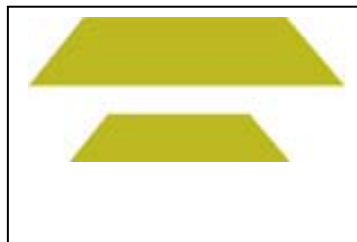


Since 1906

Tongkah Harbour Public Company Limited

(Company No. 0107537002087)

Annual Report 2007



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CHAIRMAN’S STATEMENT

Dear Shareholders,

With more than a hundred year of experiences in the mining industry in Thailand, 2007 was an extremely important year for the Company. It is the beginning of the second century of operations with the Company broadening its scope of activities to include gold production at Tungkhun operation while plans are in effect to open new areas in offshore tin mining and the start of The Sky Cliff Condominium project.

The Company’s management and shareholders can be assured that future administration will deal successfully with the numerous socioeconomic challenges that are bound to arise with each new generation as has been going on since 1906 when Captain Miles started the Company on its historical journey to become one of premier mining organizations in Thailand.

As the Chairman of the Board for Tongkah Harbour Public Company Limited, I would like to thank Mr. Edward Mervyn William Jones, Mr. Udom Chirapanathorn and Mr. Kwa Boo Leong, who resigned from the Board of Directors during 2007, for their efforts and dedication in preserving a proud Company legacy while charting a new course for the future.

In the mean time, I would like to welcome the appointment of General. Kittisak Rathprasert and Mr. Umyos Huvanandana as the new board members effective 25th February 2008. I believe both of them will bring in tremendous contribution to the growth of the Company.

Core Business Activities and Corporate Focus

Gold and base metal exploration and mining, offshore tin mining, igneous rock (andesite) mining, and property development, continue to be the core activities of the Company and its subsidiaries. In commitment to our shareholders, customers, and the communities in which we operate, we continually focus on achieving operational excellence and improvement while striving for maximum value creation in each of these core business areas.

Investment Activities

In 2007, the Company increased its equity position in Sea Minerals Limited (SML) from 83.7% to 89.99% from acquiring total additional share capital. 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 will increased from 89.99% to 99.99% effective 6th March 2008.

Sea Minerals Limited has also applied for offshore mining leases which are viewed as having long term potential for Company benefit. Sea Minerals Limited is related to the Company's original core business of tin mining, a sector that has been performing very well on the international market and is expected to continue to do so.

The gold mining operation is in the process of improving production with a second Ball Mill, additional crusher installations and obtaining an operating permit to open target T-1-8.

Also, during the last quarter, further progress was made in enlisting joint venture prospects to develop the Sky Cliff property on Ratchadapisek Road and in laying solid ground work for developing its recently acquired offshore tin resources.

MINING ACTIVITIES

Year 2007 proved to be a challenging year for gold mining operations. After Tungkom Limited's gold mining operation at Loei was officially brought into production in September 2006, profits were low due to insufficient production problem and, therefore, the Company decided to proceed with phase 2 installations, improve efficiency in existing operations and prepare to further evaluate nearby mineralized areas with the objective of proving up additional gold ore resources for future production.

Year 2007 was a difficult year for the quarry because of poor sales of rail-way ballast given the current moratorium an activity in the region by the State Railway of Thailand ("SRT"), however, prospects remain encouraging that the SRT will commence new double-track and maintenance projects in the Central Region in the near future as bidding on projects is expected in the first quarter of 2008 for which about 850,000 tons of ballast will be required and the Company is in a good position to participate in the tender. Otherwise, marketing efforts are ongoing, focusing on the Company's non-ballast aggregate products.

Regarding offshore tin mining, the Company's operations remain on hold pending results of negotiations with the Government to have royalty rates reduced to more competitive levels. In October 2007, The Government has announced the reduction of tin royalty rate which now made it economic viable for the Company to continue its tin mining business.

Tin prices are expected to remain buoyant, and we expect to see positive results in this sector in the near future. Meanwhile, the Company will push ahead with laying plans eventual development of the Sea Minerals Limited (SML) holdings in which the Company has controlling interest. 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.

