



Tongkah Harbour Public Company Limited

บริษัท ท่าอากาศยาน จำกัด (มหาชน)

สำนักงานใหญ่ : เลขที่ 252/11 อาคารสำนักงานเมืองไทย-ภัทร 1 ชั้น 7 ถนนรัชดาภิเษก เขตห้วยขวาง กรุงเทพมหานคร 10310
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THL 151-030/9/2021

September 23, 2021

Subject: Clarification of the second quarter of the financial statements 2021 as SET required

To: Managing Director

The Stock Exchange of Thailand

Tongkah Harbour Public Company Limited would like to clarify the information of the financial statements for the second quarter that were reviewed by a certified public for the Stock Exchange of Thailand. This clarification aims to inform shareholders through the SET's information dissemination system as follows:

1. Andesite stone business

Originally, the Company sold Andesite in retail. In September 2020, the Company signed a contract of a chartered sale with a "former counterparty" and receiving compensation as a minimum of 3 million baht per month. However, according to Reference 1. and the second quarter of the financial statements 2021 items 5.1 and 11 of the former counterparty, there was total outstanding debt of 13 million baht. As a result, in June 2021, the Company canceled the contract with the former counterparty to a "recent counterparty" with a minimum payment of 2 million baht per month.

SET requested additional information as follows:

1.1 Explain the change of counterparty and details below

- A crucial reason for changing the counterparty, which resulted in the Company receiving a lower minimum compensation
- The summary of the contract,
- Determining the ability to pay for the product
- Policies and measures to prevent the risk of debt default

Statement

The company accepted a lower payment since the required form of the product has changed. In the past year, government projects had been delayed, which caused no orders for prefabricated stone. At the same time, the Company received new orders of large stones that do not require to be milled or processed with the monthly minimum quantity is twice as high. This

procedure caused the Company to reduce production and administrative costs, thus the net profit margin in the Company was higher. As a result, the Company decided to change the form of the product and its counterparty.

1.2 Progress in receiving payments from the former counterparty

Statement

At present, the products of the formal counterparty are in the Company's area. After the delivery of the goods is completed, payment will be made to the Company.

1.3 Opinion of the Board of Directors regarding the policy of setting an allowance for doubtful debt and whether the former counterparty has operated in accordance with the policy

Statement

In such cases, the Company does not have an alternate policy since the products of the former counterparty are still in the Company's area with a higher value than the outstanding debt.

2. Divestment in Cholsin Company Limited

On June 28, 2021, the Board of Directors resolved to approve the sale of investment in Cholsin Company Limited (a subsidiary of 88%) to Be Balanced Company Limited (buyer), worth 154 million baht. The Company will transfer all ownership of shares to the buyer upon receipt of the first installment of 15 million baht and the second installment of 15 million baht within 7 days from the date of ownership transfer. The remaining amount of 124 million baht (81% of the sale value) will be gradually received within July 17, 2023, guaranteed by a check of 62 million baht (50% of the proceeds to be gradually received within 2023). Details show in Reference 2. SET requested additional information as follows:

2.1 Opinions and information used by the Board of Directors for consideration reasonableness of entering the transaction, including price, payment conditions, collateral, guidelines and measures to prevent the risk of not being paid under the specified conditions, including the impact on the company's financial position and operating results from the divestment.

Statement

In considering the disposal of such investments, Cholasin Company Limited was analyzed as follows: 1. Business guidelines 2. Asset management 3. Cash flow of the Company. Prices and payment terms are reasonable. The Company hedges the risk by allowing the buyer to place a check for guarantee 40% in advance after the buyer has paid 20% and the Company has already transferred the rights.

2.2 Progress of the payment of Cholsin shares and the transfer of shares to the buyer, including a summary of the details of the buyer such as the date of establishment of the company, business operations, shareholders, Board of Directors, financial status and operating results 2018

- 2020, relationship with the Company, major shareholder, and Board of Directors, buyer's business relationship with the Company

Statement

The Company has completed the process of share transferring to the buyer on August 31, 2021 and will be due for the second installment on September 30, 2021 according to the contract.

