



Tongkah Harbour PCL
บริษัท ท่งคา ฮาเบอร์ จำกัด (มหาชน)



Annual Report

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CHAIRMAN AND BOARD OF DIRECTORS STATEMENT

Year 2009 was one in which both businesses and industries in the country faced crises and sensitive situations, including political conflicts, economic downturn and financial crises taking place in United States, Europe, as well as Japan. Tongkah Harbour Public Company Limited and its subsidiary companies have felt the consequences of such incidents, both directly and indirectly, and with varying degrees of impact. In addition, the dispute over royalty fees imposed by the Agricultural Land Reform Office has been taken to court, filed, and now under consideration of the Khon Kaen Administrative Court; and there occurred intermittent resistance from some communities surrounding the gold mining operations in Loei. Under these unfavorable conditions, the Company has managed to come through, due to continual support from all shareholders. These situations, on the other hand, reflect the Company's potential, management capacity, and strong commitments of both the executives and all the employees as a whole.

The Phu Thap Fa gold mining operation has passed the easily mined oxide ore processing phase on to the deeper laying transition and primary sulphide ore zones. Mining and processing has thus become more complicated than before, but the gold content has also increased considerably. These changes required additional investment in year 2009 for the installation of flotation cells that enabled effective separation of gold-bearing copper concentrates prior to passing the remaining materials into leaching tanks in use from the beginning of processing operations. With the flotation installations completed, two main products are being produced; gold dore as before, and gold-bearing copper concentrates; the latter bringing in supplementary income to the Company. It is certainly delightful that Tungkom Company Limited has written a new page in Thai mining history as the Nation's first, and only, producer of gold-bearing copper concentrates.

The Company's operation did not stop merely at the resources at hand but strived to find new prospect in the Concessionaire from the government. Currently, the application for a new mining license known as T-1-South has passed community hearing and lodged to relevant authorities, including consideration from environmental agencies. The Company also prepares to submit more applications in the nearby areas soon.

Tongkah Harbour is fully aware and committed to keeping the mine surroundings environmentally safe as seen in applying "Zero Discharge" processing operations wherein the aim is to fully control and recycle all the waste produced within the property. Canals and sumps are lined with high-density plastic encircling the site to contain and reuse rain and surface waters effectively. Monitoring stations for surface water and groundwater qualities, ground vibration, noise and fine dust quality, have also been setup following international standard practices.

With confidence in the established measures and transparency in operation, Tungkum has collaborated with the Province of Loei and Tourism Authority of Thailand in opening the mine to interested public to visit the mine. Group visitors will have ample opportunities to see with their own eyes of the mine operation and gold production process. This initiative has brought Tungkum's Phu Thap Fa to become a new academic tourist destination of Loei.

Tongkah Harbour's executives value working and living in harmony with local communities the Thai ways. Therefore, a sizeable budget has been continually allocated to social activities in the vicinity, e.g., supporting youth education and schools, participation and funds for religious and traditional merit-making, mobile healthcare units to villages, construction and repair local infrastructures, etc.

Although operation of other subsidiary companies has not progressed as the Company would have liked, but its executives and staff have monitored and coordinated with relevant authorities so that the applied licenses would be granted, e.g., andesite quarry in Saraburi which is one of a few high-quality construction rocks in Central Thailand, and offshore tin in Pang-Nga.

From recent developments and accomplishments during the past year, future opportunities in mining from global economic recovery, and coupled with government's stimulus packages, it is hope that Tongkah Harbour's operation will progress to a higher level of success and will be able to give satisfactory return to the investors.



Mr. Pricha Attavipach
Chairman of the Board
March 2010

MANAGING DIRECTOR'S STATEMENT

Management during the preceding year (2008) accelerated efforts to produce the gold from the oxide ore at Tungkhum's (TKL) Loei mining operations, and cashing up the Companies group funding in preparation of the then anticipated global financial crises. The Company weathered the eventual financial storm well during 2008. With such expeditious efforts, the Company began year 2009 with a cash position of THB 537.2 million and holding 4,535 ounces of refined gold.

Whilst the Corporate Affairs Division were attended to, it is unfortunate that the Corporate Head office lost effective control of managers including senior management levels at TKL, Loei, which lacked knowledge of the basic importance of maintaining ongoing ore feed to the processing plant which was initially designed to treat oxide from at least four proposed pits, including T-1 , T-1-8 and, very importantly, T-1-S. The original plan was to have deposit T-1-S come into production by the beginning of January 2009, but that objective failed to be met.

Although funds were made available, no further exploration was done to increase TKL's reserves (mining applications over extensive areas had been filed previously). Instead, internal conflict ensued at site over control of construction of planned additions (flotation plant) to the production line and related efforts to cut production costs. Senior site management could not organize a concerted effort to obtain the basic approvals for T-1-S development, nor the essential permits for export of the gold-copper concentrate production from the floatation plant facility.

With the mining-out of available oxide ore at Pits T-1 and T-1-8, and changeover to processing the transition and primary sulfide ore zones, upgrading of processing facilities was essential to accommodate the changes in ore as well as the delay in Government's granting of approvals and renewal of mining licenses. However, there occurred a delay of over four months in implementing plant upgrading due to the site conflict about control and contracting of the civil construction work involved.

As CEO, and to protect your Company, it became imperative to change the mine's management structure. Drastic steps were taken to quell the stalemate and quickly implement construction and commissioning of the floatation facilities. Production stabilized in August of 2009 rather than at the end April 2009 as originally planned. The above delays resulted in little gold production during the first quarter and some gold dore production by the CIP process during the second and third quarters.

Senior management at the mine claimed to have made Baht 104 million for TKL in 2008. The efforts claimed were untrue as the mill's expansion and construction of additional tanks and equipment were already in place with the proven-up reserves ready for mining and transported to the plant. Rather, the lion's share of credit must go to the mine's technical crew and the processing management and crew who did an excellent job of generating 7,179 more ounces of gold than the planned 32,000 ounces.

The then senior management at site had failed to:

1. Increase ore reserves.
2. Conduct in-fill drilling to finalize plans for deposit development in two specific areas.
3. Obtain final mining licenses for the above deposits from which oxide ore was needed to continue the use of the expanded CIP process, and lowering of costs to fulfill its obligations to TKL's Bankers.
4. Cooperate with the floatation facilities construction team and commissioning. (Instead, bullying tactics were applied in efforts to enforce decisions such as awarding the civil works construction contract to a third a party when TKL's own engineers had proven capabilities.)
5. Generating good will with the local community. (A local temple wrote to the corporate head office calling for barring of site management from its activities otherwise they would: "force the mine to cease operations.")
6. Understand of the urgency of bringing other deposits into production to feed the plant as oxide ore production from producing pits was nearly exhausted.
7. Understand the urgency in accelerating the completion of the floatation facilities (instead of allowing the site secretary to delegate staff to irrelevant tasks).
8. Realize the proper use of funds (such as the purchase of thousands of T-shirts promoting site management and political entities).
9. Realize the improper use of his position in trying to promote totally inexperienced and unqualified personnel to the important job of marketing the gold-bearing copper concentrates.
10. Deliver the mining and development permits for other subsidiaries such as Sea Minerals Ltd, Cholsin Ltd., and Sky Cliff Ltd.
11. Realize the professional impropriety and misconduct in threatening staff, including the CEO, if the management contract was not renewed.

The then senior site management had been contracted to deliver permits and conduct a positive public relations program for the Company. Instead, chaos resulted, with ongoing harassments and threats to the CEO's life. Essentially, site management proved inept, being unable organize and make focus on deliverance of basic corporate objectives.

As CEO, there was no alternative (despite threats to his life and the bringing down of the Company) but to assume and focus on the responsibility of being the Managing Director of your Company and put it on track to profitability. As Group CEO, efforts were made to diversify to ventures in other countries, but temporarily put on hold pending solution to current problems facing the Company. As CEO, I had offered to resign over trusting the then senior management atTKL's mine site, but conceded to the wishes of your Company's Board of Directors to carry on to overcome the problems facing the Company.

FIRST PRODUCER OF COPPER CONCENTRATES IN THAILAND

The change in ore type resulted in reduced production by some 50 % as the primary sulfide ore is harder and more abrasive, and with more complex metallurgy, but is of higher grade on average compared to the oxide ore. Previously, all efforts in exploration and metallurgical testing conducted by TKL's former international partner centered on only gold extraction.

Since last year, we have been conducting more metallurgical testing to economically recover the copper and iron; and we are now proud to be the first producer in Thailand to export copper concentrates. A monthly production of about 400-500 tons is being recorded. The average copper values in the ore, along with the current high copper prices, warrant the extraction and processing of the copper concentrate. The gold content in the copper concentrates is also extracted at the smelter. The iron concentrates were earlier also extracted, but not marketed as the prevailing prices were then too low. However, the iron, if not extracted or suppressed, hampers recovery of gold in the leaching circuit consuming high reagents, particularly cyanide and oxygen.

STABILIZING PRODUCTION

Commissioning of the plant was delayed by some four months due essentially to the then management's shortsightedness in implementing the civil foundation work construction. A further loss of two weeks occurred due to unavailability of workers during the Songkran period. In addition, the Thai political turmoil at that time delayed the arrival of foreign engineers to supervise commissioning of their designed equipment, because insurance coverage to travel to Thailand was not available.

Eventually, by August 2009, copper concentrate extraction stabilized with overall plant recovery of total gold exceeding 80% from copper concentrate recovery which compared well with international standards. Some 50% to 60% of the gold produced is derived from the gold-bearing copper concentrates. The remaining gold is contained in the gold dore (non-concentrate production) which is airlifted to the gold refinery.

SALES PROCEEDS

However, with the gold-copper concentrates, production has to accumulate to batches of at least 500 tons then shipped by sea; therefore, the process for sales proceeds stretches to some 90 days as compared to three days in the case of dore shipment and thus results in significant working capital shortfall.

Sales proceeds were further hampered by the delay in granting of the export permit even though site management had been requested apply for the necessary permit. The first batch finally was sold and recorded on 4 October, 2009. The full export permit was granted on 4 November 2009 and, although production was ongoing, further sales were not recorded until 2010.

HEDGING ACTIVITIES

The management has also worked relentlessly over the years with financing institutions to ensure continuity of the plant:

Period	2005-2006	Jan-Nov 2007	Dec' 07-Feb' 08	Mar' 08-Feb' 09	Mar' 09-Feb' 10
Financial Institutions	Bank Thai/ Exim Bank	Deutsche Bank	Deutsche Bank	Deutsche Bank	Deutsche Bank
Loan Amount	US\$12.9 million	US\$25 million	US\$25 million	US\$35 million	US\$35 million
Quantity of gold DORE hedged and upper band per oz of Au	Forward sale of 50,000 oz @ US\$598/oz (Refinanced in Jan'07) Declined expansion financing.	2,083.33 oz per mth at upper band of US\$712/oz (Ceiling US\$900/oz)	2,083.33 oz per mth at upper band of US\$820/oz (Ceiling removed to increase liquidity)	2,083.33 oz per mth at upper band of US\$862/oz Additional production will be sold on the spot gold market	2,500 oz per mth at upper band of US\$825/oz Additional production will be sold on the spot gold market
Guaranteed Floor Price	Nil	US\$500/oz	US\$500/oz	US\$500/oz	US\$500/oz
Interest Rate	US\$ LIBOR + 3%	US\$ LIBOR + 2.5%	US\$ LIBOR + 2.5%	US\$ LIBOR + 2.45%	US\$ LIBOR + 2.45%
High gold bearing copper concentrates	Nil	Nil	Nil	Nil	Sold on the spot gold market + metals market

Notes to Banking Loans

TKL was first granted 6 mining licenses in 2005. After exhausting most financial institutions domestically and in the region, a quasi gold loan was obtained from Thailand's ExIm Bank and Bank Thai for USD 12.9 million. The conditions were onerous with the following collateral:

1. Pledge of 50,000 THL shares, owned by Sintana Holdings Ltd (a shareholder of THL).
2. Pledge of 33,469,527 owned by THL.
3. Pledge of land titles totaling 23.54 rai (37,664 sq m) located in Phuket.
4. TKL machinery and equipment.
5. Bank guarantee of Baht 70,000,000.00, secured by cash.
6. Personal guarantee by TKL's Managing Director.
7. Corporate guarantees from Sintana Holdings Ltd, THL, and Sky Cliff Ltd.
8. Land title of Sky Cliff Ltd, located on Ratchadapisek Road.

Upon the initial sales of the early production, ExIm Bank and Bank Thai were to withhold USD 1 million from the sales proceeds and enforce the forward sale of 50,000 ounces of refined gold. Company management declined and was forced to turn to Duetsche Bank which decreased interest rate with a collared band in hedging, guaranteeing a floor price of USD 500 per oz, but takes the upside from USD 712 per oz for a monthly total of 2,083 oz.

TKL commenced its plan for gold production when gold was hovering just over the USD 300 level. Further, the ExIm Bank and Bank Thai declined to finance the expansion to bring down the cost per ounce. TKL did achieve cost production of USD 385/oz for the year 2008, which compared well with other mines in the region.

TKL did manage to prepare well for the financial crises to weather the world wide financial melt down of 2008/2009. However, as the previous site management did not deliver the permit to develop deposit T-1-S, and a four month delay ensued in construction of its floatation facilities, TKL was drained of its cash and refined gold reserves. The floatation-production process was stabilized in August 2009.

Whilst there was a delivery shortfall of gold to the hedge program, the copper concentrate prices, first realized in November, 2009, and early 2010, could fill the shortfall in gold delivery obligations. Contrary to TKL's planning, the oxide ore did not come in from T-1-S as warranted by the previous site management team, and the transition and primary sulfide ore had to be treated earlier than planned. The main revenue from the gold-copper concentrates was forthcoming only in 2010.

The Hedge Program was entered into to obtain the funding to finance the floatation facilities otherwise gold recovery would fall to around 50 %. At the planned level, the cost would have been less than USD 500 per oz on average giving a cash margin of USD 300 per oz. During the end of 2007 the management of TKL and THL had worked for a forward sale of gold hovering over USD 1,000 per oz (as approved by the Board of Directors of THL in preparation to weather the anticipated world-wide financial debacle).

However, the financing arrangements could not be completed by TKL's Bankers until April of 2008 by which time the prices plunged to just over USD 800 plus per ounce. The forward selling was conducted by TKL's Bankers to the international market over which TKL's team could have no control or provide an alternative. The ceiling price of 2009 was increased from USD 712 per ounce (January-November 2008) to USD 820 from December 2007 to February 2008, then negotiated to USD 862 from March 2008 to February 2009.

Had we not proceeded with the change in the trading band and the availability of additional funding, TKL would not have the ability make changes in its ore production line to accommodate changes in ore characteristics- to the transition and primary sulfide ore types. Although international teams of experts had been engaged, and with the assistance of an experienced international partner, the complexities of changes in ore type were not realized despite the best of metallurgical expertise. Apart from the high iron and sulfur content in the primary sulfide ore, the directive- to avoid copper recovery, given by TKL's previous international partner, was just one of the main problems not foreseen and dealt with in production reality

The second drawdown of USD 10 million was to prepare for the change in processing to recover the gold-copper concentrates and retrieve the iron and sulfur content to avoid complications in

the production line's leaching circuit. It is unfortunate that iron ore prices plunged drastically in late 2009 and early 2010 forcing TKL to change process again to drop the recovery of the iron content. Also, gold prices dipped in the early part of 2008 and then subsequently dipped again with the collapsed of the financial system. However, gold prices soared in late 2009 to currently over USD 1100 per oz.

It must be emphasized that the management does not speculate in gold trading, but formulated its policy in producing at the lease cost which should be less than USD 500 per oz and has, since the commencement of mining, seen its achieved sales of gold prices raised from just over USD 300 (+) per oz to over USD 800 per oz.

With the added flexibility of the processing plant- to increased capacity and ability to deal with the different ore types, TKL will not sell forward its copper concentrates (copper prices increased from just over USD 4,000 plus per ton at the plant's planning phase to currently USD 7,500 per ton). Our gold and copper head-grade feed to the plant is within expectation. Should the one of two additional ore deposits be granted licenses, then, TKL will be in much improved financial position.

DEPOSIT DEVELOPMENT PLANS

To date, mining permits are still in the processing stage and are being actively pursued by Company administration. In-fill drilling in one of the immediate ore deposit targets has shown better results than originally anticipated and will figure prominently in TKL's future mining plans.

ROYALTY RATE INCREASES AND LITIGATION

The Company's original Concession Agreement called for a royalty rate of 2.5%. However, the rate has now been set, unilaterally, at 15%. Also, the Agriculture Land Reform Organization (ALRO) imposed an additional royalty rate equaling the above 15% thus creating an overall royalty rate of 30%, apart from an original production sharing agreement of 1.5% to the Government.

In response to the ALRO imposition, Tungcum Limited (TKL) filed a case with the Administrative Court in late 2008. The ALRO, filed an injunction to stop TKL's mining operation, but was turned down by the Court. Since November 2009, TKL has stopped paying the imposed royalty fees to the ALRO.

ASSOCIATED COMPANY PERMIT PROGRESS

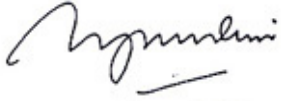
To-date THL's associated company has not managed to secure permits to prepare for mining of tin in proven-up tin reserves in an offshore Bay area in Myanmar. THL will provide the technical and managerial capability to exploit the reserves upon finalization of a detailed agreement.

CORPORATE MANAGEMENT CHANGES

The MD of THL, due to health reasons, stepped down from the helm of THL during the third quarter of 2009 (but, fortunately, stayed on as part-time advisor in mineral exploration to supervise the current in-fill drilling program). I had to then take on the full responsibilities of the group, and put on hold expansion plans in the region and Papua New Guinea (PNG).

CONCLUSION

In light of the difficult operating environment, the Management has always worked to the best of interests to the Company. The Company will continue to actively pursue the necessary mining licenses as well as the Government's acknowledgement of the original Concession Agreement that was entered into.



Mr. Ronald Ng Wai Choi
Managing Director
1 March 2010

FINANCIAL HIGHLIGHTS

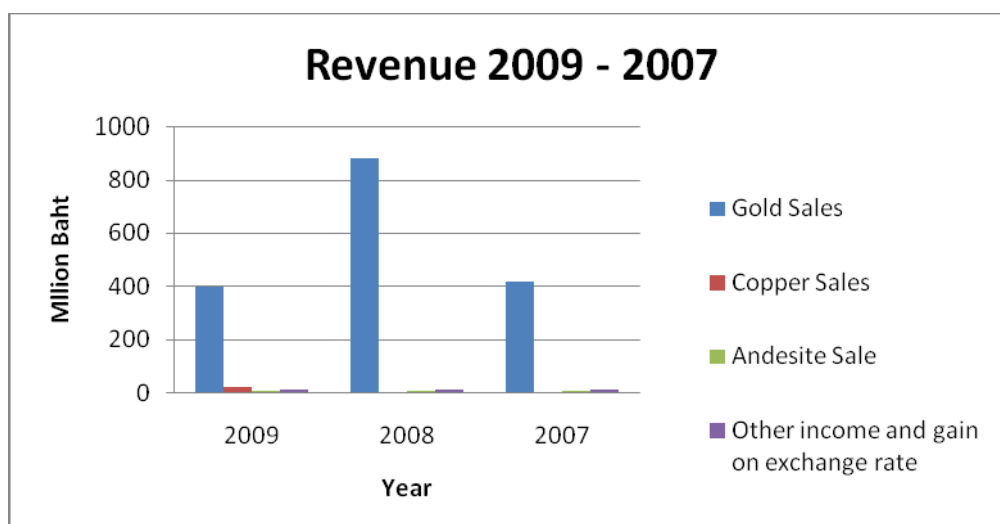
	Consolidated			
OUTPUT	2009	2008	2007	UNIT
Gold produced - Dore	10,124.76	33,083	17,485	Ounces (oz)
CuS	4,517.88	Nil	Nil	Ounces(oz)
Copper	459,874.19	Nil	Nil	Pounds
Average gold price (A)	29,380	29,380	23,904	Baht/Ounce
FINANCIAL				
Total Sales	428.49	886.05	428.09	Million(Baht)
Total Revenues (B)	476.29	980.4	474.8	Million(Baht)
Gross profit	(5.23)	471.23	107.25	Million(Baht)
Profit / (loss) before Tax, minority interest And cumulative effect	(352.35)	111.82	(147.95)	Million (Baht)
Minority interest Share in loss on Subsidiaries	(6.41)	-2.17	-5.23	Million (Baht)
Net profit / (loss) After tax	(358.76)	109.64	(147.95)	Million (Baht)
Total assets	1,938.54	2,372.38	1,898.59	Million(Baht)
Total liabilities	1,131.93	1,207	839.04	Million(Baht)
Shareholders' equity	806.61	1,165.37	1,059.56	Million(Baht)
Outstanding shares (thousands)	756,940	756,940	756,940	Shares
Par Value	1.00	1	1	Baht/share
Book value	1.06	1.54	1.4	Baht/share
Earning / (loss) per Share	(0.47)	0.15	(0.20)	Baht
Dividend per share	Nil	Nil	Nil	Baht

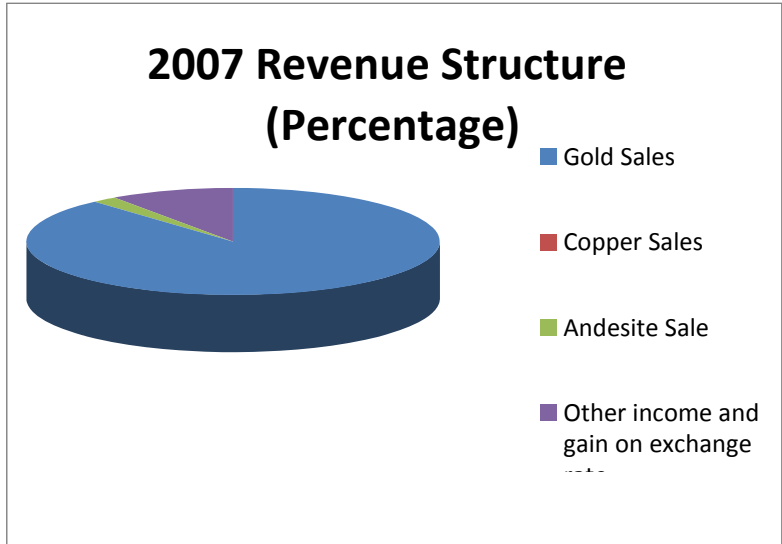
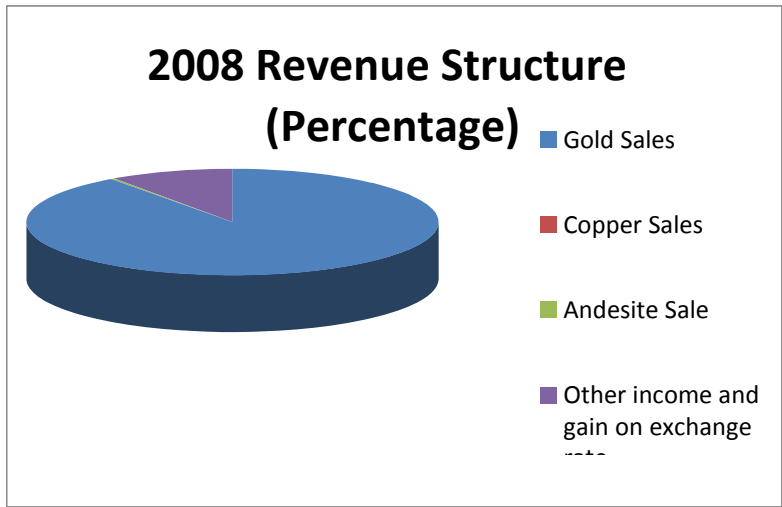
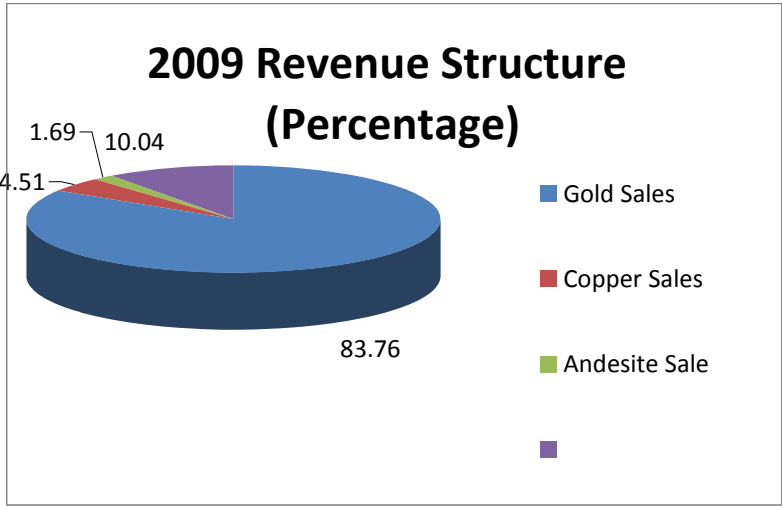
Note :

- (A) Average gold price is the average sale price
 (B) Total Revenues composed of total sales, interest income,
 other income and gain on exchange rate.

REVENUE STRUCTURE

Nature of Income	Operated by	Revenue Structure					
		2009		2008		2007	
		Baht million	%	Baht million	%	Baht million	%
1. Revenue from sale of							
Gold Sales	Tungkum Limited (TKL)	398.95	83.76	881.42	89.90	419.11	88.27
Copper Sales	Tungkum Limited (TKL)	21.49	4.51	-	-	-	-
Andesite Sales	Tongkah Harbour Public Company Limited (THL) and Cholsin Limited	8.04	1.69	4.63	0.47	8.98	1.89
Tin Ore Sales	THL	-	-	-	-	-	-
2. Other Income							
Gain on sale of Assets	THL	-	-	77.90	7.95	-	-
Gain on exchange rate	TKL	45.36	9.52	-	-	-	-
Interest Income and Others	Group of companies	2.45	0.52	16.46	1.68	46.71	9.84
Total Revenue		476.29	100.00	980.41	100.00	474.80	100.00





FINANCIAL RATIO

	Audited					
	Consolidated			Company		
	2009	2008	2007	2009	2008	2007
LIQUIDITY RATIO						
Current Ratio (Times)	0.35	1.30	0.28	0.46	0.46	0.47
Quick Ratio (Times)	0.09	1.03	0.03	0.02	0.02	0.06
Quick Ratio (Cash Basis) (Times)	(0.14)	0.73	0.01	-1.17	-1.17	Nil
Receivable Turnover (Times)	5.13	11.7	65.26	4.1	4.1	2.05
Collection Period (Days)	70.14	30.77	5.59	87.77	87.77	178.05
Inventory Turnover (Times)	3.67	5.01	6.14	0.38	0.38	0.65
Inventory Turnover (Days)	98.06	71.86	59.45	946.56	946.56	561.54
Accounts Payable Turnover (Times)	6.88	9.17	11.32	0.48	0.48	0.24
Payment Period (Days)	52.32	39.28	32.24	743.09	743.09	1520.83
Cash Cycle (Days)	115.88	63.36	32.80	291.24	291.24	(781.24)
PROFITABLE RATIO						
Gross Profit Margin (%)	(1.22%)	53.18	22.99%	18.89%	18.89%	12.90%
Net Profit Margin (%)	(75.32%)	11.18	(34.56%)	63.38%	63.38%	(1,647.55%)
Return on Equity (%)	(36.39%)	9.86	(13.96%)	10.90%	10.90%	(15.25%)
EFFICIENCY RATIO						
Return on Total Assets (%)	(16.64%)	5.13%	(7.79%)	10.02%	10.02%	(13.75%)
Return on Fixed Assets (%)	(21.38%)	16.73%	(12.32%)	106.14%	106.14%	(124.68%)
Asset Turnover (Times)	0.22	0.46	0.23	0.16	0.16	0.01
FINANCIAL POLICY RATIO						
Debt to Equity Ratio(Times)	1.40	1.04	0.79	0.07	0.07	0.11
Interest Coverage (Times)	(8.61)	3.1	0.81	32.19	32.19	(32.00)
Pay Out Ratio (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CORPORATE PROFILE AND INFORMATION

No	Item	Description
1.	Main Company	TONGKAH HARBOUR PUBLIC COMPANY LIMITED
2.	Founding Date	1906
3.	Listing Status	Stock Exchange of Thailand (SET) since 2 June 1981 (Public Company status since 9 June 1994) American Depository Receipt (ADR) since 9 May 2007
4.	Listing Sector	Mining
5.	SET Listing Code	THL
6.	ADR Listing Code	TGKFY / US8902541056
7.	Registered Office	Headquarters and Executive Office: 7 Floor, Muang Thai-Phatra Office Tower 1 252/11 Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2695 4912-28 Fax: +66 2695 4901
8.	Registration Number	0107537002087 (Formerly Bor Mor Jor/Public Company Registration Number 455)
9.	Registered Capital	Baht 756,939,463 ; 756,939,463 shares at Par Value Baht 1 each
10.	Paid up capital	Baht 756,939,463
9.	Operations Office	Operations Office 1: 12 Soi Saphan Hin, Muang, Phuket 83000, Thailand. Phone: +66 7621 2355 Fax: +66 7621 1214 Operations Office 2: 68/6 Moo4 Tahtoom, Kangkoi, Saraburi 18110, Thailand. Phone: +66 3622 7209 Fax: +66 3622 7209
10.	Subsidiaries:	1. TUNGKUM LIMITED <i>Registered and Operations Office:</i> 179 Moo 3, Tambol Khaoluang, Amphur Wang Sapung, Loei, 42130, Thailand. Phone: +66 89 892 6126-28 Fax: +66 89 814 1025 <i>Branch Office 1:</i>
10	Subsidiaries (Continued)	7 Floor, Muang Thai-Phatra Office Tower 1 252/11 Ratchadapisek Road, Huay Kwang, Bangkok,

No	Item	Description
		<p>10320, Thailand. Phone: +66 2695 4912-28 Fax: +66 2695 4901 <u>Branch Office 2:</u> 323 Moo 1, Ban-Tid-Tor, Na-Ann, Muang, Loei, 42000, Thailand. Phone: + 66 4286 1037-38 Fax: + 66 4283 2073</p> <p>2. CHOLSIN LIMITED <u>Registered Office:</u> 7 Floor, Muang Thai-Phatra Office Tower 1 252/11 Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2695 4912-28 Fax: +66 2695 4901</p> <p><u>Operations Office:</u> 68/6 Moo 4, Tahtoom, Kaeng Khoi, Saraburi, 18110, Thailand. Phone: +66 3622 7209 Fax: +66 3622 7209</p> <p>3. SKY CLIFF LIMITED <u>Registered and Operations Office:</u> 14 Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2247 2728 Fax: +66 2247 2729</p> <p>4. SEA MINERALS LIMITED <u>Registered and Operations Office:</u> 7 Floor, Muang Thai-Phatra Office Tower 1 252/11 Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2695 4912-28 Fax: +66 2695 4901</p>
11.	Share Register	<p>THE THAILAND SECURITIES DEPOSITORY CO. LTD. The Stock Exchange of Thailand Building 62 Ratchadapisek Road, Klongtoey, Bangkok,</p>

No	Item	Description
		10110, Thailand. Phone: +66 2229 2800 Fax: +66 2359 1259
12.	Auditors	Mrs. Kesree Narongdej CPA Thailand Registration No.76 Mrs. Natsarak Sarochanunjeen CPA Thailand Registration No. 4563 Mr. Chaiyuth Angsuwithaya CPA Thailand Registration No. 3885 A.M.T. Associates Accounting Management & Tax Service 491/27 Silom Plaza, Silom Road, Bangrak, Bangkok, 10500, Thailand. Phone: +66(0) 2234-1676, 2234-1678, 2237-2132 Fax: +66(0) 2237-2133
13.	Principal Bankers	SIAM COMMERCIAL BANK PCL. Ratchadapisek 3 Branch 18 True Tower, Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2643 0130 Fax: +66 2643 0144 DEUTSCHE BANK AG, BANGKOK BRANCH 208, Wireless Road, Bangkok, 10330, Thailand. Phone: +66 2646 5000 Fax: +66 2651 5215
14	Legal Consultant	Dej Udom and Associates 9 th Floor, Isara Tower 942/142-3 Rama 4 Khet Bangruk, Bangkok 10500 Phone 02 233 0055 , 02 233 0068
15	Advisor to the Board of Director	Mr. Rachan Kanjana-Vanit 35/1 Damrong Road, Tambol Talad Yai Amphur Muang, Phuket 83000 Mr. Somsak Potisat 125/350 Soi Ram Indra,

No	Item	Description
		103/3 Kunna Yao, Bangkok 10230
16.	Website	www.tongkahharbour.com
17.	E-mail	info@tongkahharbour.com

BACKGROUND HISTORY AND MILESTONES



The Tongkah Harbour organization has been in mining for 103 years beginning with offshore tin mining in and around Phuket Bay in 1906. The Company was the brainchild of Captain Edward T. Miles of Australia who, upon observing the labor intensive methods of Chinese in offshore mining at Phuket in 1905, felt that he could develop equipment to mechanize the industry.