PROPERTY DEVELOPMENT

The Sky Cliff Condominium Development at Bangkok, Thailand

The Sky Cliff Limited (“SCL”), a subsidiary company of Tongkah Harbour Public Company Limited has planned to commence development and construction of the 29-storey condominium with 629 residential unit.

The condominium is located at 14 Ratchadapisek Road, Huaykhwang, Bangkok. The Project is scheduled for construction in early Q2 year 2008 and estimated to complete within 24 months.

Phuket Land Holdings

The Company had previously acquired full ownership of a Phuket Bay land plot which adjoins two existing land parcels already owned by the Company. Accordingly, the Company now owns one large contiguous piece of waterfront land at Phuket Bay which dramatically increases the land value and prospects for future development.

In Summary

Although not a financially rewarding year for 2007, it did allow the Company to accomplish a number of other key issues and indicators that we believe will help the Company to improve its operating result in 2008 and beyond. We have confidence in our strategies, our employees, and strongly believe that we are poised for economic recovery given the optimistic outlook for gold, tin, and the property market sectors, which promises to be a major contributor to the Company’s revenues in the future.

In closing, I would like to express my appreciation for the continued dedication and loyalty of the staff and management. It is through the focused efforts and collective skills of these individuals that the Company has been able to realize so many of its key objectives. Moreover, the Company could not have reached this point without the shareholders’ understanding and trust, I sincerely thank you all. I am confident that the strength of our organization will serve us well as we move forward to face the challenges of the years ahead.

Respectfully,



Mr. Pricha Attavipach

Chairman of the Board

Financial Highlights

	Consolidated			
	2007	2006 Restated	2005 Restated	UNIT
OUTPUT				
Gold produced	17,485	12,203	Nil	Ounces (oz)
Tin ore output	Nil	Nil	3	Tones
Average gold price (A)	23,904	22,938	Nil	Baht/Ounce
Average tin price (B)	503,338	349,692	294,000	Baht/Tons
FINANCIAL				
Total Sales	428.09	290.56	23.81	Million(Baht)
Total Revenues (C)	474.80	317.18	27.61	Million(Baht)
Gross profit	98.40	149.42	0.84	Million(Baht)
Profit / (loss) before Tax, minority interest And cumulative effect	(153.18)	(1.01)	(73.32)	Million (Baht)
Minority interest Share in loss on Subsidiaries	5.23	3.03	4.30	Million (Baht)
Net profit / (loss) After tax	(147.95)	2.07	(69.02)	Million (Baht)
Total assets	1,898.59	1,795.98	1,387.92	Million(Baht)
Total liabilities	839.04	583.24	173.95	Million(Baht)
Shareholders' equity	1,059.56	1,212.73	1,213.98	Million(Baht)
Outstanding shares (thousands)	756,940	756,940	756,940	Shares
Par Value	1.00	1.00	1.00	Baht/share
Book value	1.40	1.60	1.60	Baht/share
Earning / (loss) per Share	(0.20)	0.003	(0.11)	Baht
Dividend per share	Nil	Nil	Nil	Baht

Note :