The details of the buyer are as follows:

Buyer: Be Balanced Company Limited

Business type: Consulting, surveying, planning, construction supervision

Date of establishment: 05 Nov 2013

Structure of Shareholders and Directors

Registered capital 1,000,000 baht, divided into 10,000 common shares, 100 baht each

Shareholders	Number of Shares	%
1. Mr. Tarin Puitrakul	9,800	98%
2. Mrs. Tongpairum Puitrakul	100	1%
3. Mr. Somporm Boonchu	100	1%
Total	10,000	100%

The Board of Directors consists of 1 director as follows:

1. Mr. Tarin Puitrakul

Connection

The buyer does not have such a connection to any of the directors, major shareholders, and authorized persons of the Company and/or its subsidiaries according to the Notification of the Capital Market Board No. TorJor. 21/2551 Re: Rules for Connected Transactions

3. Borrowing and lending and guaranteeing to Clean Planning Company Limited

According to the notes to the financial statements for the second quarter of 2021, items 3.5, 6, and 16 indicate that the company has provided financial assistance to Pure Nergy Co., Ltd. (PNG: 100% subsidiary) in the amount of 120 million baht and PNG provided a loan to Clean Planning Company Limited (CP: Other Company 19%) in the credit line of 120 million baht and 89 Capricorn Development Company Limited (89CAP: 100% subsidiary), has mortgaged 3 plots of land in Phuket. No. 3 as collateral with the bank for CP. In addition, 89CAP has borrowed short-term loans from 3 third parties in the amount of 40 million baht by mortgage 20 of the company's land plots as collateral. SET requested additional information as follows:

3.1 Purpose of financial assistance to PNG, source of funds, money usage tracking, repayment terms, and effects if the company does not receive reimbursement

Statement

PNG is a subsidiary company established for the purpose of the energy business. Such financial support is intended to serve as working capital and investment in future projects. On September 8, 2020, the Board of Directors of PNG has passed a resolution to invest in CP for Community Power Plant Project. After that, the Company has continuously monitored the use of funds and monitored the investment progression in various projects.

3.2 Clarify the following topics: 1) The necessity of PNG to lend money to CP 2) Periods and conditions 3) Interest rate 4) Source of funds 5) Value of collateral 6) Approver 7) The impact if CP does not pay the loan.

However, the Company should illustrate whether such the transaction is following the shareholding proportion and connected transaction by specifying the details of CP such as the date of establishment of the company, business operations, shareholders, board of directors, financial status, relationship with the Company, and business relationship with the Company.

Statement

Board of Directors PNG has resolved to invest in CP and provided financial assistance to CP with a loan facility of approximately 120 million baht, with an interest rate of 7.97% per annum, using the Company's working capital. Details of CP are as follows:

Clean Planning Co., Ltd.

Business type: Collecting non-hazardous waste, Management and disposal of all types of waste and sewage

Date of establishment: 6 May 2015

Registered capital: 210,000,000 baht

Par value: 10 baht

Registered capital before the capital increase is 60,000,000 baht, divided into 6,000,000 common shares, 10 baht each.

Registered capital after the capital increase is 210,000,000 baht, divided into 21,000,000 common shares, 10 baht each.

Previous Shareholders			Current Shareholders		
Shareholders	Number of Shares	%	Shareholders	Number of Shares	%
1.IT Green Pub Co., Ltd.	1,499,999	24.99%	1. BMP Energy Co., Ltd.	6,300,000	30.00%
2.Mr. Tanis Suthipan	3,060,000	51.00%	2. Mr. Tanis Suthipan	10,709,997	51.00%
3.Mr. Adisorn Singrudech	1	0.00%	3.Mr. Adisorn Singrudech	3	0.00%
4.Tawan Solar Power Co., Ltd.	1,440,000	24.00%	4. Pure Nergy Co., Ltd.	3,990,000	19.00%

Total	6,000,000	100.00%	Total	21,000,000	100.00%
Previous Board of Directors			Current Board of Directors		
1. Mr. Tanis Suthipan			1.Mr. Banteung Wongkusolkit		
2.Mrs. Siripan Kiansupab			2.Mr. Weerachet Wongkusolkit		
3.Mr. Dan Hentrakul			3.Mr. Rathepong Pommak		
			4.Mrs. Supthaya Saiwande		

Connection

The buyer does not have such a connection to any of the directors, major shareholders, and authorized persons of the Company and/or its subsidiaries according to the Notification of the Capital Market Board No. TorJor. 21/2551 Re: Rules for Connected Transactions

3.3 Reasons, necessity, and objectives of 89CAP borrowing from third parties, terms and conditions of the loan, reasonable interest rate (1-year term, 15% interest rate) value of collateral, approvers, and lenders

Statement

89CAP has borrowed from third parties since 2019 intending to create financial liquidity and manage cash flow. In this regard, the Board of Directors of 89CAP has considered the reasonableness and timeframe for receiving financial assistance and conditions for granting credit to companies of financial institutions.