In 1906, Captain Miles founded the “Tongkah Harbour Tin Dredging Company N.L” incorporated in Hobart Tasmania and, upon due arrangements with the local Governor, began, offshore tin mining in Phuket Bay in 1907 utilizing the world’s first sea-going bucket dredge. In the following decades up to the present, the Company experienced a successful and eventful history with some highlights as follows:

Over the years following 1907, the Company put seven more dredges into mining operations in the Phuket area. The British firm, the “London Tin Group” (Managed by Anglo Oriental), eventually gained control and transferred the Company’s domicile to Malaysia and renamed it “Tongkah Harbour Tin Dredging Ltd” which was later officially named “Tongkah Harbour Tin Dredging Berhad”. The London Tin Group was subsequently taken over by the Malaysian Mining Corporation (MMC).



In 1980, shareholding was restructured becoming predominantly Thai in response to the Thai government's policy of encouraging domestic investment in the mining industry. Upon registration in Thailand, the Company was renamed “Tongkah Harbour Limited” In 1988, the Company’s dredge sank in a storm off Phuket Island. Due mainly to low tin prices, the Company decided to use dredging contractors thereafter and not commission new equipment.

In 1981, the Company became a listed company with its shares traded in the Stock Exchange of Thailand (SET). The Company was, at this juncture, renamed as “Tongkah Harbour Public Company Limited” after registering with the Department of Business Development in 1994.

With the collapse of the tin market in the mid-1980’s, the Company turned to diversification by entering the gold and base metal exploration in 1990, and the property development in Bangkok where it undertook the construction of “Tongkah Tower”, now known as the “True Tower”.

In 1991, the Company’s subsidiary, Tunglum Limited (TKL), was founded and granted a concession in Loei province for the exploration and mining of gold and related minerals. In 1995, pursuant to successful exploration, TKL submitted mining plans and six gold mining license applications to the Department of Mineral Resources (DMR), which approved the plans in late 1996.

The Company emerged from the financial crisis of 1997 with no foreign exchange exposure, no debts, and with a strong cash position. However, the SET ruled that the Company’s earnings from tin operations (considered by the SET to be the Company’s core business) were disproportionately lower than its other revenue and, accordingly, suspended (later reinstated) it from trading on the SET.

In March 2003, the Ministry of Industry granted Tunglum Limited the gold mining license whereupon the Company could initiate its development program. In September 2004, the company added to its land bank in Phuket by acquiring land which joined together two parcels already held. With this acquisition, the Company now holds some 39,745 sq m of continuous beach-front property in a prime location for future development.

In 2005, the Company accumulated 83.7% of Sea Minerals Limited (SML) which has subsequently filed mining lease applications (MLA's) covering about 50,000 rai (8,000 hectares) to mine an off-shore deposit in the Andaman Sea where evaluations based on some 1200 drill holes indicate resources of over 50,000 tons of tin in the MLA area.

In 2006, Tungkhum's gold operation was commissioned and officially commenced commercial operations from September 2006 onward. Gold production aided in turning Company operations from the red into marginal profitable operations by the end of 2006 which was a special occasion as Tongkah Harbour Public Company Limited marked 100 years of continuous operations in the mining business.

In February 2007, the Company acquired total increased share capital of Baht 45.2 million of Sea Minerals which was approved for increased authorized share capital from Baht 72 million to Baht 288 million in 2006. This resulted into the Company's equity in Sea Minerals increasing from 83.70% to 89.99%. Subsequently, on 13 November 2007, the Extraordinary General Meeting of Sea Minerals Limited's shareholders approved the resolution to reduce Sea Minerals Limited's shares from 1,171,976 to 1,054,616 by canceling 117,360 shares, owned by Southern Kinta Consolidation Limited. As a result of the reduction in shares, Tongkah Harbour Public Company Limited's shareholding in Sea Minerals Limited increased from 89.99% to 99.99%.

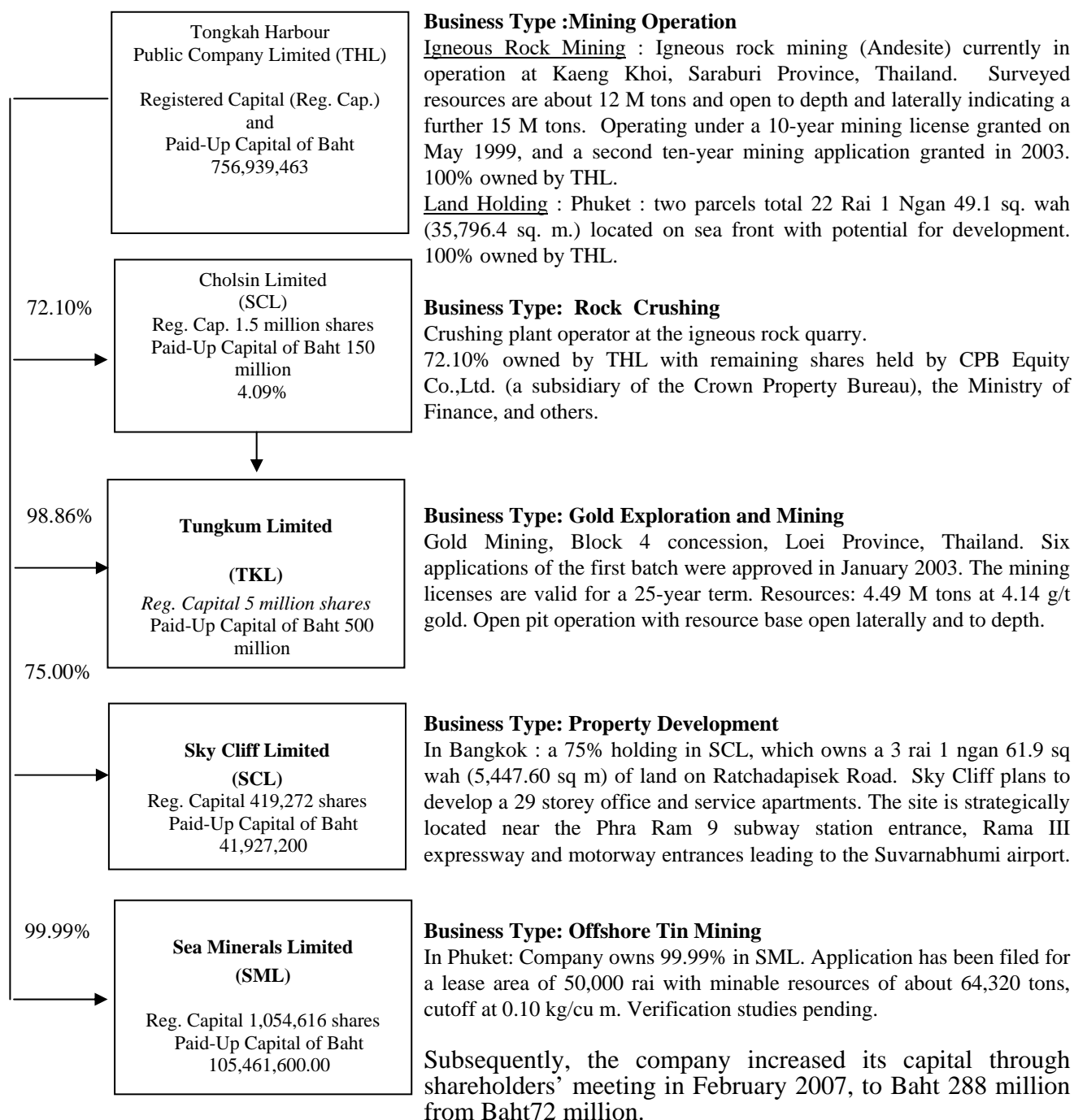
On 4 May 2007, with profitable operations for 2006, the Stock Exchange of Thailand reinstated the Company's security trading. Also, the trading of the Company shares in the form of American Depository Receipts was approved by US Securities Exchange Commission on 9 May 2007. In 2008, a loan of USD 35 million was obtained from the Deutsche Bank. Part of the loan was utilized to repay an earlier loan while the balance was used to finance current and planned expansions.

In the second quarter of 2009, the Company completed the installation of the new flotation plant, thus reaching an important milestone where we shall be able to reap the benefits of the copper and iron ore recovery as by-products. The flotation processing is of importance to us because the recovery rate of primary sulfide ore will be much higher and there will be significant reduction of reagents used, particularly cyanide.

On September 7, 2009, the Department of Primary Industries and Mines granted the long-awaited transport and export permit for export of 700tons of gold-copper concentrates from our gold mine, with the full license granted on 4 November 2009. The Company is now exporting the gold-copper concentrates on a regular basis beginning in October 2009. At the same time, the production and export of gold doré as before.

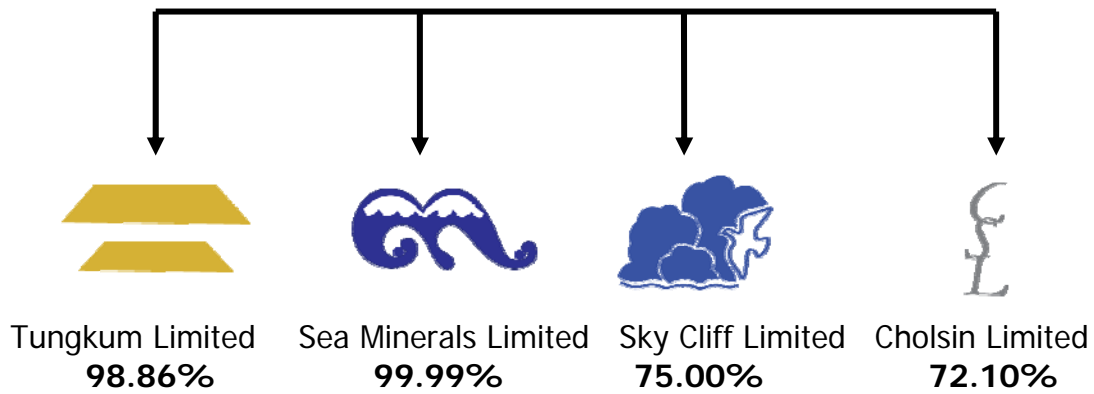
With the beginning of its next one hundred year journey, Tongkah Harbour Public Company Limited and its subsidiaries will continue focusing on the mining business by improving its gold production potential and concentrating on developing and putting into production its tin reserve areas.

**Business Operations of the Company and Group
(Operations Summary and Group Holdings as at 31 December 2009)**





Tongkah Harbour PCL (THL)



Ten Major Shareholders as of 30 December 2009

Shareholders		Number of Shares hold	Percentage
1. Sintana Holdings Limited	*	37,033,427	4.89
2. The Ministry of Finance		15,000,000	1.98
3. Paron Holdings Limited	*	13,500,000	1.78
4. Sino Pac Investments (L) Limited	*	12,689,460	1.68
5. Paron Resources Inc.	*	12,000,000	1.59
6. Mr. Ronald Ng Wai Choi		4,517,441	0.60
7. Mr. Phurintr Kiatsoonthorn by assets protector of Wall street Security Ltd.		2,662,000	0.35
8. Ms. Salill Lamsum		1,343,457	0.18
9. Mr. Nopadon Mantajit		1,273,419	0.17
10. Mr. Somsak Ruamkid		700,000	0.09
Other shareholders		656,220,259	86.69
Total as of 30 December 2009		756,939,463	100.00
Total Thai Shareholding		708,309,952	93.58
Total Foreign Shareholding		48,629,511	6.42

*Note : * Related Companies, the above shareholders lists are information furnished by Thailand Securities Depository Limited (TSD)*

Subsidiary Company Profile and Information

No	Item	Description
1.	Company Name	TUNGKUM LIMITED (TKL)
2.	Principle Activity	Gold Exploration and Mining
3.	Principal Place of Activity	<p><u>Registered and Operations Office:</u></p> <p><u>Corporate Headquarters:</u></p> <p>179 Moo 3, Tambol Khaoluang, Amphur Wang Sapung, Loei, 42130, Thailand. Phone: +66 89 892 6126-28 Fax: +66 89 814 1025</p> <p><u>Operation Office 1:</u></p> <p>c/o Tongkah Harbour Public Company Limited, 7 Floor, Muangthai-Phatra Office Tower I, 252/11 Ratchadapisek Road Huay Kwang, Bangkok 10320 Thailand. Phone: +66 2 695 4912-28 Fax: +66 2 695 4901</p>
4.	Registration Date	1 November 1991
5.	Registration Number	0105534104022 (originally No. 10401/2534)
6.	Registered Capital	Baht 500 million; 5 million shares at Par Value Baht 100 each
7.	Paid-up Capital	Baht 500 million
8.	Shareholders	<p>95.90% owned by Tongkah Harbour Public Company Limited (THL)</p> <p>4.09% owned by Cholsin Limited (CSL)</p> <p>0.01% owned by Others</p>
9.	Directors	<p>1) Mr. Pricha Attavipach</p> <p>2) Mr. Ronald Ng Wai Choi</p> <p>3) Dr. John P. Mills</p> <p>4) Mr. Direck Rattanavich</p> <p>5) Ms. Montha Kongkum</p>
10.	Other Information	Concession (block 4) granted for gold mining over Loei Province, Thailand. First batch of six applications were approved in January 2003. The mining licenses are valid for 25-year terms. Resources were estimated at 4.49 M tons at 4.14 g/t gold. Mining is an open pit operation with resource base open laterally and to depth.

No	Item	Description
1.	Company Name	CHOLSIN LIMITED (CSL)
2.	Principle Activity	Igneous Rock Crushing
3.	Principal Place of Activity	<p><u>Operations Office:</u></p> <p>68/6 Moo 4, Tahtoom, Kaeng Khoi, Saraburi, 18110, Thailand. Phone: +66 3622 7209 Fax: +66 3622 7209</p> <p><u>Corporate Headquarters:</u></p> <p>c/o Tongkah Harbour Public Company Limited, 7 Floor, Muangthai-Phatra Office Tower I, 252/11 Ratchadapisek Road, Huay Kwang, Bangkok 10320 Thailand. Phone: +66 2 695 4912-28 Fax: +66 2 695 4901</p>
4.	Registration Date	20 March 1984
5.	Registration Number	0105527011570 (originally No.1158/2527)
6.	Registered Capital	Baht 150 million; 1.5 million shares at Par Value Baht 100 each
7.	Paid up capital	Baht 150 million
8.	Shareholders	<p>72.10% owned by Tongkah Harbour Public Company Limited (THL)</p> <p>18.60% owned by Sino Thai Resources Development Public Company Limited</p> <p>7.00% owned by Ministry of Finance</p> <p>1.60% owned by Laddawan Capital Limited</p> <p>0.70% owned by Others</p>
9.	Directors	<ol style="list-style-type: none"> 1) Mr. Pricha Attavipach 2) Mr. Ronald Ng Wai Choi 3) Dr. J.P. Mills 4) Mr. Cholphan Vongsing 5) Ms. Montha Kongkum 6) Mr. Chalermchai Martmuang 7) Mr. Direck Rattanavich 8) Ms. Reine Quen Li Ng 9) Mr. Chana Wongsupab 10) Mr. Suwit Rojanavanich
10.	Other Information	Sole crushing operator at Tongkah Harbour Public Company Limited's igneous rock (andesite) quarry.

No	Item	Description
1.	Company Name	SKY CLIFF LIMITED(SCL)
2.	Principle Activity	Property Development
3.	Principal Place of Activity	<u>Registered and Operations Office:</u> <u>Corporate Headquartesr:</u> 14 Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2247 2728 Fax: +66 2247 2729
4.	Registration Date	5 September 1990
5.	Registration Number	0105533106641 (originally No.10663/2533)
6.	Registered Capital	Baht 41.93 million; 419,272 shares at Par Value Baht 100 each
7.	Paid up capital	Baht 41,927,200
8.	Shareholders	Tongkah Harbour Public Company Limited (THL) owns a 75% holding in Sky Cliff Limited Private equity owns the rest of a 25%
9.	Directors	1) Mr. Ronald Ng Wai Choi 2) Ms. Montha Kongkum 3) Mrs Uthaitip Sukasem 4) Mr Sukkij Rodpradite
10.	Other Information	Sky Cliff Limited, owns a 3 rai 1 ngan 61.9 sq wah (5,447.60 sq m) of land on Ratchadapisek Road. Sky Cliff plans to develop a 29 storey condominium. The site is strategically located near the Rama 9 subway station entrance, Rama III expressway and motorway entrances leading to the Suvarnabhumi airport.

No	Item	Description
1.	Company Name	SEA MINERALS LIMITED (SML)
2.	Principle Activity	Offshore Tin Mining
3.	Principal Place of Activity	<p><u>Registered and Operations Office:</u></p> <p>7 Floor, Muang Thai-Phatra Office Tower 1 252/11 Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2695 4912-28 Fax: +66 2695 4901</p> <p><u>Corporate Headquarters:</u></p> <p>c/o Tongkah Harbour Public Company Limited, 7 Floor, Muangthai-Phatra Office Tower I, 252/11 Ratchadapisek Road Huay Kwang, Bangkok 10320 Thailand. Phone: +66 2 695 4912-28 Fax: +66 2 695 4901</p>
4.	Registration Date	26 March 1981
5.	Registration Number	0105524006770 (originally No.675/2524)
6.	Registered Capital	<p>At year ended 2007 :Baht 117.20 Million;1,171,976 shares at Par Value Baht 100 each</p> <p>After the share reduction 's effective :Baht 105.46 Million; 1,054,616 shares at Par Value Baht 100 each</p>
7.	Paid up capital	<p>At year ended 2007 : Baht 117,197,600.00</p> <p>After the share reduction 's effective : Baht 105,461,600.00</p>
8.	Shareholders	An 99.99% holding of Tongkah Harbour Public Company Limited in Sea Mineral Limited
9.	Directors	<p>1) Mr. Ronald Ng Wai Choi</p> <p>2) Dr. John P. Mills</p> <p>3) Mr. Edward M. Jones</p> <p>4) Mr. Pricha Attavipach</p> <p>5) Mr. Direck Rattanavich</p> <p>6) Mr. John Yangpichit</p> <p>7) Mr. Chana Wongsupab</p> <p>8) Ms. Montha Kongkum</p> <p>9) Mr. Cherdsak Utha-aroon</p>
10.	Other Information	In Phuket, a lease application has been filed for an area of 50,000 rai in the Andaman sea with minable resources of about 64,320 tons, cutoff at 0.10 kg/cu m.

Director Profiles

Board of Directors

<p>Chairman of the Board Mr. Pricha Attavipach</p> <p>Chief Executive Officer/Managing Director Mr. Ronald Ng Wai Choi</p> <p>Directors</p> <p>Mr. Pricha Attavipach Mr. Ronald Ng Wai Choi Dr. J. Peter Mills Mr. John Yungpichit Mr. Nopadon Mantajit Mr. Nickane Sucharitaves Khunying Jintana Sookmark (1) Mr. Krittapas Kanikanant (2) Mr. Wichai Cherdshewasart (3) Mr. Cherd sak Utha-aroon (4) Mr. Direck Rattanavich (5) Mr. Chakkrit Parapuntakul (6) Mr. Somsak Potisat (7) General Kittisak Rathprasert (8)</p> <p>Advisor to the Board Mr. Rachan Kanjana-Vanit Mr. Somsak Potisat (7) Mr. Varin Cherdboonmuang (9)</p> <p>Company Secretary Mr. Napun Pharpatara (10)</p> <p>Executive Committee Mr. Ronald Ng Wai Choi - Chairman Dr. J. Peter Mills Mr. Cherd sak Utha-aroon</p> <p>Audit Committee Mr. Nickane Sucharitaves- Chairman Mr. Krittapas Kanikanant (2) Mr. Nopadon Mantajit</p> <p>Remuneration Committee Mr. Ronald Ng Wai Choi - Chairman Mr. Nickane Sucharitaves Mr. Krittapas Kanikanant (2)</p>	<p>Nomination Committee Mr. Pricha Attavipach - <i>Chairman</i> Mr. Nickane Sucharitaves Mr. Ronald Ng Wai Choi</p> <p>Independent Directors Mr. Pricha Attavipach - <i>Chairman</i> Mr. Nopadon Mantajit Mr. Nickane Sucharitaves Khunying Jintana Sookmark (1) Mr. Krittapas Kanikanant (2)</p> <p>Note: ()</p> <ol style="list-style-type: none">1) Appointed with effective on March 30, 20092) Appointed with effective on April 21, 20093) Appointed with effective on April 23, 20094) Appointed with effective on November 12, 20095) Appointed with effective on November 12, 20096) Appointed with effective on November 12, 20097) Resigned as MD-THL and Director of all subsidiary company with effective on 1 November 2009 but remained as advisor of the company8) Resigned with effective on 31 August 20099) Resigned with effective on December 9, 200910) Appointed with effective on 24 March 2009
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Management Shareholding

Shareholding by Directors and Management as at 31 December 2009 are as follows:

No	Name	No. of Shares held		Increase/ (Decrease)
		2009	2008	
1.	Mr. Pricha Attavipach	3,943,167	3,843,167	100,000
2.	Mr. Ronald Wai Choi Ng	4,517,441	4,517,441	-
3.	Dr. John Peter Mills	-	-	-
4.	Mr. John Yungpichit	-	-	-
3.	Khunying Jintana Sookmark	-	-	-
4.	Mr. Krittapas Kanikanant	-	-	-
7.	Mr. Somsak Potisat	-	-	-
8.	Mr. Nopadon Mantajit	1,273,419	1,273,419	-
9.	Mr. Nickane Sucharitves	-	-	-
10.	Mr. Wichai Cherdshewasart	-	-	-
11.	Mr. Cherdzak Utha-aroon	-	-	-
12.	Mr. Direck Rattanavich	-	-	-
13.	Mr. Chakkrit Parapuntakul	-	-	-
14.	Mr. Visoot Phongsathorn	-	-	-

Note: Shares shown above are from TSD on December 30, 2009 and that includes those of his/her spouse and immature children.

PROFILE OF DIRECTORS

1.	Mr. Pricha Attavipach	Chairman
2.	Mr. Ronald Ng Wai Choi	Managing Director
3.	Dr. John Peter Mills	Director
4.	Dr. John Yangpichit	Director
5.	Mr. Wichai Cherdshewasart	Director
6.	Mr. Chakkrit Parapuntakul	Director
7.	Mr. Direck Rattanavich	Director
8.	Mr. Cherdsak Utha-aroon	Director
9.	Mr. Nopadon Mantajit	Independent Director
10.	Mr. Nickane Sucharitaves	Independent Director
11.	Mr. Krittapas Kanikanant	Independent Director
12.	Khunying Jintana Sookmark	Independent Director

Name: Mr. Pricha Attavipach

Age: 72

Position on Board

- Chairman of the Board
- Chairman of Nomination Committee
- Independent Director

Percentage of Shareholding

- 3,843,167 shares (0.50 %)

Education/Training

- 1960 - Bachelor of Science, Industrial Engineering, Chulalongkorn University
- 1964 - Master of Science, Industrial Engineering and Management, Oklahoma State University
- Director's Certification Program 39/2004, Thai Institution of Directors Association
- Finance for Non-Finance Directors, Thai Institution of Directors Association

Work Experience

- 1980 - 1983 - Deputy Director General of Department of Industrial Works
- 1983 - 1986 - Chief Engineer and Office of the Permanent Secretary of Ministry of Industry
- 1986 - 1991 - Deputy Permanent Secretary of Ministry of Industry
- 1991 - 1993 - Director General of Department of Industrial Works
- 1991 - 2000 - Director of National Petrochemical Public Company Limited
- 1993 - 1996 - Director General of the Department of Mineral Resources
- 1993 - 2001 - Director of PTT Exploration and Production Public Company Limited
- 1994 - 1996 - Director of Tongkah Harbour Public Company Limited
- 1995 - 1998 - Chairman of Thai LNG Power Company Limited
- 1996 - 1999 - Permanent Secretary to the Ministry of Industry
- 1997 - 1998 - Chairman of Electricity Generating Authority of Thailand
- Director of Siam Tyre Public Company Limited
- 1997 - 1999 - Chairman of Petroleum Authority of Thailand
- 1997 - 2001 - Chairman of TLP Cogeneration Company Limited
- 1998 - 1999 - Advisor to the Board of Directors and the Executive Committee of The Siam Cement Public Company Limited
- 1998 - 2003 - Audit Committee member of Tongkah Harbour Public Company Limited
- 1999 - 2000 - Chairman of National Petrochemical Public Company Limited
- 2000 - 2003 - Audit Committee Chairman of Tongkah Harbour Public Company Limited
- Honorary Advisor of National Petrochemical Public Company Limited
- 2003 - Present - Chairman of Tongkah Harbour Public Company Limited



Other Present Positions

- 2000 - Present - Chairman of Ruamkijaungthong Warehouse Limited
- 2000 - Present - Chairman of Pan-Paper 1992 Company Limited
- 2001 - Present - Specialist, Senior Engineering (Industrial Engineer) of Council of Engineers.
- 2001 - Present - Chairman of Chaiyananbangplee Parkland Company Limited
- 2002 - Present - Law Councillor of Ministry of Labour.
- 2003 - Present - Chairman of Siam P.P. International Company Limited
- 2004 - Present - Chairman of Ekaratpattana Company Limited
- 2004 - Present - Academic Director of the Safety and Health Vocational Management System, The Engineering Institution of Thailand Under H.M. The King's Patronage
- 2004 - Present - Independent Director and Chairman of Audit Committee of Thai-rung Union Car PCL.
- 2008 - Present - Chairman of Kaset Thai Sugar Refinery Group (3 Factories)

Positions in Other Core /Affiliated Companies

- Director of Tungkum Limited
- Director of Cholsin Limited
- Director of Sea Minerals Limited

Name: Mr. Ronald Ng Wai Choi

Age: 63

Position on Board

- Managing Director
- Member of Remuneration Committee

Percentage of Shareholding

- 4,517,441 shares (0.6 %)

Education/Training

- Bachelor Degree (Honors) in Economics, University of Malaya



Work Experience

- 1970 - 1972 - Malaysian Industrial Development Finance (Development Bank of Malaysia)
- 1972 - 1974 - Malaysian International Merchant Bankers (Investment Bank)
- 1974 - 1976 - Managing Director and CEO of Buildmore Properties Limited, a Hong Kong Public Listed Company.
- 1977 - 1980 - Chairman of First Siam Corporation Limited (licensed Investment Bank)
- 1980 - 1986 - Established Madam Tan Soo Lan Foundation Scholarship Fund; Managing Director and CEO of Asean Development Corporation, Largest shareholder of Tasminex, ASX (Australian) publicly listed mining company. Incorporated The Paron group as base in Hong Kong in 1985 with acquisition of printing and packaging business and moving production into Shenzhen, China and setting up joint ventures with Provincial Governments and City Municipalities to develop the hotel (six hotels) and travel industry as well.
- 1986 - 1996 - Entrepreneur in various countries, including as Chairman and CEO of listed Company, Paron Resources Ltd., (a North American Resource and Development Public Company)
- 1996–Present - Managing Director of Tongkah Harbour Public Company Limited

Other present positions

- Chairman of Paron Holdings Limited (an investment holding Company in Hong Kong)
- Chairman of Davenport Sun International Hotels and Properties Inc. (USA) (*Resigned 2005*)
- Chairman of Pamaron Holdings Limited
- Chairman of Sintana Holdings Limited (*Resigned 2007*)

Positions in Other Core /Affiliated Companies

- Chairman, Executive Board of Tungkum Limited
- Director of Cholsin Limited
- Managing Director of Sea Minerals Limited
- Director of Sky Cliff Limited

Name: Dr. J. Peter Mills

Age: 79

Position on Board

- Executive Director and Chief Geologist

Percentage of Shareholding

- Nil

Education/Training

- MSc.&Ph.D. Degrees, Geology, University of Kansas, Lawrence KS, U.S.A.



Work Experience

1957 – 1991 - Mineral exploration in gold, base metals, coal, and petroleum; mine surveys (base metals); project planning and field supervision. Geotechnical surveys planning coordinating. Regional government geological surveys and reporting for publication. Land-form analysis, Antarctica. Teaching in geology in Canada and overseas.