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

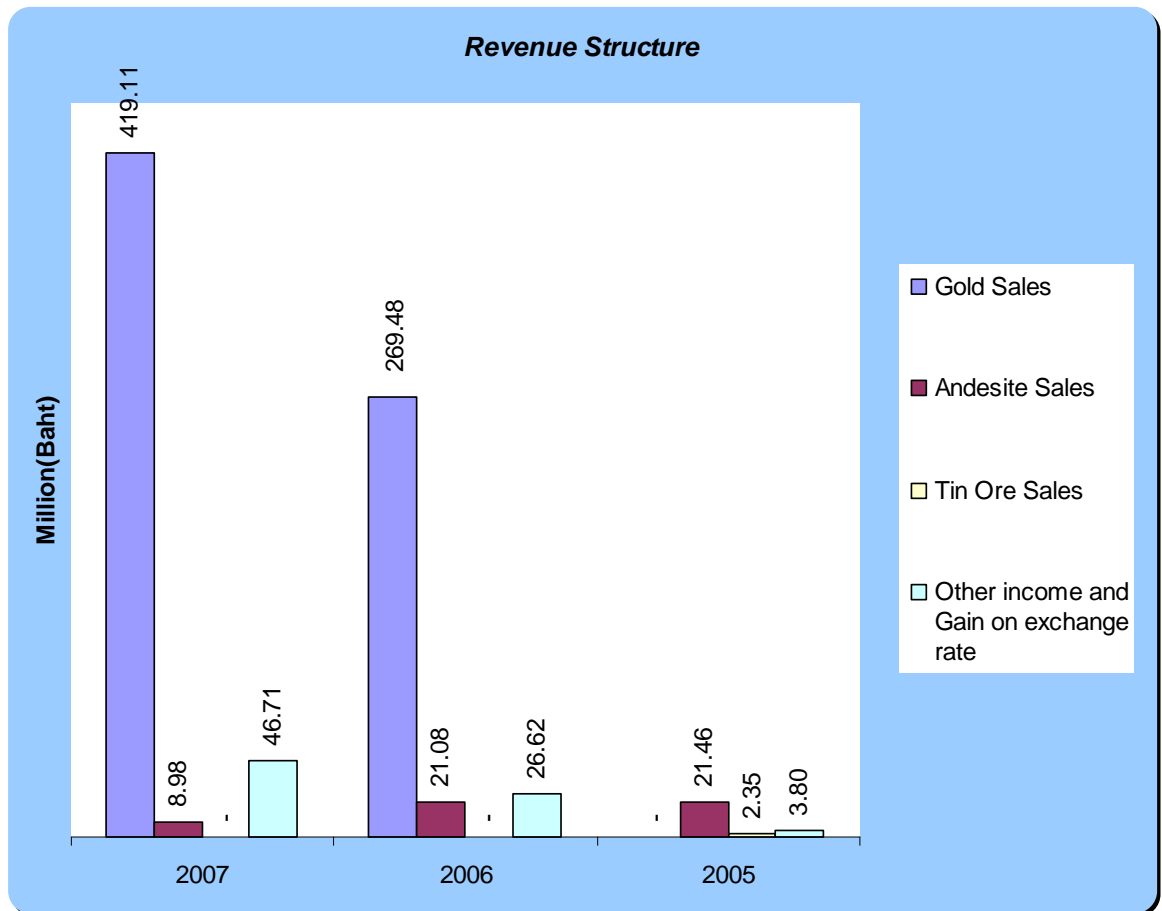
Revenue Structure

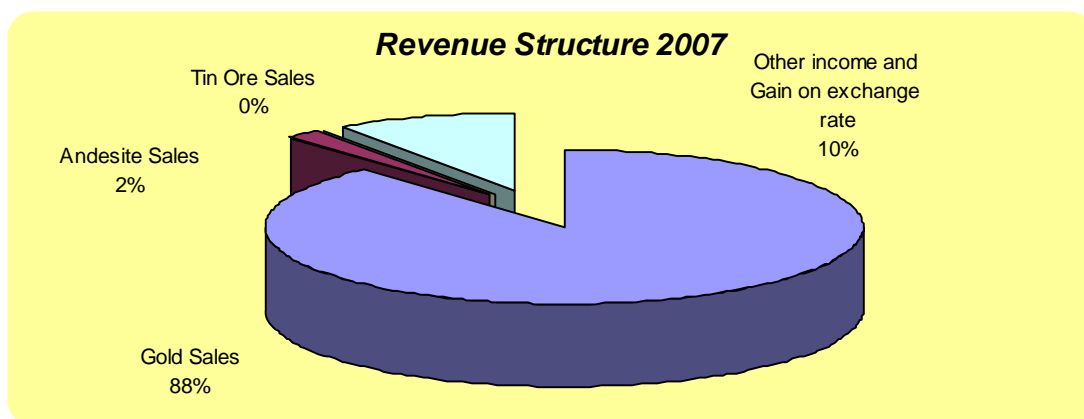
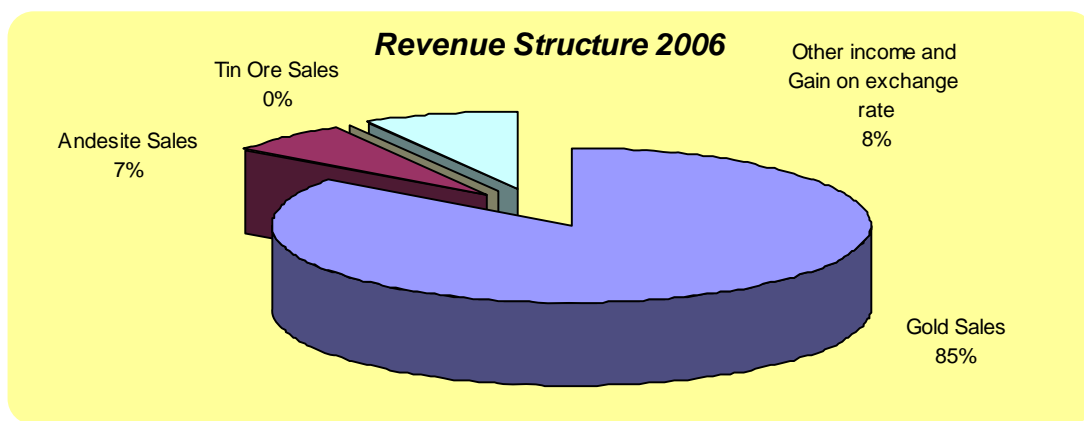
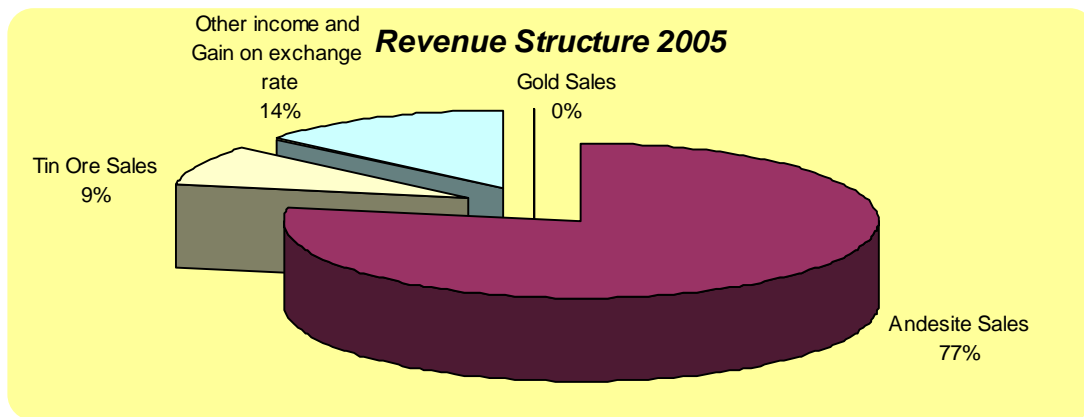
Nature Of Income	Operated By	Holding Percentage	Revenue Structure					
			2007		2006		2005	
			Baht million	%	Baht million	%	Baht million	%
Gold Sales	TKL	98.86%	419.11	88.27	269.48	84.96	NIL	NIL
Andesite Sales	THL and CSL	The Company and 72.1% in CSL	8.98	1.89	21.08	6.65	21.46	77.72
Tin Ore Sales	THL	The Company	Nil	Nil	Nil	Nil	2.35	8.52
Other income and gain on exchange rate	Group company	Group company	46.71	9.84	26.62	8.39	3.80	13.76
Total Revenue			474.80	100	317.18	100.00	27.61	100.00

