activities (251.46) million, mainly due to net loss of Baht 221.62 million. The Company sold its investment in Tungkum Limited Company, which is a subsidiary company, resulting in a positive cash flow of Baht 206.15 million. There was a decrease in net cash from the increase in inventories (Baht 49.05). The land is waiting for development as a real estate project in Tak province. The Company also had other debt repayments and other current liabilities (Baht 89.22 million), resulting in a negative cash flow from operating activities in the year.

In the year 2017, net cash received from operating activities (25.39) million baht, despite the net profit of 114.00 million baht and the net cash flow from the decrease of inventories was 44.38 million baht. The sale of property projects in Phuket is increasing. However, due to the Company's deduction from the gain on debt repayment under rehabilitation plan (77.96) and trade receivables increased by Baht 170.75 million mainly due to the trade receivables from tin mine in Myanmar. As a result, the operating cash flow in the year was negative.

##### Net cash provided by (used in) investing activities

In 2015, the Company's net cash received from investing activities was 34.30 million Baht, mainly from the mining project. Cash flow from mining projects in Laos amounted to Baht 46.99 million because in 2013, the Company prepaid for Lao China best Mining Company Limited to explore the copper mines in Thatoam Town, Shiang Kwang District, and Laos. Due to the unsuccessful performance of the contract, Lao China best Mining Company Limited paid back to the Company in September 2015.

2016 Net cash received from (used in) investing activities (248.12) million, mainly due to the Company's Property, plant and equipment (176.63) million for tin mining in Myanmar, and the Company had cash flow from investing in advance amounting to Baht 70.08 million for prepaid expenses. In August 2019, the Company entered into a share purchase agreement with Lao Ngam Kwangtung Mineral Co., Ltd.

In the year 2017, net cash received from investing activities (Baht 44.50 million) was mainly due to the cash paid for the purchase of land, buildings and equipment (Baht 37.14). In the machineries of the tin mining project in Myanmar.

Net cash flows from financing activities

For the year 2015, the Company's net cash flow from financing activities decreased (Baht 11.92), mainly from the short-term loans from related parties amounting to Baht 7.85 million. Baht and payment of financial lease liabilities of 2.32 million Baht.

In 2016, the Company's net cash received from financing activities increased by 445.32 million Baht. Most of the cash received from the share capital increase was 947.14 million Baht. There is cash to pay the property enforcement department to repay debt under rehabilitation plan (491.65) million

In 2017, the Company's net cash flow from financing activities increased by 167.59 million Baht due to the cash received from capital increase, ordinary shares of Baht 89.62 million and cash received from the enforcement of lawsuit.

Analysis of financial ratiosLiquidity Ratio

The Company's working capital ratios in 2015, 2016 and 2017 are 0.24, 9.67 and 8.90, respectively, which is likely to improve compared to the past before the rehabilitation plan. The liquidity of the Company improved as a result of investment sold by Tungkum Limited Company, a company with a large debt in 2016, but afterwards the cash flow started to increase also as the capital income and they continued to improve in operating performance.

Profitability Ratio

The gross margin of the Company in 2015, 2016 and 2017 is 18.07%, 29.42% and 41.93%, respectively. The improvement in gross margins over the past three years was mainly due to the divestment of the Company. Tungkum Limited Company loss net operating in 2016. In addition, in 2017, the company started a tin mining project in Myanmar. The gross margin rises up to 76.14 percent of the revenue from contract mining tin in Myanmar. As a result, the gross margin of the Company is 53.47% of total revenue in 2017. It is clearly shown that they did have a better tendency and performance.

The Company's net profit margin in 2015, 2016 and 2017 was 40.35%, 79.21% and 27.81%, respectively. The net profit margin for the year 2016 was significantly lower because of the company. There was a loss on impairment of investment in subsidiary in the amount of 206.15 million Baht from disposal of investment in Tungkum Limited Company. However, in that year, the Company tried to control selling expenses and the cost of administration. If no impairment losses are recognized for the investment in subsidiary, As a result, the Company's net profit margin improved to (2.05). Compared to 2015 and in 2016, the Company's net profit margin Back to positive because the company had started mining tin project in Myanmar and earned a special profit from the rehabilitation plan.

The return on equity for the year 2017 is 10.88, which is better than the previous year. (Which cannot be calculated due to the negative shareholder's equity and the Company's net loss). The capital incomes purpose is to increase the shareholders' equity to a positive and better performance from the tin mining business in Myanmar.

Efficiency Ratio

Asset turnover ratios in 2015, 2016 and 2017 were 0.20, 0.19 and 0.29 percent, respectively, which the increased in the year 2017, demonstrating the increased efficiency in asset management to generate sales in new projects. The tin mining project in Myanmar and real estate projects.

Financial ratio analysis

The Company's debt to equity ratio improved from (2.15), 0.07 and 0.09 in 2015, 2016 and 2017, respectively. The ratio improved as a result from the issuance of new shares in the interim. 2015 - 2017 The Tungkum Limited Company has sold its investment in a large amount of debt which results as a better performance for the company.

**Factors or events that will affect financial position or future operations.**

**External factors affecting the business of the company.**

In business operations, the company's earnings will depend on economic and social conditions. The legal requirements are also important, which may be affected by external factors which the company cannot control such factors as legal requirements. The Company has filed an application for renewal of License No. 28675/15632 to Saraburi Provincial Industry Office on 2 June 2016. Currently, information about the geological, project plan for mining and the environmental impact assessment report are available and will be completed and submitted to the Department of Primary Industries and Mines for further approval. However, the company is accelerating its expediting process.



**Tongkah Harbour**  
Public Company Limited