1992 - Present - Director of Tongkah Harbour Public Company Limited

Other Present positions

- Director of exploration of Sintana Group
- Director of Paron Resources Limited

Positions in Other Core /Affiliated Companies

- Director of Tungkum Limited
- Director of Cholsin Limited
- Director of Sea Minerals Limited

Name: Mr. Nickane Sucharitaves

Age: 66

Position on Board

- Independent Director (Appointed on 11 November 2008)
- Audit Committee Member (Appointed on 11 November 2008)

Percentage of Shareholding

- Nil

Education/Training

- Executive Development Program for CEOs Managing Innovation Fontainebleau, France
- Stanford University Graduate School of Business Executive Development Program California, USA
- Asian Institute of Management Development Program Manila, Philippines
- University of The Philippines Bachelor of Science in Business Manila, Philippines

Work Experience

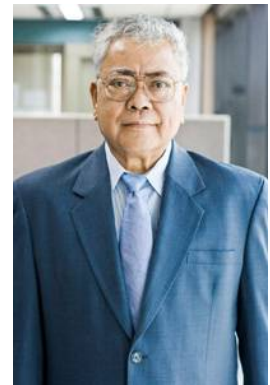
- 1963 – 1967 - Junior to Semi-Senior-Audit Division SGV & CO, Philippines
- 1971 – 1974 - Manager-Management Consulting Division SGV-NA THALANG & CO.,LTD.,Thailand
- 1967 – 1971 - Senior to Manager – Audit Division SGV-NA THALANG & CO.,LTD., Thailand
- 1974 – 1975 - Partner in-charge of Management Consulting Services Division SGV-THUAN & CO.,LTD, Vietnam
- 1975 – 1982 - Managing Partner SGV-ANDERSEN BUSINESS ADVISORY SERVICES LIMITED, Thailand
- 1982 – 1983 - Financial and Credit Consultant on Special Assignment to the Fish Marketing Organization of Thailand ASIAN DEVELOPMENT BANK. Thailand
- 1984 – 1999 - ASEAN Tax Practice Director and Thailand Managing Partner ANDERSEN LEGAL AND TAX CONSULTING LIMITED, Thailand
- 2008 - Present - Independent Director and Audit Committee Member of Tongkah Harbour Public Company Limited

Other present positions

- 2000 – Present - Member of the Advisory Board MAE FAH LUANG FOUNDATION, Thailand
- 2006 – Present - Director and Senior Tax Advisor (part-time) BAKER TILLY TAX AND CONSULTING SERVICES LIMITED, Thailand

Positions in Other Core /Affiliated Companies

- Nil



Name: Dr. John Yangpichit

Age: 73

Position on Board

- Director (*Appointed on 3 June 2008*)

Percentage of Shareholding

- 400,000 shares (0.05 %)

Education/Training

- Bachelor of Medicine, Queens University of Belfast, N.I. UK
- Bachelor of Sciences (Psychology), Johns Hopkins University, USA
- Member, Royal college of Obstetricians & Gynaecologist, London, UK
- Fellow, Royal college of Obstetricians & Gynaecologist, London, UK
- Master of Sciences in Psychology, Utah State University, USA



Work Experience

1971-1985 - Staff, Chulalongkorn Hospital, Department of Obstetrics & Gynaecology

1980-1982 - Managing Director & Medical Director, Bumrungrad Hospital

- Member of the Board, Bumrungrad Hospital

Other present positions

1980-Present - Gynaecologists, Chairman, Bumrungrad Hospital

1981-Present - Board of Director, Ruamrudee Clinic Co., Ltd.

2007- Present - Co-Founder/President, Miracele Medicine Co., Ltd.

2007- Present - Member of the board, Veolivwell Co., Ltd.

2008- Present - Director of Tongkah Harbour Public Company Limited.

Positions in Other Core /Affiliated Companies

2009- Present - Director of Sea Minerals Limited.

Name: Khunying Jintana Sookmark

Age: 73

Position on Board

- Independence director (*Appointed on 2008*)

Percentage of Shareholding

- Nil

Education/Training

- B.A., Chulalongkorn University
- B.E., Chulalongkorn University
- M.A., in Education Concordia University

Work Experience

- Chief of Non- Education for Thai in foreign
- Vice President
- Consultant

2009-Present - Independent Director

Other present positions

- Nil

Positions in Other Core /Affiliated Companies

- Nil



Name: Mr. Nopadon Mantajit

Age: 64

Position on Board

- Independent Director

Percentage of Shareholding

- 1,273,419 shares (0.17%)

Education/Training

- M.Sc. Master of Sciences, Manchester University,
UK.

Work Experience

1996 - 1999 - Director General of Department of
Mineral Resources, Ministry of Industry
2000 - 2002 - Deputy Permanent Secretary of the Ministry of Industry;
2002 - 2004 - Director General, Department of Mineral Fuels, Ministry of
Energy
2006 - Present - Director of Tongkah Harbour Public Company Limited

Other present positions

- Nil

Positions in Other Core /Affiliated Companies

- Nil



Name: Mr. Wichai Cherdshewasart

Age: 57

Position on Board

- Director

Percentage of Shareholding

- Nil

Education/Training

- B.Sc., Zoology, Chulalongkorn University
- M.Sc., Zoology, Chulalongkorn University
- M.Sc., Molecular Biology, Institute of Molecular Biology, Free University of Brussels, Belgium
- Certificate, Plant Biotechnology, ICRO-Universidad Complutense de Madrid, Spain
- D.Sc. (Great Distinction), Molecular Biology, Institute of Molecular Biology, Free University of Brussels, Belgium



Work Experience

1977-Present - Professor

2009-Present - Director of Tongkah Harbour Public Company Limited

Other present positions

- Nil

Positions in Other Core /Affiliated Companies

- Nil

Name: Mr. Krittapas Kanikanant

Age 44

Position on Board

- Independent Director
- Audit Committee Member

Percentage of Shareholding

- Nil

Education/Training

- Master of Business Administration, Finance, 1995
Sasin Graduate Institute of Business Administration,
Bangkok, Thailand
- Master of Science in Administration, International
Commerce, 1993
Metropolitan College, Boston University, Boston, MA, USA
- Bachelor of Engineering, Mechanical, 1989
King Mongkut Institute of Technology Ladkrabang, Bangkok , Thailand



Work Experience

- Sept 2001- Present - Mae Fah Luang Foundation, Centre for Social
Entrepreneurship Financial and Budgeting Advisor
- June 2004 – Present - P. Polytrade Co., Ltd.Managing Director, Phatra Securities
Ltd. (Merrill Lynch Phatra Ltd.)

Other present positions

- Nil

Positions in Other Core /Affiliated Companies

- Nil

Name: Mr. Direck Rattanaovich

Age: 62

Position on Board

- Director

Percentage of Shareholding

- Nil

Education/Training

- B.Eng(Mining Engineer), Chulalongkorn University

- Ms.(Mining Engineering), South Dakota School of
Mines and Technology, U.S.A.

Work Experience

2003 - Official investigator of Ministry of Industry

2006 - Deputy Permanent Secretary of Ministry of Industry

2008 - Retired Officer

2009-Present - Director of Tongkah Harbour Public Company Limited

Other present positions

- Nil

Positions in Other Core /Affiliated Companies

- Executive Director – Tungkum Limited

- Director – Cholsin Limited

- Director - Sea Minerals Limited



Name: Mr. Cherdsak Utha-aroon

Age 54

Position on Board

- Director GM-Exploration

Percentage of Shareholding

- Nil

Education/Training

-Bachelor of Sciences (Geology), Chiangmai University, Thailand

-Master of Sciences (Geology), University of Saskatchewan, Saskatoon, Canada

Work Experience

1978-1999 - Exploration Geologist in Dept. of Mineral Resources (DMR)

1999-2006 - Managerial Level Administration

Present - Director/ GM-Exploration of Tongkah Harbour PCL

Other present positions

- Nil

Positions in Other Core /Affiliated Companies

- Director – Sea Minerals Limited



Name: Mr. Chakkrit Parapuntakul

Age 51

Position on Board

- Director

Percentage of Shareholding

- Nil

Education/Training

- Master Degree in Business Administration, Angelo State University, Texas, U.S.A.

- Bachelor Degree in Accounting, Thammasat University, Bangkok, Thailand.

Work Experience

1998-2002 - Head of Debt Capital Market, Fiscal Policy Office of Ministry of Finance

2003-2008 - Director of International Finance Bureau

Present - Deputy Director of General-Ministry of Finance

Other present positions

- Nil

Positions in Other Core /Affiliated Companies

- Nil



CORPORATE GOVERNANCE STATEMENT

THL, being a 104 year old Company, has always been committed to its shareholders and stakeholders to maintain the highest principles of Corporate Governance, the Code of Best Practices as provided by the Stock Exchange of Thailand (SET), the Company's Articles of Association, and other regulations of the Kingdom of Thailand.

The Board of Directors (Board) will continue to maintain and safeguard the interests of the Company's shareholders and stakeholders.

As the Company is listed on the SET, its Board is committed to the best practice standards required by the SET and the Company's Articles of Association.

In this regard, the Company has implemented guidelines to monitor corporate practice to ensure that its conduct and principles are appropriate in maintaining business excellence and accommodate changing circumstances.

1. The Board of Directors (Board)

Composition of the Board

In Accordance to the Company's Articles of Association, the Board must be elected by the Shareholders and must comply with the following:

1. The minimum number of directors shall be five.
2. At least half of the total number of directors must reside in Thailand.
3. A director may or may not be a Company shareholder.

The Company, in best practice, will always ensure that there is sufficient number of independent members in the Board of Directors so that, from time to time, it is able to express an independent opinion about the conduct of the Company's business.

Independent directors do not hold any position in management. They are not employees and do not represent any major shareholders, but are represented in the Board to ensure objectivity and balance in the protection of rights and equitable treatment of all shareholders

Independent directors consists of directors with a depth of senior level experience in engineering, technical, geological, operational management, financial, legal, or accounting areas.

Size of the Board

The Board members consist of a chairman (an independent member) of the Board, the managing director, executive directors, and non executive directors. The chairman of the Board manages the Board's activities and is the leader of the Company at Board level.

The managing director and executive director(s) manage the Company as delegated by the Board through its overall policies and guidelines. The managing director is responsible to ensure that the Board has adequate understanding of management activities through meetings with the senior management.

THL, as at the date of this annual report, consists of one (1) chairman to the Board, one (1) managing director, two (2) executive directors, four (4) independent directors and two (5) directors.

Role of the Board

The primary role of the Board is to oversee the Company and its Subsidiary Companies in the best interests of its shareholders in accordance with the Company's Articles of Association, and all laws and regulations.

Principal Duties and Responsibilities of the Board

The principal duties and responsibilities of the Board are as follows:

- 1) Conducting their duties honestly, comply with all laws, the objects and the articles of association of the Company, and the resolution of and the resolutions of any shareholder meetings in good faith, and with care to preserve the interests of the Company.
- 2) Implement and direct the company's policies, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth.
- 3) Conduct themselves honestly and with integrity.
- 4) Ensure management's accountability to shareholders: preserve their rights and interests, clearly and fully disclose information.
- 5) Ensure the company has management with the competency, knowledge and experience to run the business.
- 6) Ensure the company is determined to carry on the business continuously
- 7) Recommending and monitoring Company objectives, goals, and strategic operational plans, for management's implementation as approved by the Company's shareholders at the Company's Annual General Meetings (AGM's).
- 8) Striving for growth and stability leading to good returns for shareholders in the long term.
- 9) Monitoring the Company's financial performance.
- 10) Ensuring the existence of adequate internal controls.
- 11) Considering any conflict of interests thoroughly and monitoring compliance to the regulations regarding criteria, procedures and disclosure of related transactions.
- 12) Ensuring that significant business risks are appropriately managed.
- 13) Reviewing management performance.
- 14) Recommending to shareholders the selection and appointment of new directors upon vacancy.
- 15) Ensuring that management maintains proper business standards and ethical behavior.

Role of the Chairman and Managing Director

The chairman, elected by the board of directors, chairs the Board meetings, and also the shareholder's meetings. He should assure that important matters are raised for deliberation in meetings and that the board puts the right emphasis on reviewing and approving strategies presented by the management, and monitors that the strategies are implemented. The chairman must ensure that the board provides leadership vision and encouragement to the management.

The chairman should assure that Company maintains an effective Board of directors, and that they perform effectively as a team. Every director, executive or non executive, should be encouraged to fully and actively play one's role, in both business undertakings and corporate governance. In

addition, the Chairman's authority and responsibility as a board member remains the same as the rest of the members

The Managing Director, appointed by the board of directors, leads the management team and assures implementation of approved strategies under the framework determined by the Board of directors. The Managing Director is responsible for overall responsibility in developing and implementing business strategies provide the leadership and vision to executive directors and senior management in achieving the Company's operation goals as set by the Board of Directors and shareholders.

2. Board Meetings

Board structure and procedure

The Board of directors meetings are regularly scheduled in advance. The chairman and the Managing Director consider listing the agenda of a board meeting prior to the meeting and ensure that important matters are included for Board discussion. Each director has freedom to suggest any matter to the meeting agenda. The chairman promotes prudent consideration and allocates appropriate time for the management to present adequate issues and for the directors to broadly discuss important matters with care.

The agenda of the meeting and the Board papers will be prepared and sent by the Secretary to the Board seven days before the meeting date to ensure that board members have adequate time to understand and deliberate on the matters indicated. The Secretary to the Board ensures that information gathered is adequate for the Board Discussion.

It is a duty of directors to attend every board meeting, except with reasonable excuses. If need arises for the non-executive directors to discuss critical issues and management problems, the non-executive director, led by the independent Board Chairman, shall conduct a meeting without the presence of the Company's executive directors and senior management.

Senior Management will be invited to attend board meetings as needed. Additional and detailed information may be needed from them where they are directly involved with certain matters. The Board should also invite other top executives to attend as deemed necessary.

Attendance at Board Meetings

The Board of Directors meet at least on quarterly basis, and on any other occasion deemed appropriate, to ensure full and effective control over Company activities. During year 2009 the Company held 8 Board meetings: with attendance as listed in the following table.

	Board Meetings Attendance		Absent from Meeting No:	Reside in Thailand
	A	B		
Director				
Mr. Pricha Attavipach	8	8	Nil	Yes
Mr. Ronald Ng Wai Choi	8	8	Nil	Yes
Mr. Kriang Kiatfuengfoo (Resigned on March 6, 2009)	8	2	3-8	Yes
Mr. Umyos Huvanandana (Resigned on March 25, 2009)	8	2	3-8	Yes
Mr. Somsak Potisat	8	7	8	Yes

(Resigned on September 30, 2009)				
Dr. John Peter Mills	8	8	Nil	Yes
General. Kittisak Rathprasert (Resigned on August 31, 2009)	8	7	8	Yes
Dr. John Yangpichit	8	7	8	Yes
Mr. Nopadon Mantajit	8	8	Nil	Yes
Mr. Nickane Sucharitaves	8	8	Nil	Yes
Khunying Jintana Sookmark (1)	5	3	1-3	Yes
Mr. Krittapas Kanikanant (2)	8	4	5-8	Yes
Mr. Direck Rattanavich (3)	8	0	1-8	Yes
Mr. Cherdsak Utha-aroon (4)	8	0	1-8	Yes
Dr. Wichai Cherdshewasart (5)	8	4	1-4	Yes
Mr. Chakkrit Parapuntakul (6)	8	0	1-8	Yes

A. *Meetings held during the period the director was a member of the Board or Committee.*

B. *Meetings attended by the director.*

(1) *Appointed with effect on 30 March 2009*

(2) *Appointed with effect on 21 April 2009*

(3) *Appointed with effect on 12 November 2009*

(4) *Appointed with effect on 12 November 2009*

(5) *Appointed with effect on 23 April 2009*

(6) *Appointed with effect on 12 November 2009*

(Based on resolutions by the Board of Directors)

Visits to Locations

The Board members shall from time to time visit sites of Company business to understand and to acknowledge the work is being carried out. All directors have the access to visit Company business locations without restriction.

Access to Information and Advice

The Board has unrestricted access to all information within the Company and is able to seek direct explanation or briefing on important matters from Senior Management over the Conduct of the Business

The directors are entitled to seek independent professional advice concerning the affairs of the Company, at the Company's expense, where it is determined that such action is in the best interest of the Company.

The Board also has one Senior Advisor and one Senior Consultant. The Secretary to the Board is a registered lawyer to assist with regulatory compliance matters, and to ensure compliance with all rules of conduct and procedures at Board Meetings.

The Board will be regularly updated on any new law, regulation, guidelines by the Stock Exchange, and other relevant law and regulation

Relationship of the Board to Senior Management

The Management of the Company consists of the Managing Director, Executive Director and Senior Management appointed by the Executive Committee to assist the Managing Director in carrying out his or her duties. Regular meetings with senior management and invitation to attend Board Meetings are encouraged.

Retirement by rotation and appointing of director to replace the director who resigned before his due retirement

In accordance with the Articles of Association and Company best practices, the following conditions have been set out as follows:

- a) At least one third of the directors must retire from office at the AGM each year. The retiring directors are eligible for reelection.
- b) If the office of director is vacant otherwise than by rotation, the Board of Directors, by a vote of not less than three-fourths of the number of the remaining directors, may elect a person who is qualified and is not of a forbidden nature under the law, to be a director in his place at the following meeting of the Board of Directors unless the remaining tenure of the director is less than 2 months.

Any person so appointed shall retain his office during such time only as the vacating director was entitled to retain the same.

The following 4 directors shall retire by rotation at this year's AGM:

1. Khunying Jintana Sookmark
2. Mr. Nopadon Mantajit
3. Dr. John Yangpichit
4. Mr. Surapong Chiangthong

Khunying Jintana Sookmark, Mr. Nopadon Mantajit and Dr. John Yangpichit and Mr. Surapong Chiangthong are being submitted for re-election by the shareholders.

Number of directorship in other Public Companies

The Board of Directors observes and considers the number of directorship holdings by each director in other Public Listed Companies, to ensure that appointed directors have sufficient time and energy to deliberate on Company matters.

Executive Directors, and Senior Management, who wish to hold a Directorship in Companies other than those in the Group, must obtain the Board's consent before accepting an appointment.

Director and Management's Remuneration

Remuneration for Board members is set based on the following policies:

- a) The remuneration package for directors should be appealing enough to attract and retain quality directors whom the board requires, subject to comparable market rates.
- b) Remuneration for non-executive directors should be comparable to the general practice in the industry, commensurate with work experience and commitment, as well as the benefits each director brings. Directors who are assigned extra work (being members of committees, for example) should be remunerated accordingly
- c) Executive Directors should receive the remuneration that is linked to the performances of the Company and that of each director.
- d) Remuneration for the Managing Director and Senior Management should be determined in accordance with the principles and policies set by the Board and the Remuneration Committee.

- e) The Board should appoint a Remuneration Committee to assist in the setting of the remuneration package for directors and Company Senior Management to ensure that it is decided on with transparency.

Directors' compensation

The following compensation structure was approved at the AGM No. 15/2009 on April 23, 2009, for the Board in 2009:

1. Annual Fee

1.1 Board compensation structure consisted of:

- Chairman of the Board	Baht 120,000
- Ordinary Members	Baht 75,000
- Executive Directors	Baht 75,000

1.2 Audit Committee compensation structure consisted of:

- Chairman of the Audit Committee	Baht 90,000
- Member of the Audit Committee	Baht 70,000

1.3 Remuneration Committee compensation structure consisted of

- Chairman of the Remuneration Committee	Baht 70,000
- Member of the Remuneration Committee	Baht 45,000

1.4 Nomination Committee compensation structure consisted of

- Chairman of the Nomination Committee	Baht 70,000
- Member of the Nomination Committee	Baht 45,000

2. Meeting Allowances

2.1 Board meeting allowances (payable per attendance only) consisted of:

- Chairman of the Board	Baht 25,000 per attendance per meeting.
- Ordinary Members	Baht 20,000 per attendance per meeting.

2.2 Audit meeting allowances structure consisted of:

- Chairman of the Audit Committee	Baht 25,000 per attendance per meeting.
- Member of the Audit Committee	Baht 15,000 per attendance per meeting.

2.3 Remuneration meeting allowances structure consisted of:

- Chairman of the Remuneration Committee	Baht 15,000 per attendance per meeting.
- Member of the Remuneration Committee	Baht 10,000 per attendance per meeting.

2.4 Nomination meeting allowances structure consisted of:

- Chairman of the Nomination Committee	Baht 15,000 per attendance per meeting.
- Member of the Nomination Committee	Baht 10,000 per attendance per meeting.

The remuneration and fee structure for the Directors during the financial year ended 31st December 2009 is as follows

Company Director	Annual Fee	Board Meeting Allowance	Committee Meeting Allowance	Total Compensation
Executive				
1. Mr. Ronald Ng Wai Choi	0.00	0.00	0.00	0.00
2. Dr. John Peter Mills	75,000.00	0.00	0.00	75,000.00
3. General. Kittisak Rathprasert	50,000.00	0.00	0.00	50,000.00
4. Mr. Somsak Potisat	65,208.33	80,000.00	0.00	145,208.33
Total	190,208.33	80,000.00	0.00	270,208.33
Non-Executive				
1. Mr. Pricha Attavipach	120,000.00	200,000.00	45,000.00	365,000.00
2. Mr. Kriang Kiatfuengfoo	16,330.65	40,000.00	50,000.00	106,330.65
3. Mr. Umyos Huvanandana	17,137.10	40,000.00	35,000.00	92,137.10
4. Mr. Nickane Sucharitaves	75,000.00	160,000.00	110,000.00	345,000.00
5. Mr. Nopadon Mantajit	75,000.00	160,000.00	45,000.00	280,000.00
6. Mr. Krittapas Kanikanant	50,416.67	80,000.00	45,000.00	175,416.67
7. Dr. John Yangpichit	75,000.00	140,000.00	0.00	215,000.00
8. Khunying Jintana Sookmark	57,258.06	100,000.00	0.00	157,258.06
9. Dr. Wichai Cherdshewasart	50,416.67	80,000.00	0.00	130,416.67
10. Mr. Direck Rattanavich	8,958.33	0.00	0.00	8,958.33
11. Mr. Cherdhak Utha-aroon	8,958.33	0.00	0.00	8,958.33
12. Mr. Chakkrit Parapuntakul	8,958.33	0.00	0.00	8,958.33
Total Non-Executive	563,434.14	1,000,000.00	330,000.00	1,893,434.14
Total as of 31 December 2009	753,642.47	1,080,000.00	330,000.00	2,163,642.47

The number of Directors of the Company whose total Annual fee and Allowances falls within the following bands:

<i>Executive Director</i>	<i>Number</i>
Remuneration Below Baht 100,000	3
Remuneration Baht 100,001 – 400,000	1
<i>Non-Executive Director</i>	
Remuneration Below Baht 100,000	4
Remuneration Baht 100,001 – 300,000	7
Remuneration Baht 300,001 – 500,000	1
Remuneration Baht 500,001 – 700,000	0

Compensation for Management

The compensation of Management team members complies with the policies and principles specified by the Board. Each person's compensation is determined against performance with industry standards. The Remuneration Committee then proposes the compensation along with compensation guidelines to the Board for review and approval.

In 2009, the Managing Director, executives and management received Baht 15,090,193.00 (total 9 persons) in compensation detailed as follows:

Compensation	2009		2008	
	Persons	Paid Amount	Persons	Paid Amount
Salary	9	14,069,999.67	7	13,080,564.00
Other Benefits		1,020,526.36		5,382,850.03

Management Shareholding

Shareholding by Directors and Management as at the latest closing date are as follows:

No	Name	No. of Shares held		Increase/ (Decrease)
		30/12/2009	30/12/2008	
1.	Mr. Pricha Attavipach	3,943,167	3,843,167	100,000
2.	Mr. Ronald Wai Choi Ng	4,517,441	4,517,441	Nil
3.	Mr. Nickane Sucharitaves	Nil	Nil	Nil
4.	Mr. Nopadon Mantajit	1,273,419	1,273,419	Nil
5.	Dr. John Peter Mills	Nil	Nil	Nil
6.	Dr. John Yangpichit	400,000	400,000	Nil
7.	Khunying Jintana Sookmark	Nil	Nil	Nil
8.	Mr. Direck Rattanavich	Nil	Nil	Nil
9.	Mr. Krittapas Kanikanant	Nil	Nil	Nil
10.	Mr. Chakkrit Parapuntakul	Nil	Nil	Nil
11.	Dr. Wichai Cherdshewasart	Nil	Nil	Nil
12.	Mr. Cherdzak Utha-aroon	Nil	Nil	Nil
13.	Mr. Visoot Phongsathorn	Nil	Nil	Nil

Note: From Shareholder's list by TSD as at the latest closing date which is 30 December 2009 and each director information includes the number of shares holding by spouse and person no sui juris

3. Board Committees

In order to ensure effectiveness and efficiency of the Board in carrying out its duties, the Board may delegate some of its responsibilities to Board committees which will conduct their duties in accordance to its terms of references and modus operandi approved by the Board.

Except for Chairman of the Executive Committee, Only Independent Directors can be appointed as Chairman of Board Committees. Independent Directors are encouraged to be Committee Chairman.

Executive Committee

The Executive Committee comprises as at the date of the Annual Report, 3 Directors as Committee members.

- | | |
|----------------------------|---|
| 1. Mr. Ronald Ng Wai Choi | Chairman, Managing Director |
| 2. Dr. John Peter Mills | Executive Director |
| 3. Mr. Cherdzak Utha-aroon | Executive Director (Appointed on 12 November 2009) |
| | (General Kittisak Rathprasert Executive Director, Appointed on 25 February 2008 and resigned on 31 August 2009) |

The duties of the Executive Board are to consider and execute decisions and matters as assigned by the Board of Directors. All members are involved in the Company's day-to-day operations. Formal

meetings take place as required, twice a month on average. Member of the Senior Management can be invited to attend meetings.

Audit Committee

The Audit Committee comprises as at the date of the Annual Report, 3 Independent Directors as the member of the Committee.

1. Mr. Nickane Sucharitaves	Chairman (Appointed on 21 April 2009)
2. Mr. Nopadon Mantajit	Appointed on 21 April 2009
3. Mr. Krittapas Kanikanant	Appointed on 21 April 2009
(Mr. Kriang Kiatfuengfoo, Chairman resigned on 6 March 2009)	
(Mr. Umyos Huvanandana, Member resigned on 25 March 2009)	

Charter of the Audit Committee

The Board of Directors of Tongkah Harbour Public Company Limited is committed to support of Good Corporate Governance systems. Thus, the Company's Board of Directors appointed the Audit Committee to be an important tool in helping the burden of the Board of Directors in governing the Company's operations by ensuring accurate, transparent, and high quality management. Additionally, the Board is committed to delivering trustworthy financial reporting, ensuring that information disclosed in financial statements are accurate and benefiting the investors and stakeholders. In compliance with the SET's Regulations and to allow the Audit Committee to carry out their duties as assigned by the Board of Directors, the Audit Committee Charter has been enacted as followings:

1. Composition of the Audit Committee

1.1 The Audit Committee is comprised of at least three independent directors, where at least one member must be knowledgeable or have significant experience in accounting or in financial matters.

1.2 The Audit Committee members must be able to devote adequate time to fulfill their roles in committee operations.

2. Qualifications of Audit Committee Members

2.1 Members may not hold shares exceeding one percent, including shares held by a related person, of paid-up capital of the listed company or of the mother company, an affiliated company, an associated company, or a company that might have any conflict of interest with respect to the listed company.

(Remarks: This qualification would not be applied to the existing audit committee members)

2.2 Members must be directors not involved in the management and not employees or staff members, or advisors who receive regular salary from the listed company or those with authority to control the listed company, the mother company, an affiliated company, an associated company, or a company that might have a conflict of interest with respect to the listed company (two years prior to appointment).

2.3 Members must be able to carry out their duties and express their opinions independently.

Determination or Change in the scope of duties and responsibilities which will take effect February 26, 2009.

The Audit Committee has duties and responsibilities to the Board of Directors as followings:

1. Review the accuracy and sufficiency of financial reporting by coordinating with the external auditors and management responsible for preparing the financial reports.

2. Review the suitability, effectiveness and adequacy of the Company's internal control systems and internal auditing functions by coordinating with the external auditors.
3. Review the major risk levels, risk management, and the possible impact from that risk with management and the external auditors.
4. Review compliance performance with respect to relative laws and Company's policies and regulations.
5. Consider and advise on the appointment of the external auditors, including the audit fee.
6. Review in cooperation with the external auditors, the objectives, scope, guidelines, and plans for internal auditing; and coordinate with the external auditors when problems arise including any that the auditors deem relevant.
7. Recommend appointments, removals, transfers, dismissals, and consider the merits of the management and staffs of the Internal Audit Department.
8. Appoint and remove the secretary of the Audit Committee.
9. In cooperation with the Internal Audit Department review the objective, plans, communication of results, and evaluation of the internal auditing function, as well as reviewing the adequacy of resources, both human and financial.
10. Approve the Internal Audit Department's Charter and the internal auditing plan.
11. Give confidence to and assure the independence of both internal and external auditors
12. Prepare the Audit Committee corporate governance and activities report, which must be signed by the Committee Chairman, and include in the Company's annual report.
13. Review compliance on all related transaction disclosures and conflict-of-interest possibilities as prescribed in the regulations.
14. Allow the Audit Committee to have full authority to access information on all levels of the Company including allowing management, department heads, and relevant employees to issue opinions, attend meetings, or submit relevant documents and get assistance from experts when appropriate.
15. Take care of any other matters assigned by the Board of Directors.

During the Financial Year, the Audit Committee met 4 times with all members present at each meeting.

Remuneration Committee

The Remuneration Committee comprises, as at the date of the Annual Report, the managing director, and 2 independent directors as the Committee members.

1. Mr. Ronald Ng Wai Choi Managing Director (Appointed on April 21, 2009)
2. Mr. Nickane Sucharitaves Independent Director (Appointed on March 24, 2009)
3. Mr. Krittapas Kanikanant Independent Director (Appointed on April 21, 2009)

The Committee is responsible for reviewing compensation arrangements for all directors (including the Employee Stock Option Plan ("ESOP")) as well as for reviewing annual and ad hoc staff remuneration which is considered by management and allocated commensuration with the individual's qualifications and contributions made to the Company.

Recommendations concerning compensation for directors are made by the Committee and voted upon and approved by the Company's shareholders at the Company's AGM.

The Remuneration Committee meets at least once annually and as necessary.

Nomination Committee

The Nomination Committee comprises as at the date of the Annual Report, 2 Independent Directors as the Committee members.

1. Mr. Pricha Attavipach Chairman and Independent Director
2. Mr. Ronald Ng Wai Choi Managing Director (Appointed on March 24, 2009)
3. Mr. Nickane Sucharitaves Independent Director (Appointed on March 24, 2009)

The Committee is responsible for overseeing selection of new directors by considering, defining, and reviewing, the required knowledge, experience, and skills, of a potential candidate prior to their nomination to the Board to ensure that it reflects an appropriate balance of skill and independence.

The Committee will use the following procedures to select the suitable directors.

1. The Committee will specify the new directors' qualification to replace those who resigned complying with relevant laws and regulations and also specify the procedures for the selection of the qualified person.
2. The Committee will consider and propose the qualified applicant with the reason for the Board's consideration.
3. The Committee will select the qualified candidate as proposed by the Committee to the Share's holding meeting for approval.

The Committee should consider the relevant age, skill, field of specialization, and the willingness to dedicate time and effort to the company.

The Board consists of directors with a depth of senior level experience in engineering, technical, geological, operational management, financial, legal, and accounting areas, which helps to ensure that it is equipped to deal with a broad range of issues.

The Nomination Committee meets at least once annually and as necessary.

