TH 2024/11/01

November 14, 2024

Subject : Financial Statement Presentation and Performance changes Notice

Dear : President of The Stock Exchange of Thailand

Refer to : Financial statements as of September 30, 2024

Tong Hua Holding Public Company Limited and its Subsidiary would like to report you on the additional information that performance for the 3th quarter (9 months) ended September 30, 2024 was net Profit Baht 86.57 million, Comparing for the 9 months ended September 30, 2023 was, net Profit Baht 55.97 million, net Profit Increase of Baht 30.60 million, the company's performance has been changed by over 20%. Transactions affecting the are as follows:

1. Decrease by 2.56 million baht from net sales and services
2. Increase by 37.22 million baht from interest, royalties and capital income (Income from non-performing asset management business)
3. Increase by 8.16 million baht from other income.
4. Increase by 13.09 million baht from cost of sales (Cost of collection of non-performing debt)
5. Increase by 1.11 million baht from Distribution costs and administrative expenses.
6. Decrease by 1.98 million baht from corporate income tax.

During the nine-month period ended September 30, 2024, the Group retroactively restated its prior year consolidated financial statements to correct errors as follows:

(1) During the year 2022, in the consolidated financial statements, the Group purchased additional ordinary shares of existing a subsidiary and recorded revaluation fair value of investment properties at Baht 25.98 million against with the retained earnings at the same amount, while the Group's investment properties use the cost method as accounting policy. Moreover, the increasing proportion in subsidiary while the control over such subsidiary as the same, the Group is unable to recognize gains from changes in the proportion of investments into retained earnings in accordance with relevant financial reporting standards. Therefore, the Group has fully adjusted the above accounting items from the consolidated financial statements.

(2) During the year 2021, a subsidiary first began to invest in non-performing receivables from financial institutions to collect money. The subsidiary determined the effective interest rate at the date of acquisition of non-performing receivables according to debt collector outsource of the subsidiary which proposed the rate higher than the average rate of Thai non-performing asset management industry about 50 percent. Moreover, the subsidiary found the actual cash inflow is not different from the industry. However, such subsidiary still used too high the effective interest rate for the existing non-performing receivables and new non-performing receivables. As a result, the effective interest rate is too high. In addition, the subsidiary delay recorded interest income for one month for all non-performing receivables due to awaiting the subsidiary notified debt transferring to debtors as identified on the purchase non-performing receivables agreements which does not comply by the related financial reporting standards. Therefore, the subsidiary adjusted the effective interest rate at the date of acquisition of the non-performing receivables to suit the situation at that time and completely recorded interest income. Moreover, there is reclassification the account receivable of the Enforcement Department increased by against with the loan to non-performing assets at the same value.

Please be informed accordingly

Sincerely yours,

(Mr.Teerasak Passaree)
Chief Executive Officer