3.4 Opinion of the Board of Directors on the mentioned transaction of the Company and its subsidiaries, including information the Board of Directors used to consider approval to the issue of the subsidiary gave loans to other companies while another subsidiary borrowed from outsiders.

Statement

Both transactions occurred in different periods. Firstly, 89CAP has borrowed money from outsiders since 2019 to circulating cash flow in its business as Tongkah Harbor Public Company Limited (THL) was unable to apply for a loan from a financial institution. Secondly, PNG provided financial support to CP was considered as an investment to generate income in the future. After CP can generate income from the project, the loan will be paid off.

4. The signing of the contract of transfer claims (shares) and the purchase and sale agreement of the analysis of mineral reserves in the company Laongham Guang Tong Mining Co., Ltd.

According to the notes to the financial statements for the second quarter of 2021, item 10 states that in 2016 the Company entered into a share purchase agreement with Laongham Guang Tong Mining Co., Ltd. (Laongham operates a copper mining business) 3 million USD (105 million) or 70% of the total registered capital. The company has paid for the shares in advance of 2 million USD (70 million baht), and the remaining 1 million USD (35 million baht) will be paid

within 15 days from the date the merchant transfers all ownership of the shares and deliver documents related to the transfer of shares to the company. Moreover, the company paid for the analysis of mineral reserves (data fees) of 50 million baht, causing the company to have advance payments to buy Laongham shares, and the expenses for the above information totaled 120 million baht. And at present, the company still records such transactions as advance payments and data expenses as before.

Subsequently, on January 15, 2021, the Company entered into an agreement to Transfer Claims (shares) and a purchase and sale agreement on the analysis of Laongham mineral reserves totaling 120 million baht with a company in Laos. On March 27, 2021, the company received a partial payment of 6 million baht.

SET requested the company to clarify additional information as follows:

4.1 Laongham share purchase agreement and data payment

4.1.1 Reasons, necessity, and benefits that the Company will receive from the Laongham share purchase agreement and the payment of information, opinions and information used by the Board of Directors for consideration, including reasonableness in paying for Laongham shares 67% of the total purchase value but have not yet acquired such shares

Statement

The Company has sent a team of company specialists together with outsourced experts to assess the potential of the ore on the site, found that the mine has value and investment potential. Therefore, the Company decided to buy the shares.

As for the payment for the shares, 67% of the trading value has not yet been transferred, it is a commercial condition and is following the laws of Laos related to the request for a concession certificate for mineral production.

4.1.2 Details of the share purchase agreement and payment information, company's source of funds, time of payment and acceptance of transfers of shares and information, essential conditions and prohibition on the sale of shares or transfer of rights of claim to others (if any), and whether the company received the mineral reserve analysis data in the past.

Statement

The terms of this share purchase agreement have a contract value of \$3 million. An initial payment of \$2 million is required which is following the conditions for applying for a concession certificate

The Company's mineral reserve report comes from the fact that the Company has sent a team of its specialists together with outsourced experts to the site to assess the potential. The Company had obtained survey results before entering into the share purchase agreement and payment.

4.2 Share Transfer Claim Agreement and Data Purchase Agreements in Laongham

4.2.1 Reasons for the necessity of the company to sell or transfer rights to claim shares and information purchase agreements in Laongham, approval to enter the transaction, opinions and information used by the Board of Directors for consideration, the impact that the company will receive from such transactions including the impact on the financial position and operating results.

Statement

The transfer of claims on shares and sale of project information occurred because, firstly, the Company has invested in such mines for a long time. Secondly, the Company needs to maintain its liquidity. Lastly, there has been a political change in Laos. These may affect the issuance of concession certificates for mineral production. However, the Company continues to monitor the issuance of the mining concession certificate. If such mines have received the concession certificate, the Company may consider re-investing.

4.2.2 Details of the Share Transfer Claim Agreement and Data Purchase Agreement, such as the purchaser, the selling value, the terms of payment and the transfer of ownership, collateral (if any), criteria used in determining the value of consideration, and monitor whether the transfer of claims and the contract for the sale of such information is a violation of the conditions agreed with the seller under Clause 4.1.2

Statement

The Company has agreed to transfer rights of shares and information sale agreement to a legal entity in Laos with a sale value of 120.20 million baht. The payment is made in installments and the Company will divide the delivery of information into sections based on payment. Once the payment has been made in full, the Company will transfer the name of the right holder following Clause 4.1.2.