DISCLOSURE AND CORPORATE TRANSPARENCY

Proper and sufficient transparency disclosure are considered the foundations of mutual understanding and trust between Company and Shareholders, and provides:

- 1) an opportunity for the shareholder stakeholder to scrutinize the Company Activities more accurately and cautiously,
- 2) defines the roles and responsibilities of the people involved,
- 3) provides easy access to needed information, and
- 4) assist in maintaining a monitoring process to ensure ethical and proper business conduct of Company Operations.

The Company maintains corporate disclosure in accordance with regulations set by various Governmental authorities including the Ministry of Commerce, the Stock Exchange of Thailand, and the Department of Primary Industry and Minerals. The Board ensures that disclosure is complete, adequate, reliable, and timely, so that the Company's shareholders and stakeholders are equally well informed as required the laws of state agencies and concerned organizations.

The Board ensures that the following information is disseminated to the stakeholder from time to time:

- 1) Company objectives,
- 2) financial status and Company performances,
- 3) shareholding structure and voting rights,
- 4) list of directors, committees, top management, and their remuneration,
- 5) risk factors foreseen and intended management thereof in terms of both financing and operation plans,
- 6) major issues concerning employees and other stakeholders,
- 7) corporate governance policy and structure, including the responsibilities of the Board in financial reporting and reports of the chairman of the audit committee,
- 8) other voluntarily information disclosure in response to stakeholder demand and, thereby, earn their trust.

The Company complied with financial and disclosure reporting requirements throughout the year.

Summary of Financial Reporting Dates

HEADLINE	DATE
Financial Statement Quarter 1/2009	14 May 2009
Financial Statement Quarter 2/2009	7 August 2009
Financial Statement Quarter 3/2009	13 November 2009
Financial Statement Quarter 4/2009	25 February 2010
Financial Statement Year Ended 2009	25 February 2010

Summary of Announcements to the Stock Exchange of Thailand

HEADLINE	DATE
Invitation shareholders to propose agenda AGM 2009	16 January 2009
Notification of Consultant Service Fee (Additional)	20 January 2009
AGM 2009, Repurchase share, Amendments Audit Committee work	27 February 2009
Financial Statement Yearly 2008	2 March 2009
Audited Yearly F/S And Consolidated F/S (F45-3)	2 March 2009
Clarifying the Financial Statements for the year ended 2008	2 March 2009
Form F24-1 Form to Report on Name of Members and Scope of Work	4 March 2009
Resignation of Director	20 March 2009
Resolution of the Board of Directors' Meeting no.3/2009	25 March 2009
Resolution of the Board of Directors' Meeting no.3/2009 (Addition)	26 March 2009
Amendment of Agendas for Annual General Meeting no.15/2009	30 March 2009
Appointment of the Chairman of Audit Committee and Independent Director	7 April 2009
New Civil Case at Republic of the Philippines	20 April 2009
Appointment and Resignation of Directors	21 April 2009
Resolution of the Shareholders' Annual General Meeting no. 15/2009	23 April 2009
Financial Statement Quarter 1/2009 and Reviewed Quarter 1 and Consolidated F/S	14 May 2009
Clarification of operation result quarter 1/2009	14 May 2009
Caution with the Disclosure of Information	29 May 2009
Progress Report on the Coral Resources Limited's Case	3 June 2009
Resignation of Director	4 August 2009
Financial Statement Quarter 2/2009 and Reviewed Quarter 2 and	7 August 2009

Consolidated F/S	
Clarification of operation result quarter 2/2009	7 August 2009
Progress Report on the Court's Cases	15 September 2009
Resignation of Managing Director	30 September 2009
License for Copper concentrates export	5 October 2009
Progress Report on the Court's Case	14 October 2009
Progress Report on the Labour Court's Cases with Mr.Tai Chong Yih	19 October 2009
Resignation of Managing Director and update on Labour Court Case	2 November 2009
Labour Court's Case	10 November 2009
Appointment of Managing Director and Directors	12 November 2009
Financial Statement Quarter 3/2009 and Reviewed Quarter 3 and Consolidated F/S	13 November 2009
Clarification of operation result quarter 3/2009	13 November 2009
Annual Holidays of 2010	17 November 2009
Progress Report on the Court's Cases	18 November 2009
Appointment of Managing Director and Directors (Amended)	19 November 2009
Progress Report on the Criminal Case	23 December 2009
Progress Report on Coral Resources Limited's case	7 January 2010
Progress Report on the Court's Cases with Mr. Tai Chong Yih	20 January 2010
Financial Statement Quarter 4/2009	25 February 2010
Financial Statement Yearly 2009	25 February 2010
Financial Statement Yearly 2009 (Revise)	25 February 2010
Increase of Share Capital of a Subsidiary Company	26 February 2010
Financial Statement Yearly 2009 (Revise)	26 February 2010
Financial Statement Yearly 2009 (Revise)	26 February 2010
Audited Yearly F/S And Consolidated F/S year 2009	26 February 2010
Resignation of Director	4 March 2010
Clarification of operating result year end 2009	8 March 2010

Shareholder Relations

The Board provides equal treatment to all shareholders regardless of the number of shares held and ensures that: 1) easy access for shareholders to review Company information as well as to attend shareholders' meetings, 2) shareholders are informed of major developments and issues affecting the Company by the distribution of annual and quarterly reports in compliance with the SET and all other public company secretarial requirements, 3) prompt disclosure of all decisions or events which may affect the operating performance and/or financial position of the Company, 4) shareholders' approval is sought on significant issues in accordance with the guidelines of the SET, 5) shareholders are provided an opportunity to raise any issues with the Board at the AGM.

The Company's Secretary is responsible for managing general shareholder enquiries and correspondence, and can be contacted concerning any issues or questions about Company activities. The secretary will in turn liaise with the Board of Directors in relation to said enquiries and/or concerns. In addition, to assure information access and improve involvement of shareholders in Company operations, the Board will maintain best practice policy including: 1) assurance of equal treatment to all, including minority and foreign, 2) entitlement to indemnity when their rights are violated 3) entitlement to voting rights according to the types and number of shares possessed, and equal access to Company information, 4) access to necessary information, adequately fairly, and timely, 5) not provide undisclosed information in favor of any group, 6) procedural practice at meetings should be arranged to provide equal access and attention to all at in as simple and low cost manner as possible, 7) not be pressured by any individual shareholder to direct the Company for

personal interest thus causing long-term conflict or disadvantage to the other shareholders and, 8) strictly follow the collective goal, or direction, expressed by all shareholders and not the sole interests of any one shareholder or majority shareholder.

CONTROLLING SYSTEM AND RISK MANAGEMENT

The identification of significant business risks is conventional to any business consideration and are duly analyzed and considered by the Board of Directors. The Company, by way of its internal control system, is committed to risk management throughout its operations to protect its employees, the environment, group assets, earnings, and reputation. In the interest of sound corporate governance, the Board of Director's may, from time to time, seek independent advice from professionals to assist the Board in assessing such risks, or on any other matter.

AUDITING

The Company Audit comprise of External Audit by independent external auditor and Internal Audit by a qualified internal auditor report directly to the Audit Committee.

The Company has in place an internal auditor responsible for reporting to the Audit Committee to ensure that operational and financial practices are in accordance with the Operational Plan and budget as approved by the Board of Directors, and that financial statements comply with generally accepted accounting principles and practice.

INSURANCE

In order to protect shareholders' funds, the Company carries insurance which the Board considers adequate for the size and nature of the Company's business.

REFERENTIAL RISK MANAGEMENT DATABASE

Risk control in day-to-day Company operations and planning centers on task management pursuant to detailed monitoring and reporting on costs and payments due in relation to expected cash flow from production and sales, and also on monitoring of production supply and demand estimates, and equipment efficiency and maintenance. For this purpose, a professional referential database is used to monitor and record activity in relevant areas for, quick efficient review and reporting.

EMPLOYEE SAFETY

The Company enforces strict safety guidelines in accordance with the Office of Natural Resources and Environmental Policy and Planning (ONEP) previously known as Office of the Environment Policy and Planning or (OEPP) and continues to maintain a good safety track record at its exploration and mining operations where all staff are required to wear standard protective gear where necessary and undergo regularly monitored checkups.

ENVIRONMENT MANAGEMENT

The Board monitors practices in environmental management related to Company business and strives for improvements. In its offshore tin mining operations, the Company monitors water quality to ensure compliance with the Department of Mineral Resources (DMR) and ONEP guidelines. Its andesite quarry operations are conducted in compliance with ONEP regulations, including a noise and dust suppression program in effect via the planting of trees surrounding the site's perimeter, and strategically placed water spraying equipment.

CAPITAL EXPENDITURE AND CONNECTED TRANSACTION GUIDELINES

The Company has a capital expenditure approval procedure to ensure that capital expenditures exceeding certain limits are tabled for Board approval. Also, the Company has a detailed authorization procedure to ensure that any capital expenditure not involving the Board is properly governed by certain checks and balances. In addition, the Company has implemented guidelines for connected transactions.

CONFLICT OF INTEREST

In the event of a potential conflict of interest, the Board of Directors requires any director(s) that may be involved to withdraw and/or abstain from participating in the board meeting while the matter in question is being discussed and/or voted upon. Any Board Member who has a potential conflict of interest should not vote on the matter discussed.

ETHICAL STANDARDS

It is Company policy that the Board of Directors, Management, and staff, adhere to the ethical standards of conduct as outlined in the Company's Code of Conduct, in addition to following the Code of Best Practice for Directors of Listed Companies and Best Practice Guidelines for the Audit Committee as put forth by the SET.

MANAGEMENT REPORT

INTRODUCTION

On behalf of the Management, I present to you the Management Report of Tongkah Harbour Public Company Limited (THL) and its subsidiaries for year 2009.

During 2009, management focused on reorganizing and stabilizing the operations. A report on the year's main developments and activities are presented below.

TONGKAH HARBOUR PUBLIC COMPANY LIMITED

THL principle activities include

- 1) Igneous rock (andesite) mining
- 2) Tin mining and Sea Minerals Limited
- 3) Property Holdings
- 4) Investment holdings
- 5) Gold mining
- 6) Property development.

1. IGNEOUS ROCK (ANDESITE) MINING

BACKGROUND

The Company's quarrying operations at Saraburi have been challenging in 2009 with poor sales of railway ballast given the moratorium on budgeting for new double-track projects by the State Railway of Thailand (SRT).

RESOURCES

THL's igneous rock (andesite) mine is located near the town of Kaeng Khoi, Saraburi Province, in central Thailand, approximately 140 km transport distance from Bangkok. Quarry operations commenced in 1999 after having identified and surveyed minable resources of about 12 M tons. A further 15 M tons of minable resources were indicated as the surveyed zone is open laterally and to depth. Current operations utilize about 215 rai (344,000 sq m) plus crushing plant, maintenance services and stockpile areas.

LICENSING

Mining right no.	Area		Expiry date
	Rai	Sq. m	
28676/15268	88.952	142,323.20	May, 2009
28675/15632	154.667	247,467.20	January, 2007

THL's quarry operates under a ten year mining license, no. 28676/15268, approved in 1999 by the Ministry of Industry. License no. 28675/15632 (under Sintana Resources Company Limited) has expired and is in the process of being renewed. The two surveyed licensed areas total about 243.5 rai (about 390,000 sq.m)

PRODUCTS

The quarry is one of the leading producers and suppliers of hard igneous rock materials in central Thailand. The quarry produces a wide range of aggregate sizes applicable mainly to the construction,

road building, and railway industries. Products are made to comply with specifications set by the State Railway of Thailand (SRT), the Highway Department, and the MRTA, thereby making them more competitive in the market place. The quarry's andesite aggregate is the only product in the Kaeng Khoi region meeting the Highway Department's specifications.

The Company prospect that the SRT will commence new double-track projects in the Central Region and northeast regions in the near future where our product is most competitive.

PRODUCTION AND SALES

Rock crushing operations have been contracted to Cholsin Limited, the Company's 72.10% owned subsidiary, since June 1998.

Production capacity of the crushing plant is about 250 tons per hour. Sales and prices charged are dependent on demand for any particular product and the ability to meet client specifications (such as particle shape and abrasive index). At times, some product deliveries are postponed at the request of the customer and, therefore, deliveries are not always according to contract schedules.

In FY09, andesite sales increased from Baht 4.63 million to Baht 8.04 million when compared to the previous year.

2009 AGGREGATE SALES (tons)

Item	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Road base	703.18	792.29	3,246.84	730.90	5,473.21
Railway Ballast	350.55	169.31	13.51	113.75	647.12
Aggregate ¾"	5,388.08	4,652.32	10,386.50	8,324.14	28,751.04
Dust (Coarse)	588.65	914.16	7,352.37	4,112.83	8,968.01
Dust (Fine)	471.11	183.41	634.80	820.07	2,109.39
TOTAL	7,501.57	6,711.49	17,634.02	14,101.69	45,948.77

2008 AGGREGATE SALES (tons)

Item	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Road base	1,283.77	438.23	4,698.82	2,674.12	9,094.94
Railway Ballast	52.59	131.07	214.94	1,080.24	1,478.84
Aggregate ¾"	2,776.35	550.14	6,960.84	816.72	11,104.05
Dust (Coarse)	1,519.55	359.28	1,755.36	182.82	3,817.01
Dust (Fine)	761.17	588.37	556.72	501.27	2,407.53
TOTAL	6,393.43	2,067.09	14,186.68	5,255.17	27,902.37

2. TIN MINING AND SEA MINERALS LIMITED

INTRODUCTION

This offshore tin mining company, Sea Minerals Limited (SML), with control and working interest 99.99% held by THL controls a number of offshore Mining Leases in the Andaman Sea off the west coast of Thailand, northwest of Phuket Island.

SML controls a number of offshore Mining Leases in the Andaman Sea off the west coast of Thailand, northwest of Phuket Island. These Mining Leases cover an area of approximately 8,000 hectares and contain around 163 million cubic meters of cassiterite (tin oxide) ore. Based on extensive exploration results, the estimated amount of tin is around 41,460 tons at a cutoff grade of 0.15 kg cassiterite per cubic meter (64,320 tons at 0.10 kg/ cu m cutoff), making it one of the largest unexploited tin deposits in the world.

The project has been confirmed viable by world class dredging companies to be within deepwater mining technology of up to 150 meters depth.

TIN PRICES

Tin prices have stabilized at about 17.00 USD/Kg in year 2009 after reach a high of over 25.00 USD/Kg in the first half of the 2008 and a trough of 10.00 USD/Kg at the end of year 2008.. Price fluctuations was mainly due to a world demand verses supply gap as tin is now used more widely in industry resulting from ongoing research into new applications, industrial expansion in China, and its increasing use in place of other materials, particularly lead in plating. Current application include metal alloys, tin plating, lead-free soldering (particularly in the electronics and IT sector), and packaging.

BACKGROUND

Upon completion of exploration program of this area some two decades ago, the management and Board of Directors of Sea Minerals Limited (during the mid-1980s') concluded that the depth of the resources made it technically and economically too difficult to mine following the collapse of the world tin market, and therefore, shifted their corporate focus away from offshore tin. THL, however, in its study of this ore deposit concluded that mining of the lease area is now technically and commercially viable due to recent advances in deepwater mining technology and the resurgence of the tin market resulting from higher consumption and depletion of resources in tin mining countries.

Over the years THL has increased its stake from its original 10% stake in SML to 99.9% in year 2008. This was achieved through the acquisition of SML's shares from other original shareholders and through the increased of authorized share capital. The cost of this exercise to acquire an additional 89.9% of shares only cost THB 4,088,110. This purchase of SML shares was done during challenging economic times. SML has now proven concessions of tin of 64,320 tons with cutoff at 0.10 kg/cu m and therefore management has justified its acquisition, as it would cost an estimated USD 7 million in drilling expenses today to prove up these reserves.

SML has filed mining plans for its previously submitted mining lease application in the Andaman Sea, about 25 km offshore northwest of Phuket Island. SML had conducted and obtained Environment Impact Assessment (EIA). Additionally, the company has lobbied for royalty rate reduction which was approved in late 2007. SML is still persevering to obtain its final mining license from the relevant authorities.

PRESENT CONDITIONS

1) **Project Activation:** It is now proposed to reactivate the project and finance the procurement of all required plant and equipment to exploit the deposit. The project has been confirmed viable by world class dredging companies to be within deepwater mining technology capability of up to 150 meters depth. Also, the Ministerial Regulation on Tin Royalty rates has confirmed a lower Tin Royalty rate of about 6%. At today's price of USD 17,000 per ton, SML anticipates a healthy return on investments.

2) **Technical design:** Based on the presentation and the data SML provided, initial response the world's leading engineering firms for design and construction of dredges indicates that the SML's deposit could be mined technically and economically. In preparation for initiating a formal bankable feasibility study of the deposit, SML has been sourcing and evaluating mining and processing equipment and methodology, and cost compilations.

3) **Lease Area & Resource:** The lease area under mining license application consists of 50,000 rai (8,000 hectares or 8 M sq m) with a minable resource ranging from 41,460 tons with cutoff at 0.15 kg/cu m, or 64,320 tons with cutoff at 0.10 kg/cu m. These figures are based on extensive bore-hole data and evaluations which have recently received qualified third party assessment with positive results. The deposit is at the 45 to 70 m depth range (averaging about 61m) and is now within the range of deepwater mining technology. Tin (cassiterite) will be the main product with processing of by-products dependent on the cost effectiveness of treating the amounts recoverable along with the cassiterite. It is apparent from initial studies that operating costs at sea will have to be minimized with most treatment being done onshore.

4) **Feasibility Studies and Approval:** The proposals to engage the third party technical appraisers, the appointment of nominated financial advisors and the sponsoring financial institutions would be tabled before the Board and Shareholders of SML. Prior to this, we will have to appoint IHC (or similar expertise) to complete the dredging engineering plans and finalise a bankable feasibility study. The proposal and cost of IHC will be presented to the Board and Shareholders of SML for review and recommendation to THL for consideration and approval.

5) **Financing:** Funds raised through the IPO's, or similar means would be used to initiate development pursuant to construction and operating plans, and to finance further exploration and proving up of resources known to exist as extensions of the current lease application.

6) **Main Development Activities:** Activities involved in bringing the project into production will include: 1) completion of the feasibility study with special reference to the size and stability of the dredging & processing platform/vessel, 2) finalizing the exact method of dredging the sediments and transport to surface, 3) further investigation of tailings disposal methods, 4) re-sampling of various areas of the mining lease and validation of the existing resource estimate, 5) bulk sampling & trial dredging, 6) metallurgical test work and investigation of the recovery of rutile, ilmenite, zircon, monazite and tantalum (niobium) 7) purchase of all necessary boats & vessels, 8) construction of the offshore and onshore mineral processing plants, 9) purchase of the underwater mining & pumping units, 10) and purchase of land and docking facilities.

LOCATION

The Sea Minerals Ltd.'s mining leases are located approximately 25 km. offshore from the village of Bang Manang on the west coast of Thailand. Latitude N 8 degrees 50 minutes this area is around 70 km north of Phuket. The sea depth in the dredging zone ranges from 40 m. to 70 m.

KEY PROJECT DATA

Location	Approximately 25 km. offshore in the Andaman Sea off Bang Manang
Water Depth	61 m. averaging (Range 40 m. to 70 m.)
Sediment Thickness	Average 3.3 m. (Range 1 m to 12 m)
Cut off Grade	0.15 kg cassiterite per cubic meter
Average Grade	0.25 kg cassiterite per cubic meter
Volume of Sediments	163 million cubic meters
Area of mining Leases	8,000 Hectares
Contained Tin	41,460 Tons
Present Tin Price @ March 2010	USD 17,000/ Ton
Target Annual Tin Production	2,000 Tons

OPERATING METHODS

The mining will be done by large pumps fitted with externally mounted cutter agitators. The pumps are electrically powered and are mounted on remotely controlled crawler units, or positioned and moved by cranes mounted on the dredging vessel. The dredged ore would then be transported to a floating heavy mineral concentration plant utilizing a series of screens and jigs applying gravity concentrating methods to extract the tin minerals. No chemicals would be added in this process.

The heavy mineral concentrate will be periodically transported to a shore based separation plant that will separate out the cassiterite, and viable accessory minerals such as tantalum and rare-earth element (REE's) minerals such as, ilmenite, tourmaline, zircon, and monazite. The products will then be transported to Thaisarco's smelter in Phuket.

The dredging & concentrating plant will work for around 250 days per year as dredging cannot be safely done during the monsoon season. The operating crews will be accommodated on a separate vessel.

CAPITAL COSTS

The capital cost of the project capable of producing 2,000 tons of tin per annum, including vessels, dredging units, offshore heavy mineral concentrating plant, onshore cassiterite separation plant, together with ancillary equipment will be around USD 25 million.

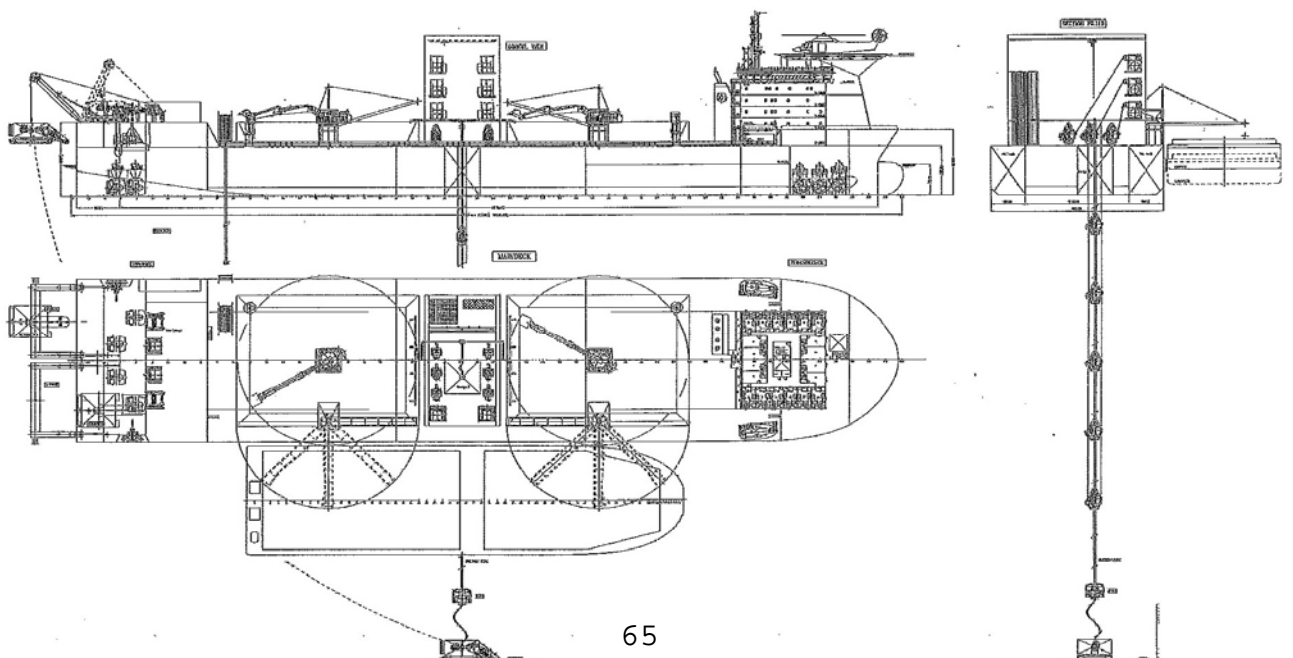
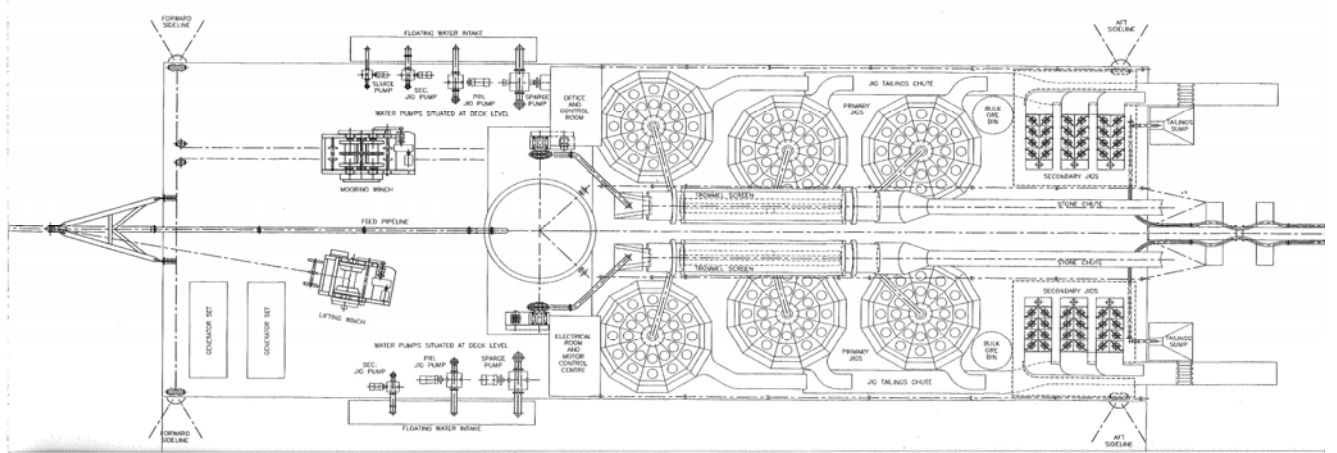
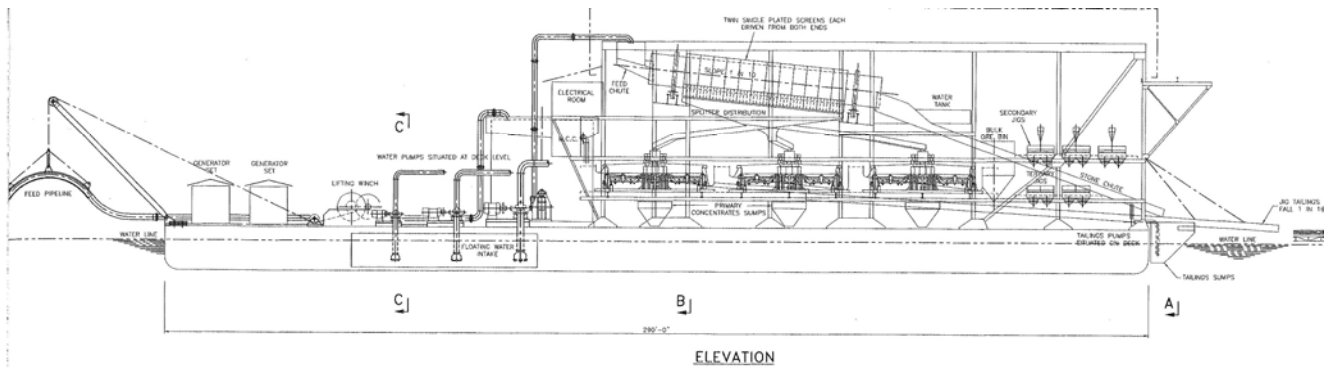
CHALLENGES

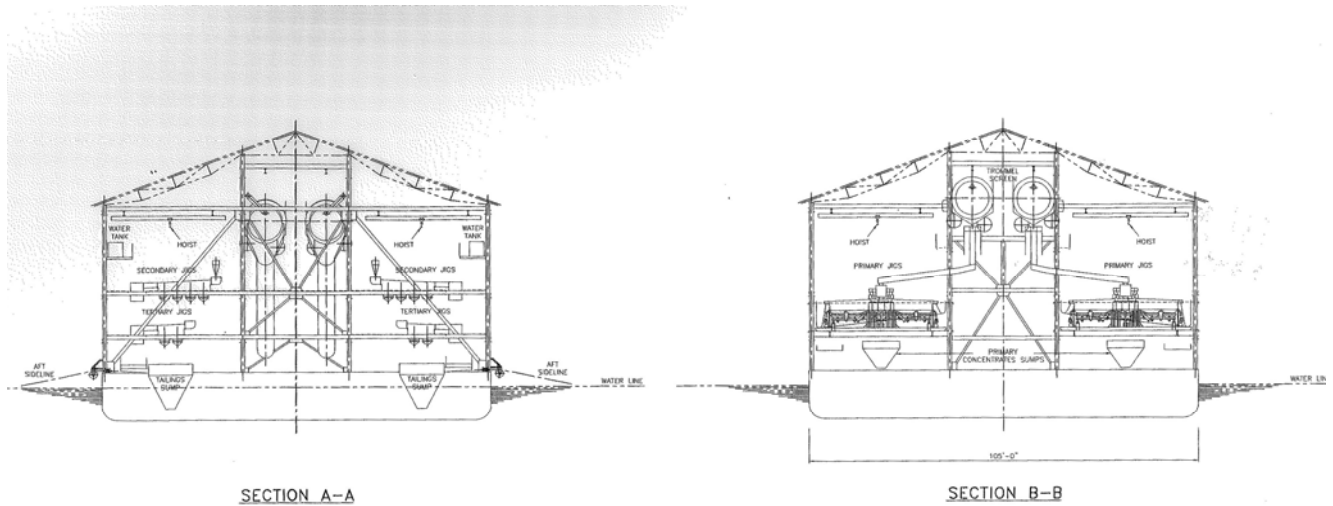
Challenges to overcome the local community is not an issue as the project is located out at sea. Furthermore, our staff have been working hard towards a resolution to educate the local surrounding community's understanding that this is a sustainable development project which will not disturb and effect their livelihoods as the project is located 25 km off shore. We do need to obtain the licenses from the relevant authorities.

TECHNICAL READINESS TO COMMENCE

Sea Minerals has successfully laid plans to eventual project development. Sourcing in appropriate mining equipment and expertise has been ongoing during the year, including application for a mining license and mining plans covering the maximum 50,000 rai (8,000 hectares) allowable under the law.

Our technical team has undergone training and processing of tin ore. Assets of the Company (which primarily is the proven reserves) amongst others include engineering drawings (see following pages) and equipment and trained technical personnel to process ore.





3. PROPERTY HOLDINGS

BACKGROUND

At present, the Phuket Bay development project remains on hold. However, we are still looking forward to implementing this project when conditions to do so are more conducive.

PROPERTY

Tongkah Harbour Public Company Limited still owns a sea facing land parcel in Phuket totaling 35,796.4 sq m. This land parcel has prospects for major waterfront development in the future.

The following table provides a breakdown of the Company's current land holdings and their status.

THL PROPERTY HOLDINGS		
Area (sq m):	Location:	Property Description:

5,447.60	Bangkok	Land held by THL's 75% owned subsidiary, Sky Cliff Limited at the Rachadapisek / Rama IV MRTA station - a prime location near the CBD. Development site of Le Metro office and service apartments / condominiums.
1,844.69	Bangkok	THL corporate headquarters located at the 7th Floor of the Muang Thai Phatra Complex, Tower 1.
35,796.40	Phuket	A large land bank located on the sea front of Phuket Bay. Currently the site for THL's Phuket operations. Prime for future development.

4. INVESTMENT HOLDINGS

Tongkah Harbour Public Company Limited (THL) is the parent company of Tungcum Limited (TKL), Cholsin Limited (CSL), Skycliff Limited (SCL) and Sea Minerals Limited (SML) with holding percentage at 98.86%, 72.1%, 75.00% and 99.99% respectively. The Company has been diversifying its mining business from original tin mining at Phuket to gold mining and other offshore tin mining areas.

Over the years, THL has increased its stake from its original 10% stake in SML to 99.9% in year 2008. SML was set up to manage offshore tin mining operations which figure prominently in the Company's plans for the future and should be highly rewarding.

The increase in THL's stake in SML was achieved through the acquisition of SML's shares from other original shareholders and through the increased of authorized share capital. The cost of this exercise to acquire an additional 89.9% of shares only cost THB 4,088,110 as this purchase of SML shares was done during challenging economic times.

Tungcum Limited (TKL) was established in 1991 to manage gold mining operations at Loei. After a prolonged exploration and license approval period, production began in 2006.

Thanks to the success of its former Phuket Bay tin mining operations, and as part of its diversification planning, the Company entered into property development and is also currently working on implementing the Condominium project in Bangkok under SCL.

CSL operates the rock crushing plant at the Company's igneous rock (andesite) mining operation at Kaen Khoi, Saraburi Province.

5. GOLD MINING (TUNGKUM LIMITED)

INTRODUCTION

Tungcum Limited (TKL), an exploration and mining company registered in Loei, Thailand, with control and working interest 98.86% held by Tongkah Harbour Public Company Limited (THL) has 100% control of the mineral concessions for exploration and mining of gold and related minerals at 25 km southwest of Loei Province, northeast Thailand.

BACKGROUND

On being awarded the Block 4 concession in October 1991, subsequent to international bidding, THL entered into an agreement with the Department of Mineral Resources (DMR) for exploration and mining of gold and related minerals. As required, a signature bonus of Baht 5.8 million was paid to the DMR and committed Tongkah Harbour Public Company Limited to pay a Baht 6.5 million bonus for the first batch of mining license applications approved. In addition, THL agreed to maintain the right of the Royal Thai Government to buy 5 to 10% of Tungsum Limited shares at cost plus interest at MLR including administration costs, pay 2.5%-20% royalties (step rate depending on gold price), and production sharing at 1.5%.

This development was a direct result of earlier regional exploration during the 1960's and later decades by the DMR in cooperation with the United States Geological Survey and, subsequently, with expertise from several other foreign countries including Germany, Britain, and Canada which granted (CAD)50 million to the DMR for mapping of mineral resources for the whole of Thailand.

On receiving Special Prospecting Licenses (SPL's) on the concession in 1992, an extensive mineral exploration program was initiated. The geological team consist of Company geologists and foreign exploration expertise from Australia, Canada and the U.S. By 1995, significant economically minable gold resources were delineated and six initial mining license applications were filed. Tungsum Limited's mining plan was then submitted to the DMR and subsequently approved by all the Government regulatory agencies concerned.

Pursuant to securing project financing through a USD 13.3M loan from EXIM Bank, and completion of the development and commissioning phases, Tungsum Limited's gold mining operation at Loei was brought officially into production in September 2006. Upon some technical problems being corrected, throughput was brought up to the desired rate of about 1500 tons per day and recovery levels of around 90%. In 2007 an agreement was reached with Deutsche Bank on a USD 25M refinancing package which will enable the Company to retire the loan with the EXIM Bank and proceed with phase 2 installations and improve efficiency in existing operations. In April 2008, the earlier loan with Deutsche Bank was refinanced with a new loan amounting to USD 35M to enable plant expansion and to build a flotation processing plant, and to further evaluate nearby mineralized areas with the objective of proving up additional gold ore resources for future production.

PRESENT CONDITION

MINING CONCESSION AND LICENCES

Tungsum Limited had been awarded the Block 4 concession totaling about 545 sq km in October 1991. Later the Company was granted the first 6 gold mining licenses (totaling 2.07 sq km) and submitted a further 114 mining license applications (totaling 52.62 sq km) along with 8 special prospecting licenses (totaling 38.4 sq km) to cover the remaining concession areas.

The mining licenses are valid for 25 years (with an option for subsequent 25 year extensions upon resource confirmation).

Tungsum Limited Gold Mining Licenses & Applications			
Description:	Quantity:	Status:	Area (sq km):
Mining Licenses	6	Granted for 25 Years	2.07

Mining License Applications	114	Under Application	52.62
Special Prospecting Licenses	8	Under Application	38.40
TOTAL BLOCK 4 GOLD MINING CONCESSION AREA:			93.09

RESOURCES AND MINERALIZATION

Measured and inferred resources (consisting of gossanous, surface, and near surface oxide ore) total 4.49 M tons averaging 4.14 g/t gold. Independent third party experts in the industry have recently evaluated TKL's ore reserves and resources. The report, compiled (reconfirmed in November 2006) by Mr. Edward Brennan, BE (app. geo.) FausImm, MMICA, CP (geo.), MGSA, MCIM, detailed the following:

	Target Area	Ore Type	Tons	Grade (g/t Au)	Contained Gold (oz)	Strip Ratio
<i>a</i>	T-1	Oxide	313,000	2.71	27,274	
		Transition	88,000	6.66	18,845	
		Sulfide	867,000	6.78	189,012	
		Non-mineable	634,000	5.74	117,097	
		Mineable	634,000	5.79	118,034	1 : 2.43
		Total	1,268,000	5.77	235,131	
<i>a</i>	T-1-8	Oxide	289,000	3.79	35,219	
		Transition	7,000	2.46	554	
		Sulfide	70,000	2.61	5,875	
		Non-mineable	62,000	2.75	5,480	
		Mineable	304,000	3.70	36,167	1 : 1.95
		Total	366,000	3.54	41,647	
<i>a</i>	Qz Spur	Oxide (eluvial)	48,000	3.93	6,066	1 : NIL
	Gsn Cap	Oxide (eluvial)	16,000	1.47	756	1 : NIL
<i>b</i>	T-1-S	Oxide	346,000	2.73	30,372	
		Transition	7,000	16.29	3,667	
		Sulfide	109,000	8.07	28,284	
		Non-mineable	126,000	7.38	29,911	
		Mineable	336,000	3.00	32,412	1 : 3.50
		Total	462,000	4.20	62,323	
<i>b</i>	T-7	Oxide	35,000	4.90	5,514	
		Transition	10,000	4.59	1,476	
		Sulfide	7,000	6.92	1,558	
		Total	52,000	5.11	8,548	1 : 4.97
<i>b</i>	T-88	Oxide	51,000	3.64	5,969	
		Transition	11,000	5.13	1,814	
		Sulfide	-	-	-	
		Total	62,000	3.90	7,784	1 : 6.74
<i>b</i>	T-3	Oxide Inferred	605,000	3.91	76,000	

		Transition Inferred	69,000	4.11	9,000	
		Sulfide Inferred	1,539,000	2.94	146,000	
		Total Inferred	2,213,000	3.25	231,000	
<i>c</i>	Total	Oxide	1,098,000	3.15	111,212	
	Total	Transition	123,000	6.63	26,222	
	Total	Sulfide	1,053,000	6.64	229,561	
	Total	Non-mineable	822,000	5.95	157,365	
	Total	Mineable	1,452,000	4.49	209,630	1 : 2.73
Grand total less T-3 inferred			2,274,000	5.02	366,995	
Grand total with inferred			4,487,000	4.14	597,000	

KEY

A	Constitutes Phase I of the Phu Thap Fah Mining Program; Mining Licenses Approved (25 yrs); Total Mining Area = 2.065 sq. km.
B	Constitutes Phase II; Mining Licenses Pending Final Approval of Mining Plan; Mining Plan to be filed upon commencement of Phase I production
C	Constitutes Total for Phase I and II; Does Not Include the Regional Area of which mineralization has been intercepted but not calculated

MINING OPERATIONS

The Project is an open pit surface to near surface operation utilizing carbon-in-pulp (CIP) as well as a flotation processing methodology. The CIP methodology is designed to process up to 3,500 tons of oxide ore per day, while the flotation process aids in the recovery of gold and copper from the primary ores, resulting in the production of gold dore and gold-bearing copper concentrates. Gold dore produced is being sent to Heraeus Limited's refinery in Hong Kong, while the copper concentrates are being sent to smelters in Europe and Asia.

With gold production ongoing, plans are in progress to delineate further ore resources focusing on: 1) mineralized sectors in continuity with the zones now blocked out for initial mining, 2) in other nearby oxide zones, and 3) in several regions of primary gold and/or base metal mineralization where assays show highly significant values for one or more of gold, copper, lead, and zinc.

The above plans will be implemented by Tungcum Limited's management team consisting of expertise in mineral exploration and mining, business, finance, and administration.

OPERATION AND PRODUCTION REPORT

2009's production consists of gold dore and gold-bearing copper concentrates. 10,131 ounces of gold in dore and 1899 ounces of silver were produced. 2035 tons of gold-bearing copper concentrates, containing 51.7g/t of gold and 10% copper, were also produced from processing of the more complex primary ores as the flotation facility came online. This translates to an additional 5,614 ounces of gold

and 363 tons of copper. The average cash cost of production of gold is USD762.17 as production was disrupted during the first half of the year stabilizing only in August.

However, targets T-3 and T-1-S did not come online as planned thereby resulting in draining of the company's cash position.

Summary of gold production for the year ended 2009		
Mined	Tons	321,691
Milled or processed	Tons	341,034
Feed grade (reconciled)	Grams/tons	1.86
RECOVERY (RECONCILED)	%	81.6%
Gold produced	Kg Au	477.7
Gold produced (including gold in Fe stock)	Ounces Au	16,484
Silver produced	Kg Ag	58.7
Silver produced	Ounces Ag	1899
Copper produced	Kg Cu	363,032
Copper produced	Pounds Cu	800,349
Average gold price (2009 Sale price)	USD per oz	858.07
Average cash cost	USD/oz	762.17

1. MINING SUMMARY

A total of 1,536,821 tons was mined from 2 mining leases, comprising 321,691 tons of ore at a grade of 2.1 g/t Au and 1,215,130 tons of waste.

The 321,691 tons of ore comprising 65,929 tons of sulphide ore at an average grade of 2.3 g/t Au, 129,074 tons of transition ore at an average grade of 2.5 g/t Au, and 126,688 tons of oxide ore at an average grade of 1.5 g/t Au.

2. MINING PRODUCTION

PHU THAP FAH (T-1)

Mining in Phu Thap Fah during 2009 base on wet tons is summarized in the following table:

PHU THAP FAH MINING ACTIVITIES				
Sulphide Ore	Transition Ore	Oxide Ore	Waste Limestone Boulders	Waste Siltstone, Porphyry, Soil
38,909 tons	101,732 tons	63,345 tons	169,996 tons	718,689 tons
Total ore mined	203,986 tons	@ 1.36 g/t	Total waste mined	888,685 tons
Total rock mined		1,092,671 tons	Waste : ore ratio	4.4 : 1

PHU SUM PA BON (T1-8)

Mining in Phu Sum Pa Bon during 2009 base on wet tons is summarized in the following table:

PHU SUM PA BON MINING ACTIVITIES				
Sulphide Ore	Transition Ore	Oxide Ore	Waste Limestone Boulders	Waste Siltstone, Porphyry, Soil
27,020 tons	27,342 tons	63,343 tons	13,755 tons	312,691 tons
Total ore mined	117,705 tons	@ 1.77 g/t	Total waste mined	326,446 tons
Total rock mined		444,151 tons	Waste : ore ratio	2.8 : 1

3. EXPLORATIONS

3.1 LEASE AREA ACTIVITY

T-1 Area;

Drilling for underground ore reserve evaluate in Phu Thap Fah area was finished on the 16th January, a total of 744 samples from 2,437 metres were sent for assaying. The underground reserve estimated by GEMCOM is 1,219,973 wet tons at an average grade of 3.11 g/t Au and 0.19 % Cu, estimated gold mineralize is spreading 85% in skarn rock and another 15% in sulphide material.

RC grade control drilling; exploration team was helping on grade control drilling, logging, and sampling for assay before block model generate to get deeper and longer mining plan in Phu Thap Fah mine pit.

Gossan Nose (NW of T-1); the 26,505 tons of oxide ore at an average grade of 0.8 g/t Au were found, they were mined and fed to processing plant.

Jennie's (W of ROM Pad); 27,699 tons of oxide ore at 1.33 g/t Au averaged. It was evaluated by exploration team and it was fed to processing plant.

T1-8 Area;

Eastern side of T1-8 mining pit was re-survey and another 45,227 tons of oxide ore at an average grade of 1.76 g/t Au were fed to processing plant.

Quartz-home (South of T1-8); it was re-surveyed with 4,174 tons of oxide ore at an average grade of 1.71 g/t Au, fed to processing plant.

3.2 OUTER LEASE AREA EXPLORATION

Many target areas had been re-observed with favourable results. An exploration plan for these areas is being mapped out.

4. PROCESSING

4.1 SUMMARY

Total milled were 341,032 tons, 54 dry tph feed rate at 6,315.4 hours running time. Reconciled assay head grade was 1.86 g/t with overall recovery of 81.6%. Actual gold bullion production was 541kg Au (10,131 ounces).

The plant was preoccupied with the construction of the flotation facility from January to April. May to July, the conservative method of feeding transition ores into the plant was adopted so as to ensure smooth running of the added facility thereby affecting recovery and production.

4.2 GOLD DORE AND CONCENTRATE SHIPMENTS

A total of 12 dore shipments and 2 concentrate shipments were despatched for the year.

The dore shipments comprise dore number TKL0292 to TKL0340. The combined mass of these dore after melt was 606.94 kg. The average assay was 59.83% Au. The total gold content was thus 11,172 ounces.

The concentrate shipments contained 1,242DMT of gold-bearing copper concentrates at an average grade of 52.04g/t Au and 11% Cu. The gold content was thus 2073 ounces and copper was 121 tons. The remaining stocks were laden on board in Q1 of 2010.



The condition of cargo bag and sealed.



Stuffing cargo into container



Stuffing cargo into container



Stuffing cargo into container



Stuffing cargo into container



The condition of cargo bag

GOLD AND COPPER PRICE, PROJECT FINANCING AND ECONOMICS

2009 Gold Price

During the fiscal year 2009, gold prices started strongly in the first quarter, surpassing the USD 1,212.50/ oz level in December. Continued good economic data eventually brought investors back and gold recovered to close the year at USD 1,087.50/oz.

Summary of gold price for the year ended 2009		
	<u>2009</u>	<u>2008</u>
Gold price average (2009 price)(USD/oz)	972.35	839.44
Gold price close (Market price)(USD/oz)	1,087.50	865.00



2009 Copper Price

Summary of Copper price for the year ended 2009	
	<u>2009</u>
Average LME Copper Cash Settlement Price (USD/ton)	5158.81



The average LME copper cash settlement price in 2009 is about 20% lower than that in 2008. However, industry predicts that it looks set to rise, hitting USD8,000/ton.

Project Financing

With drawdown of USD35million from Deutsche Bank, the construction of the flotation plant was completed by July 2009 with production stabilizing in August 2009. Meanwhile, an additional cleaner cell has been added to the flotation facility towards the end of the year. The purpose of this addition is to improve the copper content from the current 16% per ton to approximately 20% per ton thereby improving the returns from the sale of gold-bearing copper concentrates.

FUTURE PLANS

DEVELOPMENT AND GROWTH STRATEGY

Our strategy to improve and develop production.

1) Approval of gold-bearing copper concentrates transportation and export license

The Department of Primary Industries and Mines (DPIM) has permitted the transportation and export of copper concentrates in 2009. Meanwhile, the Environment Impact Assessment (EIA) of our target T-1-S has also been filed and the company is pushing forward to bring it to completion.

2) Expansions to the existing plant

2009 saw an addition of a subsequent cleaner cell to the flotation facility. This addition cost USD40,000.00. This again demonstrates the management ability of the team in cost planning and only installing equipments that are necessary, as the returns from an additional 4% copper content would yield an addition of approximately USD195,000.00 with every shipment of 500tons of copper concentrates.

ENVIRONMENTAL MANAGEMENT

Environmental impact studies for the Project were conducted in accordance with the Office of Natural Resources and Environmental Policy and Planning [(ONEP), previously known as the Office of the Environment Policy and Planning or OEPP] guidelines and consisting of a coordinated study involving SPS Consulting; the Department of Geotechnology at Khon Kaen University; NSR Environmental Consulting PTY LTD, Australia; and Environmental Geochemical International PTY LTD, Australia. The comprehensive program included ground water, soil mechanics, and soil-profile studies, all of which were approved by the ONEP.

Prior to production, baseline surveys on soil and groundwater properties were conducted by the Ground Water Research Center (GWRC) at Khon Kaen University. Since production began, the GWRC team has been conducting environmental site monitoring in accordance with ONEP and DPIM regulations, and reporting directly to DPIM and ONEP as the approved independent investigator.

Tungkum Limited's staff and management are committed to sound environmental practices and compliance with all applicable laws and regulations during operations. In addition, Tungkum Limited will initiate future rehabilitation of mined areas for suitable post-mining beneficial land use.

GENERAL GEOLOGY

For the most part of the concession, geology consists of complexly folded and faulted siliclastic sedimentary rocks which, in eastern sectors of the area, contain significant discontinuous limestone sections. Phorphyritic granodiorite-to-diorite plutons and dike equivalents are widespread across the area. In the southeast sector, gold-bearing gossanous zones (including the gold ore deposits) are preserved as residual caps, and commonly overlay primary gold bearing sulfide zones containing quartz veining and alteration including silicification and skarn development.

In the central and western areas, economically significant gold and base-metal mineralization occur in sectors featuring silicified fracturing and brecciation located in and near ring-like structures of probable volcanic origin. The ring structures are cut by regional lineaments, trending mainly northwest and north-northeast.

The ring structures are of regional dimensions occurring in a broad belt up 12 km wide trending northwest through the central and southern parts of the concession. The lineament set conforms with a more extensive regional pattern common to north Thailand and neighboring areas. Equigranular to porphyritic granodiorite and dioritic plutonic rocks and dike equivalents are widespread, and are commonly exposed in the ring structures.

GOVERNMENT INCENTIVES

Tungkum Limited has received certain Board of Investment (BOI) approvals from the Royal Thai Government. Most significantly, Tungkum Limited will have the following benefits:

- 1) a 100% exemption on raw material import duties for 5 years until 31 Jan 2011 which can regain this benefit again after last expired date ; and
- 2) an 8 year exemption from corporate income tax and a 50% exemption for 5 years thereafter. The benefit took effect on the first day of revenue which was 15 September 2006; and

6. PROPERTY DEVELOPMENT (SKY CLIFF LIMITED)

Sky Cliff Limited (SCL), a Property development Company, with control and working interest of 75% held by Tongkah Harbour Public Company Limited (THL).

PROJECT DEVELOPMENT & LOCATION

SCL owns a block of land totaling about 5447 sq m on Ratchadapisek Road and conveniently located near several large shopping plazas and the Thailand Cultural Center. SCL proposed to build a condominium on the above property during year 2008. The project consists of a 29-storey contemporary condominium tower with 82 m of road frontage located at 14 Ratchadapisek Road, Huay Kwang, Bangkok, Thailand 10320.

Location Advantages: The site is only minutes away from the Praram 9 metro (subway) station, and only one turning away from access to the expressway accessing the motorway leading to the Suvarnabhumi International airport and to Chon Buri, and other major highways. The site also provides easy access to other main arterials, such as Sukhumvit and New Petchburi Roads. The location has recently been further enhanced with the development of Central Department Store and the announcement from the Stock Exchange of Thailand (SET) on the development of their land.

Development Status: The construction permit is valid until 23 April 2010, but can be renewed for up to five (5) years as it fits into the recent regulation issued by the Ministry of Interior to help developments affected by the crisis.

The consulting service agreement with IPC Corporation Ltd (IPC) a Singapore property investment and development company has been suspended due to the current global financial markets uncertainty and the political instability in Thailand. SCL has had difficulties securing banking loan facilities in part due to the ongoing political crisis and financial markets uncertainties.

However, with the current construction cost which is relatively lower than pre-crisis. We are in negotiation with a substantial foreign entity to construct with the approved plans. Our land has a Floor Area Ratio (FAR) of 10.5 instead of the current 7. We have put in all efforts to preserve the FAR.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company reported a net loss for the year ended 31 December 2009 of THB358.76 million compared with a net gain of THB109.64 million for the previous year, 2008. Nevertheless the Company's capital structure still remained strong with a debt to equity ratio of 1.40.

1 Revenue

1.1 Gold Sales

During quarter (qtr) 4 of the year 2009, the Company had revenue of THB63.85 million from gold sales and THB91.65 million from Copper Concentrate (with gold content) sales totalling THB155.5 million, a decrease of THB725.92 million compared with qtr 4 of year 2008. The reduced revenue was due to reduced gold production from 7,799.38 ounces in qtr 4, 2008 to 2,342.16 ounces in qtr 4, 2009, due to the following:

- i. Changes in the Production Process: In 2009, changes in the production process entailed construction and commissioning of flotation facilities, made necessary because oxide ore was becoming exhausted and the copper-bearing transition and primary sulfide ores became the main ore minerals for gold and copper production. The sulfide ores are too reactive to be

efficiently processed by the same methods used for the oxide ore.

- ii. Slowdown in production during the construction phase of the flotation facilities, and several months of delay in getting the construction started and final commissioning, gold (doré) production had fallen by almost 50%.
- iii. With the flotation facilities fully operational, the gold-copper concentrates provide the main sources of revenue with about 50% of gold produced. Additional revenue was generated from the copper extracted. On 7 September 2009, the Company was granted a temporary permit to export 700 tons of copper concentrates, the full export permit was granted on 4 November 2009.
- iv. Delays in Flotation Activation: Installation and commissioning of the flotation facilities was delayed by some four months, plus time lost because foreign expertise needed to supervise construction and commissioning could get insurance during the political turmoil in Thailand at the time- during April 2009.

1.2 Andesite Sales

Sales of Andesite for the year 2009 increased from THB4.63 million to THB8.04 million.

1.3 Tin Ore

The Company had no tin ore production and received no income from tin mining operations. The Company focused on furthering approval of its application for the mining license for its subsidiary-Sea Minerals Limited (SML), which has offshore lease holdings in the Andaman Sea. Production is expected to be in excess of 2,000 tones per year (per dredge) with mine life of at least 10 years, depending on tin prices and cut-off grades established.

2 Other P&L Items

2.1 Selling and Administrative Expenses

The Company's selling and administrative expenses for year end of year 2009 were THB242.34 million, a decrease of THB26.62 million compared to said expenses of THB268.96 million for year end 2008.

Additionally, TKL faced an increase in royalty fee rates from the original Concession Agreement figure of 2.5% to about 15% due to introduction of the progressive rate announced by the Department of Minerals Resources. Also, the Agriculture Land Reform Organization (ALRO) imposed an additional fee equalling the progressive rate of 15%. In addition, TKL has an agreement with the Royal Thai Government to pay a production share 1.5%.

To protest the charges imposed by the ALRO, TKL filed a case with the Administrative Court in late 2008. The ALRO filed an injunction to stop TKL's mining operation, but was turned down by the Court. TKL has since November 2009 stopped payment of the second round of royalty fees to ALRO.

2.2 Interest Expenses

The Company's interest expenses for the year 2009 were THB37.34 million, a decrease of THB45.92 million compared to THB83.32 million for the year 2008.

2.3 Hedge Settlement

On settlement at the end of 2009, THB60.94 million was recorded as a loss in settling TKL's collar hedge due to shortfall in the delivery of gold dore; and as the export of 1,575.39 tons of copper concentrate, which contained 3,159 ounces of gold, was delayed pending the export permits. The concentrate sales were subsequently made in January 2010.

2.4 Foreign Exchange Gain

The Company recorded a gain on foreign exchange rate of THB45.36 million in the year 2009 against a loss of THB41.77 million in the year 2008. The gain was attributable to the strengthening of THB against USD. THB31.41 million of the gain was unrealized.

3 Cash Flow

3.1 Operating Activities

THB82.55 million of cash was used in operating activities for the year 2009 compared to a net cash inflow from operating activities of THB88.22 million in the year 2008. EBITDA was negative THB184.88 million against positive THB371.53 million in the year 2008. The negative cash flow from operating activities was the result of the change in production process and the related delay in gold delivery discussed above.

3.2 Investing Activities

THB137.26 million of cash was used in investing activities for the year 2009. This was almost entirely for the construction of the flotation facilities. In the year 2008, there was a net cash outflow from investing activities due to the sale of two plots of land and the withdrawal of long-term deposits with banks.

3.3 Financing Activities

USD6.69 million was repaid to a foreign bank and THB6.86 million was repaid to a local bank in the year 2009. A THB140.59 million long-term loan, THB15.00 million overdraft facilities and THB10.00 short-term loan (promissory note) were obtained from a local bank in the year 2009. The Company's operating and investing activities were further funded by loans from related parties amounting to THB86.37 million. On the balance, the net cash outflow from financing activities was THB94.42 million in the year 2009. The net cash inflow from financing activities was THB198.62 million in the year 2008 as additional USD10 million was obtained from a foreign bank to finance the construction of the flotation facilities.

4 Liquidity and Capital Structure

At 31 December 2009, the Company's working capital deficiency was THB417.24 million, including cash and cash equivalents of THB38.45 million, compared with working capital of THB145.99 million at 31 December 2008. The Company's capital structure nevertheless remained strong with a debt to equity ratio of 1.40 at 31 December 2009, a very slight deterioration when compared to 1.04 at 31 December 2008. However, the capital structure of Tungcum, a subsidiary, deteriorated considerably. The subsidiary's debt to equity was at 5.26 at 31 December 2009, compared to 2.84 a year earlier. Subsequent to the close of the year 2009, the Company's Board of Director has resolved for the Company to inject additional THB150.00 million equity into the subsidiary. The Company is able to do so without raising its own equity.

Auditor

THL has appointed Mrs. Natsarak Sarochanunjeen of A.M.T. & Associates Office as the external auditor of the Company and its subsidiaries and the appointment has been approved by the Office of Securities and Exchange Commission. There are no relationships or conflicts of interest among the independent auditor, the Company and its subsidiaries, the executives, the shareholders, or others related to those parties. It was also approved by the Annual General Shareholders' meeting with the audit fee of Baht 0.605 million which is higher than the fee for the years 2008.

In addition, the A.M.T. & Associates Office has serves as the independent auditor for Company subsidiaries of 4 companies with an audit fee for the year 2009 amounting to Baht 1.25

million. There was no non-audit services fee for the previous year because no other services were received from the independent auditor.

AIM Listing

The listing on the AIM for its subsidiaries for raising of equity funds for its working capital and exploration plans via listings of:

- i. TKL on the AIM through an IPO by placement of existing shares held by THL as well as the issuance of new shares by TKL; and
- ii. SML on the AIM through an IPO by issuing of new shares after the verification and re-valuation of the tin deposit.

However in year 2009 the project remains on hold.

The ADR

The company has appointed Deutsche Bank Trust Company America (DTC) as Depository of the ADR. The ADR is a stock-like security that allows companies outside of America (U.S.) to list their stocks in the U.S. market. In this arrangement, a foreign company(outside of the U.S) known as an “issuing company” approaches and offers its shares to be deposited with an International Bank known as a “Depository”. The local shares (THL equity shares) are then deposited with a custodian bank locally (Thailand). The custodian for THL’s shares under the deposit agreement is Deutsche Bank AG, Bangkok Branch.

The ADR provides potential and interested investors (normally the institutional investors) in the U.S a chance to invest in foreign companies (outside U.S).

The shares held by the depository bank are known as American Depository Shares (ADS). The depository bank then issues the financial instruments known as American Depository Receipts (ADR), which represent ownership of a bundle of the depository shares. ADR’s are then offered by the depository bank to investors in US stock markets or other international stock markets. The ratio of shares has been determined at 200 shares of THL to one ADR. This arrangement is to price the ADR’s at an attractive market price, which is currently about USD 8 to 9 per ADR. Since the Stock Exchange of Thailand reinstated the Company’s security trading, the ADR is adjusted to reflect the market value of the shares.

RELATED PARTIES TRANSACTIONS AND POLICY

Transaction Policy

The Company minimizes or avoids further financial assistance from connected and/or related parties. The transactions below provide the Company with credit facilities in case of unplanned working capital shortages to meet immediate financial commitments. Upon entering such transactions, controls are in effect pursuant to the Board of Director’s resolution (meeting No. 2/2009, February 26, 2009) stating as follow:

1. On receiving or granting finance assistance transactions between related parties, do as follows concerning amounts and procedures for each transaction (Note:(1):

1.1 Between THB 1 M and THB 20 M; notify the SET immediately and obtain approval from the BOD.

1.2 THB 20 M (approximately USD 0.57 M) or more; notify the SET immediately, and obtain approval from the BOD and shareholders.

2. On purchasing goods or services, or entering into any kind of contracts or agreements, such as purchase, service, joint venture, or agent contract etc. do as follows concerning amounts and procedures (Note: (2):

2.1 Between THB 1 M. and THB 20 M (approximately USD 28,000 to USD 0.57 M.); notify the SET immediately. Also, BOD approval may be needed in certain cases, such as in transactions where the terms are not normal commercial terms (except in the lease of immovable assets where the lease period is not over 3 years), or in an asset/ service transaction.

2.2 THB 20 M (approximately USD 0.57 M) or more; notify the SET immediately and obtain approval from BOD. Also, shareholders' approval may be needed in certain transactions such as in cases where the terms are not normal commercial terms, or in an asset/ service transaction.

(1) The amount is referred to in the financial statement and/or SET or SEC's announcement and can be changed as appropriate.

(2) There is no need to inform or send the reports as mentioned above to the secretary if the transaction is an ordinary and normal business transaction with normal commercial term e.g. purchase of raw materials, purchase of supplies used in processing, purchase-selling inventories. However, if the transaction is done between the related parties, normal commercial terms have to be applied, otherwise the procedure- as in 2.1 or 2.2 above, must be applied regardless of the value involved.

In the latter case, any involved parties must abstain from voting on the transaction(s); and said transaction(s) must be scrutinized by the Audit Committee and reported to the SET pursuant to SET regulations relating to the disclosure of related parties transactions.

RELATED PARTIES TRANSACTIONS ENTERED INTO BY THE COMPANY

Tungkum Limited (TKL)	Sintana Holdings Limited (SHL)	Authong Enterprises Limited (AEL)
Transaction Type	SHL advanced to TKL short-term for working capital of gold mining operations some THB82million.	AEL provides services to TKL as follow: (1) To support TKL's geological and back-up for exploration (2) To advise on the plant processing facilities and expansion plans, hedging the companies' production and foreign currency (3) To introduce sources of overseas and local project financing and funding. (4) To help sourcing on suppliers i.e. for purchase of chemical products, and construction companies for the site preparation work. (5) To help expediting approval of TKL's applications for mining leases

**Tungkum
Limited (TKL)**

Sintana Holdings Limited (SHL)

Authong Enterprises Limited (AEL)

**Transaction
Value & Criteria
on Net Tangible
Assets**

The outstanding balance of short term loan as at December 31, 2009 amount Baht 82.04 million

at each stage.