5. Order to revoke the debt payment from Tungkum Company Limited, amounting to 119 million baht

According to the notes to the second quarter of financial statements of 2021, item 27.6 states that as of June 30, 2021, the receiver in the bankruptcy case of Tungkum Company Limited (former subsidiary) filed a request for the court to order the revocation of the loan repayment to The Company's 3 subsidiaries, namely Skycliff Co., Ltd. (SCL), 89 Capricorn Co. (89CAP), Ltd. and Sea Minerals Co., Ltd. (SML) during bankruptcy proceedings amounting to 120 million baht. The court has ordered the revocation and the subsidiaries are currently filing an appeal.

As the above legal dispute is a piece of significant dispute information with the size of the list 9% of the Company's equity, the Company must disclose immediately when there is an incident according to the regulations of SET referred to 4. Therefore, the Company is requested to comply with the regulations of the Stock Exchange of Thailand by disclosing the following information:

5.1 The provenance and essence summary of the preceding lawsuit by describing each company, such as the date of incurring debt between each other, details of inter-company debts, etc.

Statement

1. SML revocation of payment case:

Previously, Tungcum Company Limited was a lender with SML. Subsequently, the receivership of Tungcum Company Limited sent a letter dated 27 April 2020 informing the Company to pay the said debt. The SML did not pay the debt or reject the said debt within the period under Section 119 of the Central Bankruptcy Act, B.E. 1895. The cause was SML did not have a director authorized to sign the Company's documents for submission and appoint a defendant in such case.

2. SCL revocation of payment case:

This case originated from borrowing money between two subsidiaries of Tongkah Harbour Public Company Limited, which are Tungcum Company Limited (borrower) and SCL (lender). The loan was for the operation of Tungcum Company Limited, which occurred during the year 2014. Subsequently, Tungcum Company Limited returned 1st payment to SCL by repaying principal and interest on February 26, 2016, and 2nd payment by paying interest on March 25, 2016. In this case, the creditor who filed for bankruptcy of Tung Kham Company Limited requested that the receiver of Tung Kham Company Limited file a request for the revocation of such payment on July 1, 2020.

3. 89CAP revocation of payment case:

This case was caused by borrowing money between Tungcum Company Limited (Borrower) and 89CAP (Borrower) from June 2015 to March 2016. Tungcum Company Limited returned the first payment to 89CAP by repaying principal and interest on February 26, 2016 and returned the second payment with the remaining principal and interest on March 25, 2016. In this case, the receiver of Tungcum Company Limited filed a request for the revocation of the said payment on July 1, 2020.

5.2 Progress of the lawsuit, opinion of the Board of Directors on the possibility of a refund, setting up an estimation of debts to be paid and the impact on the company's financial position and operating results in the case of the Supreme Court's order to revoke the debt repayment

Statement

1. The case demanded that SML repay the loan to Tungcum Company Limited:

The lawsuit originated from an intercompany loan between subsidiaries of THL which has not been yet repaid. At present, the receiver has filed a request for a warrant. and the court has issued the order and delivered it to the Company. The Company received a warrant to pay

the debt amount of 1,394,771.04 baht, plus interest at the rate of 7.5% per annum, starting from May 15, 2020 (the due date of the debt refusal period) onwards until the payment is completed.

Formerly, SML had four foreign directors and two Thai directors, subsequently, 1 Thai director resigned. Therefore, signing is not possible since two directors are required for signing to be binding on the Company. However, coordination with foreign directors cannot be carried out as they reside abroad. The change of directors was also not able to perform since the former executive had sold the common shares of SML to the public auction and a legal entity is now own.

Litigation: A legal entity that purchased ordinary shares that THL holds in SML has been revoked by the Registrar of Partnerships and Companies. Therefore, it does not have a status as a legal entity, and the Company cannot proceed with the court.

2. SCL and 89CAP are currently in the process of appealing to the Court of Appeal for Specialized Cases. If the Court of Appeal for Specialized Cases has a judgment following the Bankruptcy Court, then the Company has the legal right to file a petition. In the end, if the Supreme Court decides according to the bankruptcy court, the company can apply for debt repayment to the receiver of the Bankruptcy Division of Tungkom Company Limited to request for repayment in this section. The damage incurred has no effect.

Please be informed accordingly

Yours sincerely,

- Somchai Kaisuttiwong -

Somchai Kaisuttiwong
Company Secretary
Tongkah Harbour Public Company Limited