- (6) To introduce new investors to TKL for equity participation.

TKL pay monthly consult service fee to AEL

Services fee for year 2009 as follow:

- (1) Management fee Baht 4.68 million (monthly Baht 390,000)
- (2) Car Rental Baht 1.20 million (monthly Baht 100,000)
- (3) House Allowance Baht 0.696 million (monthly Baht 58,000)

Total Baht 6.576 million (monthly Baht 548,000)

This value represents less than 3% of the latest audited (30 June 2008) net tangible assets of THL as per the Stock Exchange of Thailand (SET)'s regulation (ref: Bor Jor: 52-2-01, clause 9 (1) and (2), page 122). The Transaction Value divided by THL's Net Tangible Assets derives a percentage of 0.66%.

AEL started service to TKL since August 1, 2008.

**Reason for
Transaction**

The financial assistance rendered was used primarily to support the high strength aggregate gold mine operations and as TKL's working capital.

Before that, SHL provided service to TKL

Then, THL and TKL agreed to have AEL replace SHL position in order to reduce the conflict of interest

The term and condition of the service fees was reasonable based on appropriateness and fairness.

**Terms and
Conditions of
Transaction**

1) The facility was made exclusively for TKL for working capital.

2) SHL advanced to TKL without interest and any fee charge.

3) No collateral.

Tungkum Limited (TKL)**Sintana Holdings Limited (SHL)****Authong Enterprises Limited (AEL)****Scope of Connected Persons/ Relationships**

TKL is subsidiary of THL SHL is major THL's shareholder.

Mr. Ronald Ng was THL's shareholder and directors of both THL and SHL at the time of the transaction.

Per THL policy, these persons abstained from voting in connection with this transaction.

Mr. R. Ng Wai Choi is a Managing Director and shareholder of THL but does neither hold shares nor being a director in AEL. However, he has controlled the TKL's management (THL hold shares 98.86% in TKL) and TKL pay AEL for the consultancy fee, and AEL pay the consultancy fees to him. Thus he is a related person who gets a benefit from this transaction.

Transaction Transparency and approval process

This transaction was reported in THL's annual and quarterly financial statements and submitted quarterly to the SET. This transaction was reviewed by an external auditor, legal counsel, THL's Audit Committee, and Board of Directors who deemed the said transaction to be fair, reasonable, and in compliance with generally acceptable accounting procedures.

This transaction was reported in THL's annual and quarterly financial statements and submitted quarterly to the SET. This transaction was reviewed by an external auditor, legal counsel, THL's Audit Committee, and Board of Directors who deemed the said transaction to be fair, reasonable, and in compliance with generally acceptable accounting procedures.

RELATED PARTIES TRANSACTIONS WITHIN THE GROUP**Regular Commercial or Business-Supporting Items**

During the year, the following significant transactions were engaged in the normal course of business:

Transactions	Subsidiaries	2009 Value (Baht)	Necessity and Reason
Management Income	Sea Minerals	240,000.00	Prices were under agreement based on market competitiveness and reasonable conditions
Crushing Service	Cholsin	1,960,830.00	Prices were under agreement based on market competitiveness and reasonable conditions
Electricity	Cholsin	316,748.90	At cost, price comparable to the market prices

Property Leases

Subsidiaries	Tungkum Limited	Cholsin Limited	Sky Cliff Limited	Sea Minerals Limited
Rental Income (Baht)	1,200,000.00	660,000.00	0.00	60,000.00

The rates for such space leases were compatible with market rates.

Financial Assistance to Subsidiaries

The transactions within the Group relate mainly to inter-company loans from Tongkah Harbour Public Company Limited to the subsidiaries. The terms of agreement between the parent entity and the subsidiaries are mainly as follows:

Transaction type	: Long term loan
Reason for loan	: To provide long term capital for the subsidiary's projects.
Terms	: Interest charged on the average banking interest cost.
Disclosure	: Reported to the SET and shareholders, quarterly and annually as incurred.
Approval Process	: Reviewed by auditors, legal counsel, Tongkah Harbour Public Company Limited's Audit Committee and Board of Directors who deemed said transaction to be fair, reasonable, and in compliance with generally acceptable accounting procedures.

Company Name	Tungkum Limited (TKL)	Cholsin Limited (CSL)	Sky Cliff Limited (SCL)	Sea Minerals Limited (SML)
Balances				
31 Dec 2009				
Principal due from (due to)	Baht 156,192,792.78	Baht 75,250,520.63	Baht 129,506,565.07	Baht (22,685,037.70)
Acc. Interest				
Receivable (payable)	Baht 1,279,699.36	Baht 45,313,695.47	Baht 27,073,792.08	Baht (1,523,737.14)
Provision	0.00	Baht 108,982,006.47	0.00	0.00
Scope of Connected Persons/Relation-ships	Share holders 98.86% Joint directors and shareholders	Share holders 72.10% Joint directors and shareholders	Share holders 75.00% Joint directors and shareholders	Share holders 99.99% Joint directors and shareholders

GENERAL AND GOVERNMENT LIAISON

- a) Company liaison and public relations activities are conducted through administration and management sectors with extensive ongoing duties and responsibilities in the following areas:
- b) Normal business and accounting activities related to production, sales, and purchasing concerned in ongoing commercial operations.
- c) Ongoing liaison with various government and municipal offices pursuant to keeping up and validating the numerous permits required for normal day-to-day operations.
- d) Ongoing liaison with upper level government officials pursuant to Tungkom Company Limited's gold mining project and related activities.
- e) Ongoing extensive liaison and correspondence with the SET in fulfillment of the various requirements of a listed company.

PUBLIC RELATIONS

In addition to the above mentioned obligations, Company management and administration devotes considerable time and effort in liaison with municipal administration offices, to assure the local population and authorities that the Company is interested in addressing any concerns they might have about operations, and that it is operating openly and according to permit requirements and is conscious of any adverse impact on environment.

In all its project work and development prospects, the Company participates in and monitors local public discussion forums where its interests are concerned, to assure that its operations procedures and objectives are accurately perceived, and accurate public opinion received. In doing so, an ongoing liaison is maintained with relevant Government offices and local organizations.

RISK FACTORS IN INVESTMENT DECISION & LITIGATION

MINING AND THE INVESTOR

High risk investment, on the chance of high financial rewards, goes hand-in-hand with commodity investments. Mining products, such as gold, copper, and tin, are commodities and as such their value, together with businesses concerned, are subject to the effects of natural, economic, and socio-political developments, influencing the market. The investor, therefore, becomes exposed to these same influences and should be informed accordingly when investing in mining ventures, and include the following points in due diligence.

Property Rights

The long term stability of a mining operation depends markedly on the sound legal position and ownership of the mining property concerned. The investor should be satisfied that property and mining rights are clearly defined and protected according to legal agreement.

Supply and Demand

Be satisfied that product will be in consistent demand over the proposed life of the venture, and that resource evaluations are reliable, having been verified in detail by certified, duly accredited, third party expertise in mineral deposit evaluations of the type in question.

Project Management

Be satisfied that management group consists of people capable of efficiently managing all aspects of the operation: exploration, mine planning, production, marketing, and finance.

LITIGATION

1. Property Development Project

Black Case No.2071/2548 and Red Case No. 2884/2549 of the Civil Court

Construction Cost Consultants Limited partnership (“CCC”) initiated legal action against Sky Cliff Limited (“SCL”), a subsidiary of the Company, in the Civil Court on May 25, 2005 for full payment of service fees amounting to Baht 491,531.24. SCL rejected the claim as not all services have been rendered pursuant to the agreement. The Civil Court ruled in favor of CCC charging that SCL was to pay the above sum plus 7.5% interest. SCL did not accept the judgment and lodged an appeal and petition requesting that the Court issue an order for a stay execution during appeal to the Appeal Court on October 11, 2006.

On September 19, 2007, the Appeal Court and Civil Court summoned both parties to appear on November 20, 2007 at 13.30 pm to hear the Court’s decision. On said date, the Court informed that SCL was to prepare a bond to be place with the Court worth the specified amount, plus interest calculated from the date of the Civil Court’s decision to a year in advance (Approximately Baht 600,000). The next court appearance was set on February 15, 2008 for consideration of the bond.

On February 15, 2008, the Court postponed the consideration of the bond to March 18, 2008. On such date, the Court allowed SCL to use the land (Title Deed No. 2615 of THL) at Tumboom Bangeaw, Phuket of 1 Ngan 70 sq wah, as a security for stay of execution. The Court also made and appointment for THL’s authorized directors or his proxy holder to execute the security contract with the Court and allow the Court to seize the Title Deed within 15 days commencing from today, otherwise the Court shall not allow the stay of execution.

On March 31, 2008, the Court accepted the use of the said land as a security for stay of execution. Therefore, SCL made a security contract with the Court and allowed the Court seized the Title Deed as the security during appeal to the Appeal Court.

The case is now under the Appeal Court’s consideration.

Black Case No.2360/2551 and Red Case No. 6609/2552 of the Civil Court

On May 8, 2008, Mr. Bobby Tai Chong Yih (TCY), the Plaintiff, filed a plaint against Tongkah Harbour Public Company Limited (THL), the 1st Defendant, Sky Cliff Co.,Ltd (SCL), the 2nd Defendant, Sintana Holdings Co.,Ltd (SHL), the 3rd Defendant, Mr. Ronald Wai Choi Ng, the 4th Defendant, Dr. John Peter Mills, the 5th Defendant, and Ms. Montha Kongkum, the 6th Defendant, on the grounds of a breach of the Joint Venture Agreement. The Plaintiff requested that the Court order the 1st – 6th Defendants to make payment of shares and the compensation totaling Baht 349,399,623.03 (Three Hundred Forty-Nine Million Three Hundred Ninety-Nine Thousand Six Hundred Twenty-Three Baht and Three Satang). There are 4 issues considered by the Civil Court. They are:-

1. Whether the plaint is vague?
2. Whether the 3rd Defendant is the agent of Paron Holdings Co., Ltd and Mr. Tan Chai Wah?
3. Whether all six Defendants breach the Joint Venture Agreement?
4. Whether all six Defendants shall have to be jointly responsible to the Plaintiff, and how much?

On November 17, 2009, the Civil Court rules on the above issues as follows:

1. The plaint is not vague. The allegation by the plaint and the request for enforcement including the claim which is the basis of allegation were clear.

2. The 3rd Defendant is the agent of Paron Holdings Co., Ltd and Mr. Tan Chai Wah because the Defendants accepted that the 3rd Defendant was the agent of Paron Holdings Co., Ltd and Mr. Tan Chai Wah.
3. Based on the evidence of both parties, it is clearly that the Plaintiff, the 1st Defendant and the 3rd Defendant enter the joint venture agreement willing in order to invest in Le Metro Project, the 1st or the 3rd Defendants or any agent of the Defendant did not commit fraud. The parties to the agreement can terminate the agreement legally. When it is terminated, parties shall revert to the original standing. It could not be considered that the Defendants breach the joint venture agreement. Although it was stated that the 3rd Defendant was the agent of Paron Holdings and Mr. Tan Chai Wah, but the 3rd Defendant received payment of the shares from the Plaintiff. The 1st Defendant who is the party of the Agreement and 3rd Defendants then have to be jointly responsible as the parties to the joint venture agreement to the Plaintiff.

As reasoned above, Tongkah Harbour Public Company Limited as Defendant no.1 and Sintana Holdings Limited as Defendant no. 3 shall jointly return the share's price of baht 36,500,000 to the Plaintiff with the interest of 7.5 percent per year starting from the date of the receipt of payment until the payment is completed. Also, the Defendant no.1 and no.3 shall jointly pay the Court's fees calculated from the amounting claim which the Plaintiff won the case and specified the lawyer's fees in the amount of Baht 15,000. The Court, however, dismisses the claims against Sky Cliff Limited (Defendant no.2), Mr. Ronald Ng Wai Choi (Defendant no.4), Dr. John Peter Mills (Defendant no.5) and Ms. Montha Kongkum (Defendant no. 6). The Defendant nos.2, 4, 5, 6 shall not be responsible for cost of action. Other claims are dismissed.

However, the Company disagreed with the judgment because Defendant nos.1 is not the person who received payment from the Plaintiff and Defendant no. 3 is only a representative. Thus, on January 13, 2010, the Company submitted the appeal and petition requesting that the Court issue an order for a stay execution during appeal to the Appeal Court.

The petition is now under the Court's consideration.

Black Case no. 5575/2552 of the Civil Case

On October 29, 2009, Otaione Strategic Co., Ltd by Mr. Tai Chong Yih filed the complaint against Sky Cliff Limited, the subsidiary company on the ground of breach of contract and requests compensation in the amount of Baht 774,402.72. The Court scheduled December 14, 2009 for settlement of the issue and examination of evidence by Plaintiff. However, Sky Cliff Limited will fight the case and confirm that Sky Cliff Limited has used the right of termination according to laws.

On December 14, 2009, the Court considered our petition regarding the extension period for filing the answer to another 30 days and granted the extension to January 14, 2010. Therefore, the Court postponed the settlement of issues to February 8, 2010 at 9.00 a.m.

On January 13, 2010, the Company filed an answer with the Court.

Black Case No. Aor 2132/2551 and Red Case no. Aor C212/2552 of the Criminal Court

On June 9, 2008, Mr. Tai Chong Yih, the Plaintiff, filed a criminal complaint against Mr. Ronald Ng Wai Choi, the 1st Defendant, Dr. John Peter Mills, the 2nd Defendant, Ms. Montha Kongkum, the 3rd Defendant, Tongkah Harbour Plc., the 4th Defendant, Sky Cliff Co.,Ltd., the 5th Defendant and Sintana Holding Co.,Ltd., the 6th Defendant, charging them with misappropriation, fraud and defamation. We are preparing a defamation suit as his allegations have no ground.

TCY has alleged that three directors of SCL have perpetrated fraud on him. Apart from Mr. Ronald Ng Wai Choi as a Managing Director of Tongkah Harbour Plc., other directors have never met TCY prior to him taking up his position.

TCY was a former Country Head of a foreign bank in Thailand and only after being legally terminated did TCY file fraud charges and damages. TCY had failed an important undertaking that was, to arrange for finance and construction of SCL's project prior to April 1, 2007.

In the preliminary examination, TCY could not justify his allegations and charges.

On December 14, 2009, the Criminal Case, Black Case no. 2132/2551 with Mr. Tai Chong Yih, the Court ruled in our favour that there were no criminal grounds on either fraud, misappropriation or defamation and therefore dismissed the case against all Defendants.

2. Labour Court Cases

Black Case no. 7208/2552 of the Labour Court

On November 4, 2009, Mr. Varin Cherdboonmuang, a former Company's Consultant, filed the complaint against Tongkah Harbour PCL and Tungcum Limited, subsidiary companies, on the grounds of unfair and illegal termination of the employment contract claiming sums of Baht 1,200,000. The Court scheduled November 30, 2009 for the examination of evidence and settlement. However, the Company disagreed with his complaint.

On November 30, 2009, the Court sent the case for mediation proceedings. The Plaintiff's lawyer offered to settle the case by paying the allowance in the amount of Baht 900,000. However, the Defendant's lawyer has requested to postpone the case reasoning the Defendant just received the court's writ and therefore has not discussed with the Defendant in details. The Court agreed to reschedule the mediation date to January 20, 2010.

On January 20, 2010, Mr. Varin offered that he would withdraw the case, if the Company gives him back a position in the Company with the salary of Baht 100,000 for 3 years, including the unpaid salary of Baht 300,000 (3months). The Court considered and opined that the case could be settled and then postponed the meeting to February 10, 2010 at 13.00 hrs for renegotiation. The Court also requested the managing director to attend in the next meeting.

On February 10, 2010, the case could not be settled. The Court will proceed with the case by taking evidence on March 3, 2010.

Black Case no.2692/2552 and Red Case no. 5159/2552 of the Labour Court

On April 9, 2009, Ms. Rose Bussayakanon, a former Company Secretary and Deputy Chief Financial Officer, filed a complaint to the Labour Court on the grounds of unfair and illegal termination of the employment claiming sums of Baht 20,931,500. The Court rescheduled June 9, 2009 for the examination of evidence.

On October 14, 2009, the Court mediated the case and both parties agreed to settle, the Company agreed to pay an allowance to Ms. Rose in the amount of Baht 520,000 and Ms. Rose accepts the mentioned allowance and will not take any further actions to the court, the case is therefore closed.

Black Case no.4812/2552 and Red Case no. 5198/2552 of the Labour Court

On August 3, 2009, Mr. Tai Chong Yin filed a complaint against Sky Cliff Limited and Tungcum Limited, subsidiary companies, on the grounds of unfair and illegal termination of the employment contract claiming sums of Baht 2,763,960. The Court scheduled October 8, 2009 for the examination of evidence by defendant which confirmed the right of termination pursuant to employment contract.

On October 8, 2009 the Court mediated the case and both parties agreed to settle. The Company agreed to pay an allowance to Mr. Tai Chong Yih in the amount of Baht 250,000 without any interest and additional payment within 7 days. If the payment is made within the specified period, Mr. Tai Chong Yih will withdraw the case and will not take any further action in any court. If the Company is in default of the payment, the court can exercise the judgement according to the negotiated agreement. The case, therefore, is closed.

3. Civil Case at Republic of the Philippines

On April 17, 2009, THL and Tungcum Limited ("TKL") filed in the Regional Trial Court in the Philippines a civil complaint against ("CRPI") and ("CRL") and their common directors, Kwa Boo Leong, George M. Osborne and Jeffrey W. Aucott.

The complaint seeks to recover from all defendants certain amounts (US\$580,000 and GBP50,000) advanced by THL and TKL to CRPI and CRL, plus interest, damages, attorney's fees, and costs of the suit. In the complaint, THL and TKL asked the court to attach the properties of the defendants to secure any judgment that they may obtain against the defendants and to annul any sale or disposition by defendants of any of their properties done in fraud of creditors.

On December 23, 2009, the Philippines Court opined that the case lacks a cause of action and, therefore, resolved to dismiss the case. However, the Company filed the Motion of Reconsideration on January 11, 2010. The Motion is now under the Court's consideration.

4. Administrative Court Case with Agriculture Land Reform Office: Khonkhan Administrative Court Black Case no. 371/2551

The Regulations on fee rates for mining operations for the land use in ALRO areas were issued in year 1997 after the original Concession Agreement was signed. It was not included at the time of bidding. Said fees are divided into two parts: 1) 2% of the land price timed with the exploiting year and, 2) an amount equal to the royalty fees paid to DPIM.

Although THL disagreed with the payment of part 2 for land use in ALRO areas, THL had to sign the Land Use Agreement with ALRO on December 18, 2002 in order to proceed to obtaining the mining license.

THL and TKL submitted the plaint for the cancellation of part 2 payments to the Administrative Court on September 12, 2008, and submitted a request for the prohibition of the ALRO order while TKL's case on the land-use fee payments is being considered. The Court accepted the plaint but discarded the prohibition request on September 25, 2008. Later ALRO gave an answer and counter-sue requesting the payment of outstanding balance, including interest.

On May 27, the Company submitted the opposing statement against Agricultural Land Reform Committee and ALRO. On September 9, 2009, TKL and THL submitted the additional statements to the Court by testifying that the Company does not have an outstanding payment and shall reserve the right to recall the amount paid including the highest rate of interest.

Upon following up with the case, on January 13, 2010, the Company found that ALRO requested the Administrative Court to issue a Mandatory Injunction for TKL to stop mining in ALRO's area.

ALRO's request was dismissed by the Court as ALRO does not seem to be seriously damaged. The case is now under the process of the Court's collection of evidence.

MINING INDUSTRY AND COMPETITION

Marketing

Tin, Gold and Copper Mining Operations:

Product concentrates are sent to the refinery and smelters for final processing. Prices for tin, gold and copper are subject to world demand and supply upon which prices are set at the international metal and bullion markets.

Igneous Rock Mining:

Product economic viability is controlled by local conditions and, therefore, a marketing and sales promotion program is in effect as follows:

- 1.) Strategy is based on canvassing Government agencies and private construction businesses that intend to, or have in progress, projects that will require large quantities of igneous rock aggregate (such as THL's) rather than normal limestone which is softer and less durable.
- 2.) Pricing Policy is based on a combination of factors including transport distance, quantity required, prevailing price range for the product, and terms of payment. Credit terms are allowed for companies considered solvent. Also some reduction is given for cash-at-site sales where the customer supplies transport.
- 3.) Deliveries to Main Customers may be according to pre-arranged schedules or changed and/or postponed by the customer in accordance with their construction progress. Such delays can result in temporary stockpiling at the quarry site, and a corresponding slowdown in payments by the client.

Competition

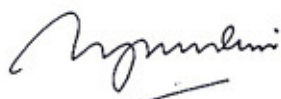
Offshore Tin Mining:

There is no significant domestic competition at this time. One other mining company also has offshore mining rights, but has ceased offshore mining operations.

Igneous Rock (Andesite) Operations:

The product has several advantages in marketing, including competitive transport costs. The deposit is the only one of its kind known in the area and is central to a large region of potential industrial expansion extending north and northeast of the Bangkok area. There are not many other readily available rock types that meet standards set by the SRT or the Highway Department. Highly solidified rock, or igneous rock material such as the andesite, is required to meet current standards. Alternatives of similar quality supplied by some competitors are rhyolite, granite, and basalt. Ordinary limestone does not qualify.

On behalf of the management, I would like to take this opportunity to thank the shareholders for their continued support and loyalty throughout this difficult time especially. The management and the staff are to be appreciated by their commitment, dedication, and perseverance, toward ensuring the Group's success. Our heartfelt gratitude also goes to our customers, suppliers, bankers, business associates, all our stakeholders, and the various relevant authorities, for their cooperation and continued support. Finally, we also express our appreciation to our colleagues in the management team for their invaluable contributions throughout the year.



Ronald Ng Wai Choi,
Managing Director
1st March 2009

AUDIT COMMITTEE AND INDEPENDENT DIRECTOR'S REPORT



Dear Shareholders,

The Audit Committee assists the Board of Directors of Tongkah Harbour Public Company Limited in carrying out its responsibilities in relation to financial reporting requirements to ensure that these meet SET and other pertinent government standards and regulations; risk management; and the assessment of internal controls. The Audit Committee also reviews the effectiveness of the Company's internal audit function and manages the Company's relationship with the External Auditors.

The Audit Committee is composed of three independent directors appointed by the Board: Mr. Nickane Sucharitaves as Chairman, Mr. Krittapas Kanikanant and Mr. Nopadon Mantajit. All members have appropriate experiences in accounting and financial matters or otherwise in technical fields pertinent to the company's operations. As independent directors, Audit Committee Members do not hold any management positions, are not employees of the company, and do not represent any major shareholders. A qualified accountant acts as the Internal Auditor and a qualified commercial lawyer acts as Secretary to the Audit Committee.

In year 2009, the Audit Committee held five formal meetings to effectively and responsibly carry out its duties. Each of these formal meetings was preceded by a working group meeting to discuss and thresh out relevant matters affecting financial disclosures in the interim and annual financial reports, risk management and internal control. By invitation of the Chairman of the Audit Committee, the Chief Executive and his immediate executive officers, the Accounting and Treasury Finance Officers, the in-house legal department and the internal auditor also attended both the working group and formal Audit Committee meetings. The External Auditors also attended all five formal meetings and some of the working group meetings.

The Audit Committee has discussed and agreed with the opinion of the External Auditors on two major areas affecting the company's operations, namely:

- 4 In 2008, the Audit Committee cited advances made as potential investment in foreign mining ventures as not in compliance with good internal control. Adequate disclosure of this transaction has been made in the financial statements. In 2009, the Audit Committee and External Auditor mutually agreed with the decision that loss from impairment of these advances should be recognized in the financial statements.
- 4 In 2009, the Audit Committee and the External Auditor mutually recognized that the increased negative working capital and rising net losses of the Tongkah Group of Companies have been caused to a large extent by external factors, which if not resolved, would threaten the companies' continued operations. Foremost of these external factors are: delay in government approval for export of copper concentrates that bear a substantial amount of the projected gold production, substantial delay in obtaining government approval of new mining licenses, and substantial government fees and royalties that have exceeded those prevailing at the commencement of the concession agreement.

The financial statements for the year ended 31 December 2009 were prepared by the management and audited externally by the appointed auditing firm of A.M.T. & Associates. Upon review of these financial statements and other activities of the company for the year 2009, the Audit Committee concurred with the findings.

The planned additional activity of the Audit Committee for 2010 will be to enhance the Internal Audit activities by monitoring the development a formal internal audit program that will effectively review internal controls, safeguard assets and enhance risk management in key areas of the companies' operations. As necessary, outside independent consultants may be hired for this purpose.

The Audit Committee reviewed and monitored the independence of the external auditors and the objectivity and effectiveness of the audit process and recommended to the Board the reappointment of Professor Kesaree Narongdej and/or Mrs.Natsarak Sarochanunjeen and/or Mr.Chaiyuth Angsuwithaya of the firm of A.M.T. & Associates, as the Company auditor(s) to conduct the audit of financial statements for the year ended December 31, 2010, for approval by the shareholders at the next Annual General Meeting of the Company.



Mr. Nickane Sucharitaves
Independent Director and Chairman of the Audit Committee,
Bangkok: 8 March 2010

Note:-

Mr. Nickane Sucharitaves, an incumbent Independent Director and Audit Committee Member, was appointed as Chairman of the Audit Committee by resolution of the Board on 21 April 2009. He replaced Mr. Kriang Kiatfuengfoo who resigned on March 5, 2009.

Mr. Krittapas Kanikanant was appointed as Independent Director and Audit Committee Member by resolution of the Board on 21 April 2009. He replaced Mr. Umyos Huvanandana who resigned on 25 March 2009.

Mr. Nopadon Mantajit, an incumbent Independent Director was appointed as Audit Committee Member by resolution of the Board on 21 April 2009.

TONGKAH HARBOUR PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
AND
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

EXPRESSED IN
THAI BAHT

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

To The Shareholders and Board of Directors of Tongkah Harbour Public Company Limited

(1) I have audited the consolidated balance sheets of Tongkah Harbour Public Company Limited and its subsidiaries as of December 31, 2009 and 2008, the related consolidated statements of changes in shareholders' equity, income and cash flows for the years then ended. I have also audited the Company's financial statements for the same periods of Tongkah Harbour Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

(2) I conducted my audits in accordance with generally accepted auditing standards. Those Standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

(3) In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tongkah Harbour Public Company Limited and its subsidiaries and of Tongkah Harbour Public Company Limited as of December 31, 2009 and 2008, the results of their operations and cash flows for the years then ended in conformity with generally accepted accounting principles. Except for the possible effect of any adjustment to the financial statements for the year ended December 31, 2008, as may have been determined to be necessary had I been able to satisfy myself of the value of advance to Coral Resources Limite as described in note No. 13 to the financial statements.

(4) Without qualifying my audit, I draw attention regarding various matters as follows:

(5) As described in note No. 1.7 to the financial statements, As of December 31, 2009, the consolidated financial statements and separate financial statements have presented total current liabilities in exceed of total current assets amounting to Baht 417.12 million and Baht 71.23 million, respectively, and net operating loss of Baht 358.76 million and Baht 352.35 million, respectively. These were caused by number of reasons, foremost of which were: delay in the construction of the flotation plant, delay in government approval for export of copper concentrates that bear a substantial amount of the projected gold production, substantial delay in obtaining government approval and renewal of mining licenses, and substantial government fees and royalties that exceeded the original concession agreements.

(6) As described in note No. 13 to the financial statements, in year 2008 the Company and a subsidiary (Tungkum Limited) had advanced cash totaling Baht 21.99 million (USD 580,000 and GBP 50,000) to Coral Resources Limited (CRL). In April 2009, the Company and a subsidiary had filed a civil court case in Philippines against CRL and its two Philippines subsidiaries as well as against three key directors of the Coral group, to recover the advances by attach the properties of the defendants and to annul any sale or disposition of their properties to secure judgment. Also in September 2009, CRL has been under liquidation and the Company has been given first refusal to acquire the shares of the CRL subsidiaries. However, the company and the appointed liquidator were unable to agree on the term of the share acquisition offer. On December 23, 2009, the Philippines Court resolved to dismiss the cases. Therefore, on January 11, 2010, the Company filed the Motion of

Reconsideration for the Court reconsideration. The management, however, had fully provided allowance for doubtful on the advances.

(7) As described in note No. 29.11 to the financial statements, On May 8, 2008, the Company, a subsidiary (Sky Cliff Limited) and a related company (Sintana Holdings Limited) were sued for breach of the joint venture agreement to develop the Sky Cliff real estate project. On November 17, 2009, the Civil Court ruled that the company and a related company shall jointly return the share purchase price paid by the Plaintiff of Baht 36.5 with interest and dismissed the claim against Sky Cliff Limited. However, the Company disagreed with the judgment because the company did not receive any payment from the Plaintiff and a related company acted only as an agent for the transaction. Thus, on January 13, 2010, the Company submitted an appeal and petition requesting that the Court issue a stay of execution of the court order pending the results of the Court appeal. The petition is now under the Court's consideration.

(8) As described in note No. 8 to the financial statements, on March 27, 2008, the related company obtained approval from the Mineral Act Committee for the renewal of its expired andesite mining right. This renewal process is now at the Ministry of Industry and still awaiting the authorized signature of the Minister.

(NATSARAK SAROCHANUNJEEN)
Certified Public Accountant
Registration No. 4563

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 24, 2010

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS OF DECEMBER 31, 2009 AND 2008

ASSETS

	Note	Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
CURRENT ASSETS					
Cash and cash equivalents	4	38,453	356,387	1,197	421
Trade accounts receivable, net	5	19,231	147,748	1,772	252
Short - term loans to related party	3	-	10	-	-
Inventories, net	6	132,925	103,353	13,119	9,483
Other current assets					
- Deposit over estimate gold royalty fee - DPIM	7	6,754	3,058	-	-
- General advance		3,874	2,582	573	36
- Input tax refundable		9,520	5,084	2,910	2,890
- Other		17,089	16,876	1,437	609
TOTAL CURRENT ASSETS		227,846	635,098	21,008	13,691
NON - CURRENT ASSETS					
Investments in subsidiaries, net	8, 18 and 19	-	-	460,174	738,181
Long - term investments					
- Bank deposits pledged as collateral	9, 18 and 19	172,514	180,815	5,207	500
Deferred expenditures of other projects, net					
- Andesite mining	10	10,836	11,829	10,836	11,829
- Gold mining	11	237,638	269,510	-	-
- Phuket project	12	-	-	-	-
Long - term loans to related parties, net	3	1,543	1,708	343,543	245,735
Advance to other company, net	13	-	22,621	-	22,621
Property, plant and equipment, net	14, 18 and 19	1,260,857	1,195,570	98,238	102,889
Intangibla assets, net	15	1,311	1,673	556	663
Advance payment for purchase of land					
- andesite mining project	16 and 18	17,687	17,687	17,687	17,687
Advance payment for machinery		-	24,660	-	-
Goodwill		594	594	-	-
Other non - current assets	17	7,715	10,615	438	1,436
TOTAL NON - CURRENT ASSETS		1,710,695	1,737,282	936,679	1,141,541
TOTAL ASSETS		1,938,541	2,372,380	957,687	1,155,232

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

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS OF DECEMBER 31, 2009 AND 2008

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
CURRENT LIABILITIES					
Bank overdrafts and short - term loans from financial institution	14, 16 and 18	47,897	15,697	47,896	15,697
Trade accounts payable - related party	3	-	-	2,568	470
- other parties		83,436	42,642	217	8
Current portion of long - term loans	19	333,381	320,366	33,870	6,864
Current portion of finance lease obligations	20	7,450	11,716	609	2,637
Short - term loans from related parties	3	86,367	-	189	-
Other current liabilities					
- Accrued expenses		27,162	17,192	4,277	3,137
- Accrued the land usage fee - ALRO	7	31,687	72,471	-	-
- Account payable on decrease capital		3,832	3,832	-	-
- Other		23,758	5,195	2,613	1,134
TOTAL CURRENT LIABILITIES		644,970	489,111	92,239	29,947
NON - CURRENT LIABILITIES					
Long - term loans from related parties	3	-	-	24,209	34,841
Long - term loans	8, 9, 14 and 19	474,945	699,648	109,897	7,960
Finance lease obligations	20	5,191	11,198	1,210	-
Provision for environmental restoration expenses		6,823	7,048	250	250
TOTAL NON - CURRENT LIABILITIES		486,959	717,894	135,566	43,051
TOTAL LIABILITIES		1,131,929	1,207,005	227,805	72,998
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
756,939,463 ordinary shares of Baht 1 each		756,940	756,940	756,940	756,940
Issued and fully paid - up share capital		756,940	756,940	756,940	756,940
Premium on common stocks, net		358,607	358,607	358,607	358,607
Dificit from change in equity interest of subsidiary		(4,450)	(4,450)	-	-
Retained earnings (deficit)					
Unappropriated		(386,412)	(34,060)	(385,665)	(33,313)
Shareholders' Equity of the Company		724,685	1,077,037	729,882	1,082,234
Minority Interest		81,927	88,338	-	-
TOTAL SHAREHOLDERS' EQUITY		806,612	1,165,375	729,882	1,082,234
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,938,541	2,372,380	957,687	1,155,232

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 YEARS ENDED DECEMBER 31, 2009 AND 2008

	Thousand Baht					
	Consolidated financial statements					
	Issued and fully paid - up share capital	Premium on common stocks, net	Deficit from change in equity interest of subsidiary	Retained earnings (deficit)	Minority interest	Total
Balance as of January 1, 2008	756,940	358,607	(5,197)	(145,879)	95,088	1,059,559
Net profit (loss)	-	-	-	111,819	(2,176)	109,643
Decrease in share capital	-	-	-	-	(3,827)	(3,827)
Dificit from change in equity interest of subsidiary	-	-	747	-	(747)	-
Balance as of December 31, 2008	756,940	358,607	(4,450)	(34,060)	88,338	1,165,375
Net loss	-	-	-	(352,352)	(6,411)	(358,763)
Balance as of December 31, 2009	756,940	358,607	(4,450)	(386,412)	81,927	806,612

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

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Thousand Baht			
	Separate financial statements			
	Issued and fully paid - up share capital	Premium on common stocks, net	Retained earnings (deficit)	Total
Balance as of January 1, 2008	756,940	358,607	(145,132)	970,415
Net profit	-	-	111,819	111,819
Balance as of December 31, 2008	756,940	358,607	(33,313)	1,082,234
Net loss	-	-	(352,352)	(352,352)
Balance as of December 31, 2009	756,940	358,607	(385,665)	729,882

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 INCOME
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Note	Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
REVENUES					
Revenue from the sale of					
- Andesite sales		8,044	4,633	8,044	4,633
- Gold sales		398,952	881,418	-	-
- Copper sales		21,494	-	-	-
Gain on exchange rate	24	45,356	-	-	547
Adjustment for decrease in impairment on investment in subsidiaries		-	-	-	79,597
Other income					
- Gain from sales of purchase gold, net	25	-	7,116	-	-
- Gain on sales of fixed assets		1	77,901	-	77,901
- Interest income	3	862	7,310	7,427	10,751
- Other	3	1,579	2,031	2,363	3,000
TOTAL REVENUES	21	<u>476,288</u>	<u>980,409</u>	<u>17,834</u>	<u>176,429</u>
EXPENSES					
Cost of the sales of					
- Cost of andesite sales	3	4,803	3,858	5,366	3,758
- Cost of gold and copper sales		428,923	410,960	-	-
Selling expenses		2,476	752	-	-
Administrative expenses	3	185,927	233,549	31,047	38,715
Management benefit expenses	22	31,790	34,292	11,894	10,700
Doubtful debts		22,154	37	37,528	7,852
Adjustment for increase in impairment on investment in subsidiary companies		-	-	278,007	-
Amortization on exploration expenditures of gold mining project	11	31,872	62,229	-	-
Loss on exchange rate	24	-	41,765	680	-
Compensation for price difference	19	60,945	-	-	-
Loss from sales of purchased gold, net	25	28,825	-	-	-
TOTAL EXPENSES	23	<u>797,715</u>	<u>787,442</u>	<u>364,522</u>	<u>61,025</u>
PROFIT (LOSS) BEFORE FINANCE COSTS		(321,427)	192,967	(346,688)	115,404
FINANCE COSTS	3	37,336	83,324	5,664	3,585
NET PROFIT (LOSS)		<u>(358,763)</u>	<u>109,643</u>	<u>(352,352)</u>	<u>111,819</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		(352,352)	111,819	(352,352)	111,819
MINORITY INTERESTS		(6,411)	(2,176)	-	-
		<u>(358,763)</u>	<u>109,643</u>	<u>(352,352)</u>	<u>111,819</u>
BASIC EARNINGS (LOSS) PER SHARE (BAHT PER SHARE)					
NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		<u>(0.47)</u>	<u>0.15</u>	<u>(0.47)</u>	<u>0.15</u>
THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)					
		<u>756,940</u>	<u>756,940</u>	<u>756,940</u>	<u>756,940</u>

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 CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	(358,763)	109,643	(352,352)	111,819
Adjustment to reconcile net loss to net cash inflow (outflow) from operating activities :-				
Depreciation and amortization	103,744	112,598	5,021	5,489
Doubtful debts	22,154	37	37,528	7,852
Amortization on expenditures of andesite mining project	993	993	993	993
Amortization on exploration expenditures of gold mining project	31,872	64,971	-	-
Adjustment for decrease in allowance for declining in value of inventory	(4,608)	-	(4,608)	-
Adjustment for increase (decrease) in impairment on investment in subsidiary companies	-	-	278,007	(79,597)
Loss (gain) on sale fixed assets	-	(77,393)	-	(77,393)
Loss (gain) on sale intangible assets	-	-	(1)	-
Unrealised loss (gain) on exchange rate	(23,587)	44,343	627	(547)
Disposal of fixed assets	1,034	3,209	32	-
Interest income	(847)	(7,310)	(7,427)	(10,751)
Interest expenses	39,828	62,283	5,334	3,585
	(188,180)	313,374	(36,846)	(38,550)
<u>Decrease (increase) in operating assets :-</u>				
Trade accounts receivable, net	128,517	(144,632)	(1,520)	1,792
Short - term advances to related party	10	247	-	-
Inventories, net	(24,998)	(41,101)	938	796
Other current assets	(9,796)	5,738	(1,544)	2,124
Advance to other company	-	(22,074)	-	(6,568)
Other non - current assets	1,391	(24,743)	1,227	(1,115)
<u>Increase (decrease) in operating liabilities :-</u>				
Trade account payables - related party	-	-	2,098	(1,097)
Trade account payables - other party	40,794	(5,228)	209	(86)
Short - term advances from related parties	-	(1,388)	-	-
Other current liabilities	(22,907)	10,484	2,619	(839)
Other non - current liabilities	(225)	-	-	-
Income tax paid	(254)	(1,502)	(245)	(1,018)
Interest paid for short - term loans	(2,696)	(960)	(2,696)	(960)
Net cash inflow (outflow) from operating activities	(78,344)	88,215	(35,760)	(45,521)

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 CASH FLOW (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in long - term investment - bank deposits pledged as collateral	379	36,300	(4,708)	(500)
Decrease (increase) in long - term loans to related parties	165	504	(113,748)	(38,828)
Payment for purchases property, plant and equipment	(137,951)	(96,487)	(46)	(929)
Payment for purchases intangible assets	(70)	-	-	-
Proceeds from sales fixed assets	-	88,050	-	88,050
Interest received	847	7,310	12	10,751
Net cash inflow (outflow) from investing activities	<u>(136,630)</u>	<u>35,677</u>	<u>(118,490)</u>	<u>58,544</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short - term loans from financial institutions	32,200	(10,796)	32,199	11,186
Increase (decrease) in short - term loans from related parties	86,364	(101)	189	(101)
Increase (decrease) in long - term loans from related parties	-	-	(3,343)	(1,840)
Increase (decrease) in long - term loans	(176,083)	287,082	133,721	(19,308)
Increase (decrease) in finance lease obligations	(10,273)	(7,900)	(819)	(900)
Interest paid for long - term loans	(26,478)	(53,053)	(1,935)	(1,722)
Decrease (increase) in deferred arranging fee	(4,986)	(16,608)	(4,986)	-
Net cash inflow (outflow) from financing activities	<u>(99,256)</u>	<u>198,624</u>	<u>155,026</u>	<u>(12,685)</u>
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENT				
	<u>(3,704)</u>	<u>28,396</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	<u>(317,934)</u>	<u>350,912</u>	<u>776</u>	<u>338</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>356,387</u>	<u>5,475</u>	<u>421</u>	<u>83</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>38,453</u></u>	<u><u>356,387</u></u>	<u><u>1,197</u></u>	<u><u>421</u></u>
				.../3

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 CASH FLOW (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
ACTIVITIES NOT AFFECT CASH				
Transfer advance payment for machinery to property, plant and equipment	24,660	-	-	-
Write - off deferred expenditures for Phuket project	7,000	-	7,000	-
Write - off inventories and allowance for declining value of inventories	131	1,784	131	1,784
Transfer inventory to property, plant and equipment	35	388	35	388
Transfer loans to related parties to off - set against trade account payables, advance and loans from related parties	-	-	7,985	36,046
Transfer from other receivable - related parties to long - term loans to related parties	-	-	3	-
Decrease in deficit from change in equity interest of subsidiary	-	747	-	-
Transfer other non - current assets to property, plant and equipment	-	4,968	-	-
Transfer minority interest to account payable on decrease capital	-	3,827	-	-

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

DIRECTOR

DIRECTOR

The transactions with related parties for the years ended December 31, 2009 and 2008 are as follows :

	Thousand Baht				Transfer Pricing policies
	Consolidated financial statements		Separate financial statements		
	2009	2008	2009	2008	
<u>Transactions with subsidiary companies :-</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	7,415	10,737	Average actual cost of funds provided
Rental income	-	-	1,920	1,860	} At cost, contract price
Management income	-	-	240	240	
Interest expenses	-	-	702	634	Average actual cost of funds provided
Crushing cost	-	-	1,961	1,104	Baht 45 per ton
Electricity	-	-	317	270	At cost, price comparable to the market prices
<u>Transactions with related companies :-</u>					
Rental income	-	245	-	245	} At cost, contract price
Management fee	6,576	5,693	-	893	
Rental expenses	-	2,750	-	-	
Consulting fee	868	6,773	240	2,168	} At the rate agreed upon by the management
Repair and maintenance expense	-	1,500	-	-	
Engineering fee	-	2,000	-	-	
Interest expenses	-	52	-	-	Minimum Overdraft Rate of a local bank + 1%

DIRECTOR

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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	Other	Work in progress and machinery in progress	Total
Cost or appraisal value									
As of December 31, 2008									
- at cost	139,291	76,126	89,684	17,213	557,245	142,591	48,523	83,317	1,153,990
- incremental appraisal value	329,574	-	-	-	-	-	-	-	329,574
Increase	1,272	3,886	461	649	17,953	1,920	824	134,786	161,751
Decrease	-	-	-	(460)	(196)	-	-	(5)	(661)
Transfer	-	35	-	(189)	120,625	-	-	(120,625)	(154)
As of December 31, 2009									
- at cost	140,563	80,047	90,145	17,213	695,627	144,511	49,347	97,473	1,314,926
- incremental appraisal value	329,574	-	-	-	-	-	-	-	329,574
Accumulated depreciation									
As of December 31, 2008									
- at cost	-	(23,241)	(23,984)	(13,168)	(126,734)	(88,212)	(12,655)	-	(287,994)
- incremental appraisal value	-	-	-	-	-	-	-	-	-
Increase	-	(8,082)	(5,493)	(2,368)	(55,486)	(19,935)	(4,775)	-	(96,139)
Decrease	-	-	-	425	30	-	-	-	455
Transfer	-	-	-	35	-	-	-	-	35
As of December 31, 2009									
- at cost	-	(31,323)	(29,477)	(15,076)	(182,190)	(108,147)	(17,430)	-	(383,643)
- incremental appraisal value	-	-	-	-	-	-	-	-	-
Closing net book amount									
As of December 31, 2008	468,865	52,885	65,700	4,045	430,511	54,379	35,868	83,317	1,195,570
As of December 31, 2009	470,137	48,724	60,668	2,137	513,437	36,364	31,917	97,473	1,260,857

Depreciation charges for the years ended December 31, 2009 and 2008 are included in determining earnings as follow:

Included in production costs
Included in administrative expenses

Thousand Baht	
2009	2008
83,728	75,026
12,411	15,564
96,139	90,590

As of December 31, 2009 and 2008, the gross carrying amount of fully depreciated property and equipment that is still in use amount of Baht 96.05 million and Baht 78.62 million respectively.

DIRECTOR

DIRECTOR

	Thousand Baht								
	Separate financial statements								
	Land	Land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Vehicles	Other	Work in progress and machinery in progress	Total
At cost									
As of December 31, 2008	48,283	5,991	62,648	6,585	6,192	21,525	1,498	275	152,997
Increase	-	-	-	49	-	-	-	-	49
Decrease	-	-	-	(460)	-	-	-	-	(460)
Transfer	-	35	-	-	-	-	-	-	35
As of December 31, 2009	48,283	6,026	62,648	6,174	6,192	21,525	1,498	275	152,621
Accumulated depreciation									
As of December 31, 2008	-	-	(18,355)	(5,297)	(5,678)	(19,403)	(1,375)	-	(50,108)
Increase	-	-	(2,966)	(212)	(195)	(1,295)	(32)	-	(4,700)
Decrease	-	-	-	425	-	-	-	-	425
Transfer	-	-	-	-	-	-	-	-	-
As of December 31, 2009	-	-	(21,321)	(5,084)	(5,873)	(20,698)	(1,407)	-	(54,383)
Closing net book amount									
As of December 31, 2008	48,283	5,991	44,293	1,288	514	2,122	123	275	102,889
As of December 31, 2009	48,283	6,026	41,327	1,090	319	827	91	275	98,238

Depreciation charges for the years ended December 31, 2009 and 2008 are included in determining earnings as follow:

Included in production costs
Included in administrative expenses

Thousand Baht	
2009	2008
62	482
4,638	4,946
4,700	5,428

As of December 31, 2009 and 2008, the gross carrying amount of fully depreciated property and equipment that is still in use amount of Baht 29.58 and Baht 27.48 million respectively.

As of December 31, 2009 and 2008, in the consolidated statements, land of Baht 408.57 million and work in progress of Baht 83.16 million and Baht 83.01 million respectively is the assets of a subsidiary, Sky Cliff, which operate its business in rental building and service project. At present, the project is in the process of planing to develop the project.

As of December 31, 2009 and 2008, in the consolidated financial statements, a part of land and construction, office condominium units and a part of machinery are mortgaged to secure the Company's loans and bank overdrafts from several local banks and bank guarantees of the Company, its subsidiary and related company

As of December 31, 2009 and 2008, in the Company's financial statements, a part of land and construction and office condominium units are mortgaged to secure the Company's loans and bank overdrafts from several local banks.

In May and June 2008, the Company had sold 2 plots of land to a company and a person at Baht 60 million and Baht 28 million respectively (the cost of Baht 7.85 million and Baht 2.69 million respectively). Gain on sales of that lands amounted to Baht 77.45 million are included in determining earnings.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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, gold mining, igneous rock quarrying, and rental building and service residence.

1.2 Basis for preparation of financial statements

The financial statements of the company have been prepared in accordance with generally accepted accounting standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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

Name	Share holding (%) as of December 31		Type of Business	<i>(Percent)</i>			
				Percentage of			
				Total assets included in the consolidated total assets as of December 31		Total revenues included in the consolidated total revenue for the years ended December 31	
2009	2008	2009	2008	2009	2008		
Sky Cliff Limited	75.00	75.00	Rental building and service residence	25	21	-	-
Tungkum Limited (direct and indirect)	98.86	98.86	Gold mining	66	71	98	91
Cholsin Limited	72.10	72.10	Crushing	2	-	-	-
Sea Minerals Limited	99.99	99.99	Tin mining	1	-	-	-

The excess of the investment in subsidiary companies over the book value were presented as “Goodwill” in the consolidated balance sheets which discontinue amortizing in year 2008 (formerly amortised on the straight - line method for a period of 10 years) and test for impairment annually.

1.3 Related parties

As of December 31, 2009, enterprises are controlled by or under common control with the company and the related parties through shareholding and/or directors as follows:

Name	Type of Business	Relationship	% of Shares Held
<i>Subsidiary Companies:</i>			
Tungkum Limited (Tungkum)	Gold mining	Holding and Joint Director	98.86
Cholsin Limited (Cholsin)	Crushing andesite	Holding and Joint Director	72.10
Sky Cliff Limited (Sky Cliff)	Property development	Holding and Joint Director	75.00
Sea Minerals Limited (Sea Minerals)	Tin mining	Holding and Joint Director	99.99
<i>Related Parties:</i>			
Sintana Holdings Limited	Investment	Joint director and shareholder	-
Paron Holdings Limited	Investment	Joint director and shareholder	-
Sino Pac Investment (Labuan) Limited	Investment	Joint director and shareholder	-
Paron Resources Inc.	Exploration and mining	Joint director and shareholder	-
Sintana Resources Limited	Exploration and mining	Joint director and shareholder	-
Authong Limited	Investment	Joint director and shareholder	-
Cheing Rai Riverside Limited	Property Development	Joint director and shareholder	-
Sintana Minings Limited	Exploration and mining	Joint director and shareholder	-
Aspac Construction Limited	Property Development	Joint director and shareholder	-
Sino Pac Development (Thailand) Co., Ltd.	Investment	Joint director and shareholder	-
<i>Related persons:</i>			
Mr. Varin Cherdboonmuang	-	Subsidiary's Director	-

1.4 Trading of the Company's ordinary shares

The Company has registered to trade the Company's ordinary shares under American Depositary Receipt (ADR) program in the U.S. Security Exchange. The Company has appointed Deutsche Bank Trust Company Americas to be the depository for ADR program.

1.5 Adoption of new accounting standards

In May 2009, the Federation of Accounting Professions (FAP) has issued Notifications No. 12/2552 to re-number of Thai Accounting Standards with the same code numbers used for the International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponding to those according to this notification.

The Federation of Accounting Professions (FAP) has issued Notifications No. 86/2551 and 16/2552 regarding Accounting Standards, Financial Reporting Standards and Accounting Practice Guidances which have been published in the Royal Gazette as follows :

1) The accounting standards, financial reporting standard and accounting practice guidances which are effective for the year 2009 as follows :

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

Accounting Standard No. 36 Impairment of Assets (revised 2007)

Financial Reporting Standard No. 5 Non - Current Assets Held for Sale and Discontinued Operations (revised 2007)

Accounting Practice Guidance for Leasehold Right

Accounting Practice Guidance for Business Combinations under Common Control

These accounting standards, financial reporting standard and accounting practice guidances become effective for financial statements for the fiscal year beginning on or after January 1, 2009.

However, in compliance with these accounting standards, financial reporting standard and accounting practice guidances does not have any significant impact on the financial statements for the current period.

2) Accounting standards which are not effective for the current year as follows :

	Effective date
Accounting Standard No. 20 Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
Accounting Standard No. 24 Related Party Disclosures (revised 2007)	January 1, 2011
Accounting Standard No. 40 Investment Property	January 1, 2011

The management of the Company will evaluate the effect of these accounting standards and disclose any significant effect to the financial statements for the year in which they are initially applied.

1.6 The operation of the Company and its subsidiaries

A subsidiary (Tungkum Limited) has received government approval to operate two gold deposits in its leased area under License Number: 26968/15574 and 26973/15560. The operating results and gold recovery rate vary according to the grade and quantity of the ore mined and processed. In any given period, therefore, the Company may be able to mine and process high-grade ore at a high tonnage throughput, and with low production costs.

Tungkum's revenue generation is subject to the uncertainty resulting from fluctuations in world market commodity prices.

1.7 The operating results the company and its' subsidiaries

As of December 31, 2009, the consolidated financial statements and separate financial statements have presented total current liabilities in excess of total current assets amounting to Baht 417.12 million and Baht 71.23 million, respectively, and net operating loss of Baht 358.76 million and Baht 352.35 million, respectively. These were caused by number of reasons, foremost of which were: delay in the construction of the flotation plant, delay in government approval for export of copper concentrates that bear a substantial amount of the projected gold production, substantial delay in obtaining government approval and renewal of mining licenses, and substantial government fees and royalties that exceeded the original concession agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 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.

2.2 Revenue recognition

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

2.3 Allowance for doubtful accounts

The company provides the allowance for doubtful accounts by reviewing the current status of the existing receivables, and provision were estimated on the amounts anticipated uncollectible.

2.4 Inventories

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

2.5 Investments in subsidiary companies

Investments in subsidiary companies 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.

2.6 Deferred exploration and development expenditure of andesite mining

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

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

2.7 Deferred exploration and development expenditure of gold mining

The subsidiary recorded the related expenditures of exploration and development of gold mining which are expected to have future economic benefits, such as acquisition of rights to explore, exploratory drilling expenses and other direct related expenses, to “Deferred exploration and development expenditure of gold mining”.

If there is any indication that the above expenditure shall not be recovered by its’ future benefit, the subsidiary shall write-off all deferred expenditure to expenses in the periods.

Deferred exploration and development expenditure of gold mining are amortized when the subsidiary start to derive income from operation at the portion of the production units to the total of gold ore reserve estimated by an expert.

2.8 Property, plant and equipment

Property, plant and equipment are stated at cost. Except for the land of a subsidiary is stated at the appraisal value by an independent valuer on November 4, 2005. The appraisal value of land is eliminated from the consolidated financial statements due to the value of the investment in the subsidiary exceeded the book value at the purchase date.

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

	<u>YEARS</u>
Land improvement	10
Building, temporary building and dry dock	10 - 20
Furniture and office equipment	3 - 10
Machinery and equipment	5 - 10
Vehicles	5
Other	5 - 10

Tailing ponds are amortized at the portion of the production units to the total capacity of the tailing ponds.

2.9 Borrowing cost

The Company and its subsidiaries capitalized the borrowing costs that are directly attributable to the acquisition of property and equipment which are under construction or completion and necessarily take a substantial period of time to get ready for their intended use.

The interest capitalized during the year ended December 31, 2009 amounted to Baht 1.38 million.

2.10 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 5 years.

2.11 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.

2.12 Deferred loan arranging fee

Deferred loan arranging fee is amortized over the loan agreement period of 2 - 4 years on the straight line method.

2.13 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 balance sheet date.

2.14 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.

2.15 Financial instruments

Financial instruments carried in the balance sheets 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.

2.16 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 are included in determining earnings.

2.17 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.

2.18 Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of shares outstanding.

2.19 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.

2.20 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund and other benefits are recognized as expenses when incurred.

The Company and its subsidiaries do not account for liabilities under the Thai Labour Law regarding employee benefits that might be payable in the future.

3. 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:-

Loans to Tungkom Limited are for the purpose of gold exploration and mining. The result of gold exploration by an independent explorer was concluded that the gold is existence.

Since 1998, loans have been made to Cholsin Limited for working capital to operate crushing at the Company's andesite mining in Saraburi Province. The loans are secured by pledging of common shares certificates of Tungkom Limited, that are held by Cholsin Limited, and most of the machinery and equipment of Cholsin Limited.

Related Party Transaction Outstanding Balances	Thousand Baht				
	Consolidated financial statements				2009
	2008	Increase	Decrease	Transfer	
Short-term loans to related party					
- Advances to related person	10	91	(101)	-	-
Long-term loans to related parties					
- Other receivable - related companies	1,708	-	(165)	-	1,543
Short - term loans from related party					
- Advances from related person					
Related company	-	86,840	(4,800)	-	82,040
Related persons	-	7,370	(7,070)	-	300
	-				82,340
- Accrued expenses					
Related company	-	3,288	-	-	3,288
Related persons	-	1,645	(906)	-	739
	-				4,027
	-				86,367

Related Party Transaction Outstanding Balances	Thousand Baht					Pricing Policies (Year 2009)
	Separate financial statements				2009	
	2008	Increase	Decrease	Transfer		
Long-term loans to related parties, net						
- Other receivable - related parties						
Subsidiaries	22,055	3,793	(1,577)	(7,985)	16,286	
Related companies	1,708	-	(165)	-	1,543	
	23,763				17,829	
- Long - term loans to subsidiaries						
Principal	229,738	163,846	(32,634)	-	360,950	2.75% - 8.88%
Accrued interest receivable	85,842	7,404	(19,500)	-	73,746	
	315,580				434,696	
Less allowance for doubtful account	(93,608)	(15,374)	-	-	(108,982)	
Long - term loans to subsidiaries, net	221,972				325,714	
Long - term loans to related parties, net	245,735				343,543	
Trade payables - related party						
Subsidiary	470	2,098	-	-	2,568	
Short - term loans from related party						
- Advances - related person	-	800	(800)	-	-	
- Accrued expenses - related person	-	1,094	(905)		189	
	-				189	
Long - term loans from related parties						
Subsidiaries						
Principal	33,972	580	(3,930)	(7,937)	22,685	2.75%
Accrued interest payable	869	703	-	(48)	1,524	
	34,841				24,209	

4. CASH AND CASH EQUIVALENTS

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As of December 31, 2009	As of December 31, 2008	As of December 31, 2009	As of December 31, 2008
Cash and cheque on hand	182	486	70	374
Saving and current bank accounts	38,267	175,877	1,127	47
Fixed deposits with banks	4	180,024	-	-
Total cash and cash equivalents	38,453	356,387	1,197	421

5. TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2009 and 2008, there are 1 and 4 trade accounts receivable respectively that have been overdue over than 3 months, the aging analysis is as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As of December 31, 2009	As of December 31, 2008	As of December 31, 2009	As of December 31, 2008
<u>Andesite mining</u>				
Current	963	86	963	86
Overdue - less than 3 months	321	35	321	35
- 3 months to 6 months	488	3	488	3
- over than 12 months	-	128	-	128
Total	1,772	252	1,772	252
<u>Gold mining</u>				
Current				
Trade account receivable - foreign	17,459	227,342	-	-
Less trade account payable - foreign	-	(79,846)	-	-
Net	17,459	147,496	-	-
Total Trade accounts receivable, net	19,231	147,748	1,772	252

6. INVENTORIES, NET

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<u>Andesite mining</u>				
Finished goods	3,953	4,308	3,953	4,308
Work in process	12,774	13,572	12,774	13,572
Supplies	1,015	1,016	486	436
Total	17,742	18,896	17,213	18,316
Less allowance for declining in value	(4,094)	(8,833)	(4,094)	(8,833)
Inventories - andesite mining, net	13,648	10,063	13,119	9,483
<u>Gold mining</u>				
Finished goods	58,644	24,462	-	-
Work in process	12,291	5,106	-	-
Raw material	11,035	18,329	-	-
Supplies and other	37,307	45,393	-	-
Inventories - gold mining	119,277	93,290	-	-
Inventories, net	132,925	103,353	13,119	9,483

The movement of allowance for declining in value of inventories for the year ended December 31, 2009 are as follows :

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Balance as of December 31, 2008	8,833	8,833
Decreasing during the year	(4,608)	(4,608)
Waste written - off	(131)	(131)
Balance as of December 31, 2009	4,094	4,094

7. DEPOSIT OVER ESTIMATE GOLD ROYALTY FEE TO DPIM AND ACCRUED THE LAND USAGE FEE TO ALRO

Deposit of gold royalty fee is imposed by the Department of Primary Industries and Mines (DPIM) upon the issuance of the gold transportation permit to Tungkom Limited in accordance with the Minerals Act B.E 2510 and related laws during the period, while waiting for the final assaying result.

The estimated gold royalty fee and accrued land usage fees are calculated by Tungkom Limited based on its laboratory assaying results at the rate specified under the Minerals Act B.E. 2510 and related laws.

	Thousand Baht	
	Consolidated financial statements	
	2009	2008
Gold royalty fee levies by DPIM		
Deposits paid	12,764	19,378
<u>Less</u> Estimated royalty fee	(6,010)	(16,320)
Excess of deposit over estimate fee	6,754	3,058
Accrued land usage fee due to ALRO	31,687	72,471

8. INVESTMENTS IN SUBSIDIARIES, NET

As of December 31, 2009 and 2008, investments in subsidiaries are as follows:

Investment in subsidiaries, net	Share Capital (Million Baht)		Share Holding (%)		Thousand Baht	
					Separate financial statements	
	2009	2008	2009	2008	2009	2008
<i>Tungkum Limited</i>						
Investment at cost	500	500	95.91	95.91	469,306	469,306
<u>Less</u> Allowance for impairment loss					(272,584)	(9,028)
Net					196,722	460,278
<i>Sky Cliff Limited</i>						
Investment at cost	42	42	75.00	75.00	321,709	321,709
<u>Less</u> Allowance for impairment loss					(82,930)	(73,092)
Net					238,779	248,617
<i>Sea Minerals Limited</i>						
Investment at cost	105	105	99.99	99.99	56,501	56,501
<u>Less</u> Allowance for impairment loss					(31,828)	(27,215)
Net					24,673	29,286
<i>Cholsin Limited</i>						
Investment at cost	150	150	72.10	72.10	62,001	62,001
<u>Less</u> Allowance for impairment loss					(62,001)	(62,001)
Net					-	-
Investment in subsidiaries, net					460,174	738,181

As of December 31, 2009, the company has pledged 314,454 shares of its investment in a subsidiary (Sky Cliff Limited) to secure short - term loan from a local bank.

As of December 31, 2009 and 2008, the company has pledged 4.5 million shares of its investment in a subsidiary (Tungkum Limited) to secure the subsidiary's loans from a foreign bank.

9. LONG - TERM INVESTMENTS - BANK DEPOSITS PLEDGED AS COLLATERAL

As of December 31, 2009, bank deposits of the company amounting to Baht 2.55 million and of a subsidiary, Tungcum Limited, amounting to Baht 1.2 million and as of December 31, 2008, bank deposits of the company amounting to Baht 0.50 million and of a subsidiary, Tungcum Limited, amounting to Baht 6.29 million have been pledged to secure letters of guarantee issued by banks on behalf of the subsidiary. In addition, bank deposits of the subsidiary amounting to USD 5 million have been pledged to secure an export contract with a foreign bank.

As of December 31, 2009, bank deposit of the Company amounting to Baht 2.66 million has been pledged to secure credit facilities from a local bank.

10. DEFERRED EXPENDITURES FOR ANDESITE MINING PROJECT, NET

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

Deferred Andesite Mining Expenditures	Thousand Baht	
	2009	2008
Deferred expenditures	23,653	23,653
Less amortization	(12,817)	(11,824)
Net	10,836	11,829

The Company determine impairment in the value of the property, plant and equipment, and deferred expenditures relating to the operations of the andesite mining by taking into account the survey result of the remaining deposits to calculate the net present value of projected free cash flow from the mining, given a discounted rate of 4.22 percent, as well as review with the appraisal value of the land. Base on the review, the land appraisal value is exceed the net book value of the assets as at the balance sheets date.

As at the balance sheet date, the mining rights granted to the Company are as follows:

Mining right no.	Area			Expiry date	Status
	Rai	Ngan	Sp. Wah		
28675/15632	154	2	67	January 2007	Under the process of renewal
28676/15268	88	3	81	May 2009	Under the process of renewal

The mining right no. 28675/15632, under the name of a related company expired on January 21, 2007. Until the succeed in renewal of the mining right, mining operations are not allowed to proceed except for crushing of stock pile in inventory. As of December 31, 2009 and 2008, the Company had a rock stock balance of 154,470 tons and 243,336 tons respectively.

On March 27, 2008, the related company obtained approval from the Mineral Act Committee for the renewal of its expired andesite mining right. This renewal process is now at the Ministry of Industry and still awaiting the authorized signature of the Minister.

On October 1, 2008, the Company submitted a formal request for renewal of mining right no. 28676/15268 which mining temporary suspended and expired in May 2009. The renewal is under the process.

11. DEFERRED EXPLORATION EXPENDITURES FOR GOLD MINING, NET

The subsidiary (Tungkum Limited) has deferred exploration expenditures for gold mining as follows:

Expenditure Items	Thousand Baht	
	Consolidated financial statements	
	2009	2008
Exploration expenditures	230,323	230,323
Development costs	24,598	24,598
Land purchase	42,118	42,118
Special prospecting license fee and other initial costs	6,206	6,206
Mining lease application fees and related expenses	5,575	5,575
Benefit to the department of Primary Industries and Mines	12,290	12,290
Interest cost	83,732	83,732
Subtotal	404,842	404,842
Less Amortization	(167,204)	(135,332)
Deferred exploration expenditures of gold mining, net	237,638	269,510

For the years ended December 31, 2009 and 2008, the amortization expenditures of Baht 31.87 million and Baht 62.23 million, respectively, was derived from production volume of 353,264 Tons and 690,095 Tons, respectively, out of the estimated volume of gold ore reserve 4.49 million Tons researched by reliable professionals.

“Land purchases” represents the cost of land for which no land possessor rights of title deeds have yet been issued. These plots of land are the site of the subsidiary’s mining operations.

Six mining licenses under the name of Tungkum Limited were officially approved by the Ministry of Industry with licensing period of 25 years that shall expire in 2027 and 2028.

The concession agreement for exploration and development of gold mining entered into by the subsidiary and the Department of Mineral Resources stipulates that upon receiving the first batch of mining license, Tongkum Limited shall give the right to the Government to purchase at par value for 5 to 10 percent of total registered share capital of the Tongkum Limited.

12. DEFERRED EXPENDITURES FOR PHUKET PROJECT, NET

During 2003 - 2004, the Company spent Baht 7 million for the development of the planned Phuket cruisopolis as part of a good will gesture for the benefits derived in its tin mining activities in previous years. The project development was treated as deferred expenditures; however further development of the project did not continue and a provision for impairment of the deferred expenditures was set up by the end of 2006. On July 20, 2009, the Board of Directors decided to write off the deferred expenditures.

13. ADVANCE TO OTHER COMPANY - NET

In 2008, the Company and a subsidiary (Tungkum Limited) advanced in foreign currencies equivalent to Baht 22.07 million to Coral Resources Limited (CRL), an Isle of Man registered Company with gold mining subsidiaries in the Philippines. The purpose of these advances was to signify an interest in potentially investing in the Philippine mining companies. An analysis of these advances is presented below.

Analysis Of Advances to Coral Group				
Date	Baht	Historical FX Rates	Foreign Currencies	
			USD	GBP
In Baht at actual historical rates:				
January 7, 2008	3,351,000	33.51	100,000	
January 25, 2008	3,319,000	33.19	100,000	
March 28, 2008	1,577,000	31.54	50,000	
April 11, 2008	950,700	31.69	30,000	
April 23, 2008	6,308,000	31.54	200,000	
June 13, 2008	3,320,000	33.20	100,000	
June 13, 2008	3,240,000	64.80		50,000
Total	22,065,700		580,000	50,000
Foreign currencies translated into Baht at the foreign exchange rates as of:				
December 31, 2008	22,620,787			
December 31, 2009	21,994,050			
<u>Less</u> Allowance for doubtful account	(21,994,050)			
Net	-			

In the ensuing due diligence investigation, the Company was not satisfied with data provided by CRL and decided not to invest in the Philippine subsidiaries followed by a demand for repayment of the advances. CRL disregarded the Company's demand for repayment.

On April 17, 2009, the Company filed a civil for a court injunction in a Philippine Court filed against CRL and its Philippine subsidiaries as well as against three key directors of the Coral Group. The civil case, which was accepted by the court, seeks to attach the assets of the defendants and to annul any sale or disposition of their properties unless the advances are repaid with interest and reimbursement of related legal and court expenses.

On September 22, 2009, CRL appointed a liquidator who offered to sell the shares of the Philippine subsidiaries that were held by CRL to the Company. However, the Company

and the liquidator were unable to agree on the terms of the purchase and sale of the said shares.

On December 23, 2009, the Philippines Court resolved to dismiss the cases. On January 11, 2010, the Company filed the Motion of Reconsideration. The Motion is now under the court's consideration. The management, however, had fully provided allowance for doubtful on the advances.

15. INTANGIBLE ASSETS - COMPUTER SOFTWARE, NET

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
<u>Cost</u>		
As of December 31, 2008	5,501	1,074
Increase	111	-
Decrease	(7)	(7)
Transfer	189	-
As of December 31, 2009	5,794	1,067
<u>Accumulated amortization</u>		
As of December 31, 2008	(3,828)	(411)
Increase	(621)	(101)
Decrease	1	1
Transfer	(35)	-
As of December 31, 2009	(4,483)	(511)
<u>Net book value</u>		
As of December 31, 2008	1,673	663
As of December 31, 2009	1,311	(556)

Amortization charge for the years 2009 and 2008, in consolidated financial statements amounted to Baht 0.62 million and Baht 0.66 million respectively and in separate financial statements amounted to Baht 0.10 million and Baht 0.09 million respectively are included in determining earnings.

As of December 31, 2009 and 2008, the gross carrying amount of the fully-amortized computer software that is still in use are, in consolidated financial statements amounted to Baht 3.90 million and Baht 2.59 million respectively and in separate financial statements amounted to Baht 0.07 million.

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

Advance payment for purchase of land is the cost of title deeds and land possessory rights (Nor. Sor. 3 and Nor. Sor. 3 Kor) which are under the name of a related company. These were supposed 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, due to the tight liquidity in the financial markets

and the material sum of the balance payable upon title transfer, the Company decided to postpone the transfer. By a mutual side agreement, the land possessory rights shall be transferred into the Company's name after the related company has obtained renewal of the mining rights.

Part of the title deeds and land possessory rights (Nor. Sor. 3 and Nor. Sor. 3 Kor) have been pledged to secure the Company's loan from a local bank and credit facilities of a related company with a bank for the Company's exclusive use, and some are pledged to secure bank guarantees of the Company and its subsidiary and related companies.

17. OTHER NON - CURRENT ASSETS

Nature of Deferred Expenses	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Deferred expenditure for rehabilitation of the concession area	2,403	2,403	250	250
Less Amortization	(598)	(488)	(131)	(114)
Balance as at end of period	1,805	1,915	119	136
Deferred expenditure for forest restoration	9,954	9,954	-	-
Less Amortization	(8,295)	(6,636)	-	-
Balance as at end of period	1,659	3,318	-	-
Deferred expenditures, net	3,464	5,233	119	136
Other	4,251	5,382	319	1,300
Total other non - current assets	7,715	10,615	438	1,436

The quarrying operations of the Company and the gold mining operations of Tungsum Limited, a subsidiary must follow the regulations of the office of Environmental Policy and Planning regarding environmental protection and rehabilitation of the concession areas, and take such measures in these areas as were proposed by them in their environmental impact assessment.

The subsidiary is committed to pay fees for 10 years' land use, started on August 31, 2000 which is to be paid within 10 years.

Amortization charged for the years amounted to Baht 2.77 million in 2009 and Baht 1.77 million in 2008 are included in determining earnings.

Cholsin Limited (a subsidiary) has other non-current assets amounting to Baht 30.5 million related to its underground gold mining operations at Toh Moh District, Narathiwat Province, Thailand. The subsidiary set aside a full provision for loss on impairment in value of these assets in its accounts since it ceased its gold mining operation.

18. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTION

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Bank overdrafts	897	15,697	896	15,697
Promissory notes (interest at the rate of 8.875% - 9.5% p.a.)	47,000	-	47,000	-
Total	47,897	15,697	47,896	15,697

As of December 31, 2009, the Company has bank overdraft facilities amounting to Bath 15 million and commercial loan (promissory note) amounting to Baht 47 million and with a local bank which are secured by lands, office condominium units, and subsidiary's land and construction.

As of December 31, 2008, the company has bank overdraft facilities amounting to Baht 30 million with two banks which are secured by lands, office condominium units, subsidiary's land and construction, some land possessory rights (Nor. Sor. 3 and Nor. Sor. 3 Kor.) of the Company which are under the name of a related company and a subsidiary and the company's director.

19. LONG - TERM LOANS

Description of loan	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Loan from a local bank (Existing facility)	7,960	14,824	7,960	14,824
Loan from a local bank (New facility)	140,585	-	140,585	-
Less Deferred arranging fee, net	(4,778)	-	(4,778)	-
	135,807	-	135,807	-
Loans from a foreign bank -Credit lines of USD 35 million (Outstanding balance is USD 20.11 million as of December 31, 2009 and USD 29.04 million as of December 31, 2008)	673,902	1,018,882	-	-
Less Deferred arranging fee, net	(9,343)	(13,692)	-	-
	664,559	1,005,190	-	-
Total Long - term Loans	808,326	1,020,014	143,767	14,824
Less Current portion of long - term loans	(333,381)	(320,366)	(33,870)	(6,864)
Long - term loans – net	474,945	699,648	109,897	7,960

	Interest Rate	Repayment term	Collateral
Loan from a local bank : Existing facility	MLR + 1% p.a. (as at 31 Dec 2009 = 6.875 %)	Monthly installment The final installment due in year 2011	The company's office premises Joint guarantee by Tungkum Ltd. and the group Chief executive officer
Loan from a local bank : New facility	MOR + 1% p.a. (as at 31 Dec 2009 = 7.875%)	Monthly installment Installment 1 - 12 totaling Baht 2.86 million	The company's office premises Lands of the company and a subsidiary

		Installment 13 - 23 totaling Baht 5.72 million	Common shares of a subsidiary
		The final installment for the remaining, due in year 2011.	Joint guarantee by Tungcum Ltd., Sky Cliff Ltd., and the group Chief executive officer
Loan from a foreign bank (after debt restructuring)	Libor + 2.45% + Mandatory cost (if any) (as at 31 Dec 2009 = 2.69 %)	Monthly installment The final installment due in year 2012	Common shares of Tungcum Ltd., at 90% of shares held by the Company Bank deposit of USD 5 million guarantee by the Company

According to the loan from bank-new facility, there was facility fee and mortgage fee of Baht 4.99 million that has been capitalized and amortized over the two-year duration of the loan.

In April 2008, Tungcum Limited entered into loan and other related agreements with the Bangkok branch of a foreign bank to restructure the existing loan from USD 25 million to USD 35 million. The interest rate was reduced from LIBOR + 2.5% + mandatory cost (if any) per annum to LIBOR + 2.45% + mandatory cost (if any) per annum. In addition, the final payment is extended from within 2011 to March 2012.

According to the loan restructuring, there was arrangement fee of Baht 16.61 million that has been capitalized and amortized over the four-year duration of the restructured loan. Whilst, the remaining balance of the deferred arrangement fee for the previous loan amounting to Baht 15.46 million has been written-off in April 2008.

According to the loan agreement, the loan repayment is made by selling of gold to the lender on a monthly basis at the agreed quantity and hedged price, as detailed in the following table. There is a minimum guaranteed price at USD 500 per troy ounce. The settlement for the sales of gold is repaid at the amount after netting off the loan installment. However the borrower has to pay for the short-fall quantities of gold delivered at the difference of the market price and the hedged price plus the short of loan repayment, if any.

Period Covered	Minimum Delivery (Troy Ounce)	Ceiling Price Per Troy Ounce (In US Dollars)	
		Current	Previous
March 2008 - February 2009	2,083.33	862	712
March 2009 - February 2010	2,500.00	825	725
March 2010 - February 2011	2,083.33	815	735
March 2011 - February 2012	2,500.00	805	

During the the year 2009, the required minimum monthly gold delivery by Tungcum had shortfalls. As a result, Tungcum had to bear the equivalent compensation for difference price amounting to a total cost of Baht 60.9 million (USD 1,817,836).

20. FINANCIAL LEASE OBLIGATIONS

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<u>Vehicle</u>				
Financial lease obligations	13,163	24,132	2,066	2,839
Less Deferred interest	(299)	(670)	(247)	(202)
Deferred input VAT	(223)	(548)	-	-
	12,641	22,914	1,819	2,637
Less current portion of finance lease obligations	(7,450)	(11,716)	(609)	(2,637)
Finance lease obligations	5,191	11,198	1,210	-

As at December 31, 2009 and 2008, the Company and a subsidiary have financial lease obligation which have detail of payment as following.

	BAHT					
	2009			2008		
	Principal	Deferred interest/ input vat	Total	Principal	Deferred interest/ input vat	Total
Due within 1 year	7,644	(194)	7,450	12,386	(670)	11,716
Due 1 year to 5 years	5,519	(328)	5,191	11,746	(548)	11,198
Total	13,163	(522)	12,641	24,132	(1,218)	22,914

Under condition of some contracts, the Company and a subsidiary have purchase option at the end of contract.

21. REVENUES

Revenues from the BOI - promoted and non - promoted industry for the years ended December 31, 2009 and 2008 are as follows:

	Thousand Baht			
	Consolidated financial statements			
	2009			
Note	Promoted industries	Non - promoted industries	Total	
Export sales - gold and copper sales		420,446	-	420,446
Local sales		-	8,044	8,044
Gain on exchange rate		-	45,356	45,356
Other income		-	2,442	2,442
Total Revenues		420,446	55,842	476,288
Revenue from sales				
of purchased gold	25	-	274,148	274,148
Total		420,446	329,990	750,436

	Thousand Baht			
	Consolidated financial statements			
	2008			
	Note	Promoted industries	Non - promoted industries	Total
Export sales - gold sales		881,418	-	881,418
Local sales		-	4,633	4,633
Gain on sales of fixed assets		-	77,901	77,901
Other income		-	9,341	9,341
Total Revenues		881,418	91,875	973,293
Revenue from sales				
of purchased gold	25	-	118,390	118,390
Total		881,418	210,265	1,091,683

22. MANAGEMENT BENEFIT EXPENSES

“Management benefit expenses” is consistd of salary, bonuses and other benefits of the directors and group management.

Management benefit expenses for the years ended December 31, 2009 and 2008 are as follows :

Description	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	Management benefit expenses	31,790	34,292	11,894
<u>Less</u> Include in cost of the sales	(11,250)	(11,001)	-	-
	20,540	23,291	11,894	10,700

23. EXPENSES BY NATURE

The expenditure items of expenses for the years ended December 31, 2009 and 2008 which categorized by nature are as follows :

Expense Classifications	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	Changes in inventories of finished goods and work in process	(40,380)	(15,308)	988
Raw material and supplies used	318,241	309,424	1,672	3,758
Depreciation and amortization	137,570	178,562	5,793	6,482
Employee benefits expenses	195,016	106,353	23,049	21,145
Director remuneration	2,476	5,617	2,476	2,767
Electricity	70,577	64,661	1,295	1,100
Gold royalty fee – DPIM	31,895	51,462	-	-
Land usage fee – ALRO	32,909	51,581	-	-
Production sharing - The Ministry of Finance	5,947	14,217	-	-

24. GAIN (LOSS) ON EXCHANGE RATE

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Realized gain (loss)	21,769	2,578	(53)	-
Unrealized gain (loss)	23,587	(44,343)	(627)	547
Total	45,356	(41,765)	(680)	547

25. GAIN (LOSS) FROM SALES OF PURCHASED GOLD, NET

During the year 2009, a subsidiary has to purchase enough gold to meet the minimum delivery to comply with the loan and other related agreements (as stated in the note to financial statement 19) and during the year 2008, a subsidiary has purchase gold for trading, resulting the gain (loss) for the years ended December 31, 2009 and 2008 are as follows:

	Thousand Baht	
	Consolidated financial statements	
	2009	2008
Revenue from sales of purchased gold	274,148	118,390
<u>Less</u> Cost of gold purchased	(302,973)	(111,274)
Gain (loss) from sales of purchased gold, net	(28,825)	7,116

26. INCOME TAX EXPENSES

No income tax was payable for the year ended December 31, 2008 because of the utilization of the tax benefits arising from loss carry forward of the Company and because of the exemption from income tax on net profit from the promotion business of the subsidiary.

27. INDUSTRIAL PROMOTIONAL PRIVILEGES

Tungkum Limited (a subsidiary) is granted promotion privileges by the Board of Investment in accordance with the Investment Promotion Act. B.E. 2520 (1977), for the gold mining and production on February 25, 2003 and addition for Copper Sulphide Concentrate on April 21, 2009, obtaining exemption from import duty, and exemption from income tax on net income from the promoted business for 8 years counting from September 15, 2006 and reduction of income tax on net income from the promoted business equivalent to 50 percent of the normal rates for the 5 years, counting from the expire date of the exemption from income tax. In addition, a subsidiary is permitted to deduct for twice the amount of transportation and utilities for 10 years counting from September 15, 2006.

A subsidiary thus has to comply with the conditions specified in the promotion certificate.

28. BUSINESS SEGMENT INFORMATION

Mining is the core business of the Company and three of its four subsidiaries. This includes tin mining in Phuket Province, andesite mining in Saraburi Province, and gold

exploration and mining in Loei Province. Another subsidiary, Sky Cliff Limited, is in the property development business.

Sales and cost of sales classified by segment for the years ended December 31, 2009 and 2008 were presented in the statements of income for the years. The classification of the assets of the Company and its subsidiaries by segment as of the respective balance sheets date are presented below:

	Million Baht											
	Core Business: Mining						Property Business		Eliminated		Total	
	Tin Mining		Gold Exploration And Mining		Andesite Mining							
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Deferred expenditures of other projects, net												
Tin mining	-	-	-	-	-	-	-	-	-	-	-	-
Andesite mining	-	-	-	-	10.8	12.1	-	-	-	-	10.8	12.1
Gold mining	-	-	237.6	279.5	-	-	-	-	-	-	237.6	279.5
Phuket project	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment, net	44.1	45.0	664.3	585.8	18.6	37.7	491.7	494.3	-	-	1,218.7	1,162.8
Other assets	52.8	79.2	753.0	1,251.7	70.2	67.5	407.4	406.9	(849.3)	(971.4)	434.1	833.9
General assets	-	-	-	-	-	-	-	-	-	-	42.1	47.4
Total assets	96.9	124.2	1,654.9	2,117.0	99.6	117.3	899.1	901.2	(849.3)	(971.4)	1,943.3	2,335.7

29. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantee

29.1 As of December 31, 2009 and 2008 the Company and its subsidiaries has the contingent liabilities to banks for letters of guarantee as follows :

	MILLION BAHT			
	Consolidated financial statements		Separate financial statements	
	As of December 31, 2009	As of December 31, 2008	As of December 31, 2009	As of December 31, 2008
Secured by the Company's deposit account in the same amount of guarantee	2.55	0.50	-	-
Secured by a subsidiary's deposit accounts in the same amount of guarantee	1.20	6.20	-	-
Non - secured	8.06	13.06	0.59	0.59
Total	11.81	19.76	0.59	0.59

29.2 As of December 31, 2009 and 2008, The Company has contingent liabilities in the form of a corporate guarantee of Tungkom Limited's new loans of USD 35 million.

Commitments and contingent liabilities as a result of quarrying and gold mining operations

29.3 The Company and Tungkum Limited have contingent liabilities in relating to possible costs of rehabilitating the concession areas used for the quarrying operations of the Company and gold mining operations of Tungkum Limited. These rehabilitation measures are in accordance with the regulations of the Office of Environmental Policy and Planning on environmental protection and rehabilitation proposed in the environmental impact assessments for these concession areas.

Tungkum Limited is also obliged to act in compliance with the regulations of the Forestry Department regarding environmental protection and rehabilitation of the concession areas, and is liable for damage of the environment up to Baht 0.8 million.

Tungkum Limited also entered into a Memorandum of Understanding with Kao - Luang local council in Loei Province that Tungkum Limited shall compensate for any damage to the environment caused by its gold mining operations.

29.4 Under an agreement with the Forestry Department and the Agricultural Land Reform Office (ALRO), a Tungkum Limited has the following commitments and contingent liabilities regarding its gold mining operations.

Tungkum Limited is obliged to pay the land usage fee in the same amount as the royalty fee paid to DPIM to ALRO.

On December 19, 2007, Loie Province ALRO gave notice to Tungkum to pay land usage fees for the period of January to November 2007 amounting to Baht 14.6 million. Tungkum is of the opinion that the charges are unreasonably high and unfair. On September 12, 2008, Tungkum submitted a plaint to the Administrative Court to cancel the demand for payment and defer implementation of the ALRO order while the case is being considered. On September 25, 2008, the Court accepted the plaint but discarded the request to stay the order but instead to proceed immediately with court investigation. ALRO responded by presenting arguments to the Court why Tungkum must pay the outstanding fees with interest.

On May 27, the Company submitted a counter statement against the response of Agricultural Land Reform Committee and ALRO. On September 9, 2009, the Company and Tungkum submitted additional information to the Court by testifying that Tungkum does not have any outstanding payments due to ALRO instead it was presenting its right obtain repayment of fees already paid, including interest.

On January 13, 2010, the Company found that ALRO requested the Administrative Court for a Mandatory Injunction to order Tungkom stop mining in ALRO's area. Later, the Court's dismissed the ALRO's request because it does not seem that ALRO has suffered any serious damages.

This case continues to under the process with the Court seeking the collection of further evidence.

29.5 In accordance with the Minerals Act B.E 2510 and related laws, Tungkom Limited must pay a gold royalty to the Department of Primary Industries and Mines (DPIM - formerly called the Department of Mineral Resources) at the rate and price of the published gold royalty rate.

29.6 Under the concession agreement for exploration and development of gold mining dated November 5, 1991 and the terms and conditions of an agreement dated March 30, 2007 between Tungkom Limited and DPIM Tungkom shall pay the "extra benefit" in cash of 1.5 percent of fine gold sold at each time, using the daily published gold royalty rate on each selling date. The payment shall be made within 30 days after the end of each calendar quarter.

29.7 Tungkom Limited has a contractual commitment with a university totaling Baht 3.60 million as of December 31, 2008 for the university to independent monitoring and evaluation Tungkom's compliance with environmental preservation requirements at the site of its gold mining project. The contract commenced in December 2006 and is for the duration of 3 years. Independent reports by the university are directly submitted to DPIM, Office of Environmental Policy and Planning, and to Tungkom Limited.

Construction and other services agreements

29.8 Due to the uncertainty of the global financial markets and the political instability in Thailand, Sky Cliff Limited mutually agreed with a foreign contractor to suspend all previously-signed agreements effective October 17, 2008. These rescinded agreements related to various services to be performed by the contractor (i.e., design and development, construction, sales and marketing, and project financing) on Sky Cliff's planned condominium project.

At the same time, Sky Cliff informed other contractors who have signed contracts totaling Baht 12.47 million as of December 31, 2009 and Baht 12.61 million as of December 31, 2008, about the suspension of the condominium project and therefore the rescindment of the said contracts that were never commenced.

29.9 In September 2009 the Company refinanced a Baht 5 million credit facility with a bank into a promissory note of Baht 47 million with another bank. Land belonging to Sky Cliff Limited was released from mortgage with the first bank and used as collateral to secure the new promissory note of Baht 47 million. Since the Company owns only 75% of the equity of Sky Cliff, the Company has an agreement with the minority shareholders owning the balance of 25% that in the event the collateral is foreclosed by the bank in any way, the Company shall keep the minority shareholders

whole. In addition, the Company pledged a bank savings account with a balance of Baht 2.65 million to obtain a bank guarantee for repayment of the same promissory note.

- 29.10 Tungkum Limited has guaranteed Baht 25 million bank overdraft facilities for the Company since the Company has provided advances and loans to the subsidiary for the latter's working capital requirements.
- 29.11 On May 8, 2008, the Company, a subsidiary (Sky Cliff Limited) and a related Company (Sintana Holdings Limited) were sued for breach of the joint venture agreement to develop the Sky Cliff real estate project amounted to Baht 349.40 million. On November 17, 2009, the Civil Court ruled that the company and a related company shall jointly return the share purchase price paid by the Plaintiff of Baht 36.5 with interest and dismissed the claim against Sky Cliff Limited. However, the Company disagreed with the judgment because the company did not receive any payment from the Plaintiff and a related company acted only as an agent for the transaction. Thus, on January 13, 2010, the Company submitted an appeal and petition requesting that the Court issue a stay of execution of the court order pending the results of the Court appeal. The petition is now under the Court's consideration.
- 29.12 As of December 31, 2009 and 2008, Sky Cliff Limited has a contingent liability in a court case where the plaintiff claims non-payment of services amounting to Baht 0.49 million plus interest. At present, the case is under the Appeal Court's consideration, while the Company has provided a land title deed in Phuket as a security deposit.
- 29.13 As of December 31, 2008, Tungkum Limited has unused letters of credit in foreign currency amounting to approximately US\$ 0.27 million.
- 29.14 As of December 31, 2009, Tungkum Limited has a commitment to pay up to Baht 1.58 million worth of Environment Impact Assessment service fees to a company.
- 29.15 On October 29, 2009, a company filed the complaint against the subsidiary company (Sky Cliff Limited) on the ground of breach of contract and requests the compensation in the amount 774,403.

On December 14, 2009, the Court considered our petition regarding the extension period for filing the answer to another 30 days and granted the extension to January 14, 2010 and on January 13, 2010, the Company filed an answer with the Court. The Court scheduled the settlement of issue to February 8, 2010 and then schedule for examination of evidence to September 14 - 17, 2010.

30. FINANCIAL INSTRUMENTS

Foreign currency risk

As of December 31, 2009 and 2008, the Company is exposed to foreign currency risk primarily to foreign currency denominated assets and liabilities, as follows:

	Unit : Million			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<u>Foreign currency denominated asset</u>				
Deposits at banks				
- US DOLLAR	6.05	8.33	-	-
Trade account receivable, net				
- US DOLLAR	0.53	4.24	-	-
Advance to other company				
- US DOLLAR	0.58	0.58	0.58	0.58
- POUND STERING	0.05	0.05	0.05	0.05
<u>Foreign currency denominated liabilities</u>				
Long - term loans				
- US DOLLAR	20.11	29.04	-	-

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 exposure to interest rate risk relates primarily to their deposits with financial institutions, bank overdrafts and short - term loans from financial institution, lendings and borrowings. However, these financial assets and liabilities bear interest rates at market interest rates that the Company and its subsidiaries anticipate would not present material risk.

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

31. LABOUR COURT CASE

31.1 On November 4, 2009, a former Company's Consultant resigned from the company and then later filed a complaint against the Company and a subsidiary (Tungkum Limited) for unfair and illegal termination of the employment contract claiming damages of Baht 1.20 million. The Court scheduled November 30, 2009 for the examination of evidence and settlement.

On November 30, 2009, the Court sent the case for mediation proceedings. The Plaintiff's lawyer offered some compensation to withdraw the case. However, the Company lawyer has requested to postpone the case mediation because the Company just received the court's writ and therefore has not had enough time to deliberate on this matter. The Court agreed to reschedule the mediation date.

On January 20, 2010, the Plaintiff offered many option to withdraw the case. The Court considered and opined that the case could be settled among the parties and then postponed the meeting for renegotiation.

On February 10, 2010, the case could not be settled. The Court will proceed the case by taking evidence on March 3, 2010

SUBSEQUENT EVENT

31.2 On January 29, 2010, a former contractor of a subsidiary (Tungkum Limited) filed a complaint against Tungkum on the grounds of unfair and illegal termination of the contract claiming compensation of Baht 420,000. On February 15, 2010, the Plaintiff offered some option to withdrew the case. However, the Company lawyer will ask Tungkum. Then the Court rescheduled the meeting to March 10, 2010.

32. AGREEMENTS

32.1 In August 2008, Tungkum Limited signed the operating and management agreement with related parties (Authong Limited and an executive director). This agreement shall be continued until either party gives written notice of its termination. Under the agreement, the subsidiary shall pay a certain fee stipulated in the agreement.

32.2 The Company and a related Company have appointed various non-exclusive brokers for selling all of the capital shares of a Sky Cliff Limited held by the Company and the related Company. Under the agreement, the Company shall pay remuneration at the rate specified in the agreement.

32.3 In January 2009, Sea Minerals Limited signed a consulting service agreement with a person for a mining and other projects Myanmar. Under the agreement the Company shall pay the fee at the rate specified in the agreement.

33. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements as presented herein for comparative purpose have been reclassified to conform with the current year's classifications with no effect on the net profit or shareholder's equity as previously reported.

34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2009 have been approved by the board of directors and the authorized directors on February 24, 2010.

List of Information Required in the Form 56-2 (Index)

(Pursuant to the Regulations and Notification of the Securities and Exchange Commission Ref. Kor Jor 46/254 on the Rules, Conditions and Procedures Governing Preparation and Filing of Financial Statements and Reports Concerning Financial Status and Results of Business Operations of Listed Companies)

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