THL: Tongkah Harbour Public Company Limited

TKL: Tungsum Limited

CSL: Cholsin Limited





Financial Ratio

	Audited					
	Consolidated			Company		
	2007	2006	2005	2007	2006	2005
LIQUIDITY RATIO						
Current Ratio (Times)	0.28	0.53	0.86	0.47	0.45	1.74
Quick Ratio (Times)	0.03	0.25	0.48	0.06	0.12	0.10
Quick Ratio (Cash Basis) (Times)	0.01	0.22	(0.40)	Nil	Nil	(0.07)
Receivable Turnover (Times)	65.26	37.20	5.07	2.05	3.25	5.07
Collection Period (Days)	5.59	9.81	71.06	178.05	112.31	71.06
Inventory Turnover (Times)	6.14	5.07	1.97	0.65	1.33	2.01
Inventory Turnover (Days)	59.45	71.99	182.82	561.54	274.44	178.95
Accounts Payable Turnover (Times)	11.32	17.81	2.56	0.24	1.09	1.20
Payment Period (Days)	32.24	20.49	140.58	1,520.83	334.86	299.89
Cash Cycle (Days)	32.80	61.31	113.30	(781.24)	51.89	(49.88)
PROFITABLE RATIO						
Gross Profit Margin (%)	22.99%	51.42%	3.51%	12.90%	24.63%	8.83%
Net Profit Margin (%)	(34.56%)	0.71%	(249.94%)	(1,647.55%)	9.82%	(143.23%)
Return on Equity (%)	(13.96%)	0.17%	(6.20%)	(15.25%)	0.19%	(5.99%)
EFFICIENCY RATIO						
Return on Total Assets (%)	(7.79%)	0.12%	(5.23%)	(13.75%)	0.16%	(4.96%)
Return on Fixed Assets (%)	(12.32%)	0.19%	(15.78%)	(124.68%)	1.47%	(44.37%)
Asset Turnover (Times)	0.23	0.16	0.02	0.01	0.02	0.03
FINANCIAL POLICY RATIO						
Debt to Equity Ratio (Times)	0.79	0.48	0.15	0.11	0.15	0.16
Interest Coverage (Times)	0.81	3.22	(13.06)	(32.00)	3.50	(7.54)
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 <u>Registered and Operations Office:</u> 179 Moo 3, Tambol Khaoluang, Amphur Wang Sapung, Loei, 42130, Thailand. Phone: +66 89 892 6126-28 Fax: +66 89 814 1025 <u>Branch Office 1:</u> 7 Floor, Muang Thai-Phatra Office Tower 1

No	Item	Description
10	Subsidiaries (Continued)	<p>252/11 Ratchadapisek Road, Huay Kwang, Bangkok, 10320, Thailand. Phone: +66 2695 4912-28 Fax: +66 2695 4901</p> <p><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>

No	Item	Description
11.	Share Register	<p>THE THAILAND SECURITIES DEPOSITORY CO. LTD.</p> <p>The Stock Exchange of Thailand Building 62 Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand. Phone: +66 2229 2800 Fax: +66 2359 1259</p>
12.	Auditors	<p>Prof. Kesree Narongdej CPA Thailand Registration No. 76 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</p>
13.	Principal Bankers	<p>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</p> <p>DEUTSCHE BANK AG, BANGKOK BRANCH 208, Wireless Road, Bangkok, 10330, Thailand. Phone: +66 2646 5000 Fax: +66 2651 5215</p>
14.	Website	www.tongkahharbour.com
15.	E-mail	info@tongkahharbour.com

Background History

The Tongkah Harbour organization has been in mining for 101 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, on 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 governments policy of encouraging domestic investment in the mining industry. On being 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 registration in the Stock Exchange of Thailand (SET) and the trading of shares then the Company was again renamed as “Tongkah Harbour Public Company Limited” after registering to Department of Business Development in 1994.

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

In 1991, the Company’s subsidiary, Tungkam 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 and 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 Tungkam 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) 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 the year of 2006, Tungkhum's gold operations underwent commissioning and be officially commenced commercial operations from September 2006 onward. Gold production aided in turning Company operations from the red into marginal profitable operations in 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. The result was interest of the Company in the equity of Sea Mineral 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 will increased from 89.99% to 99.99%.

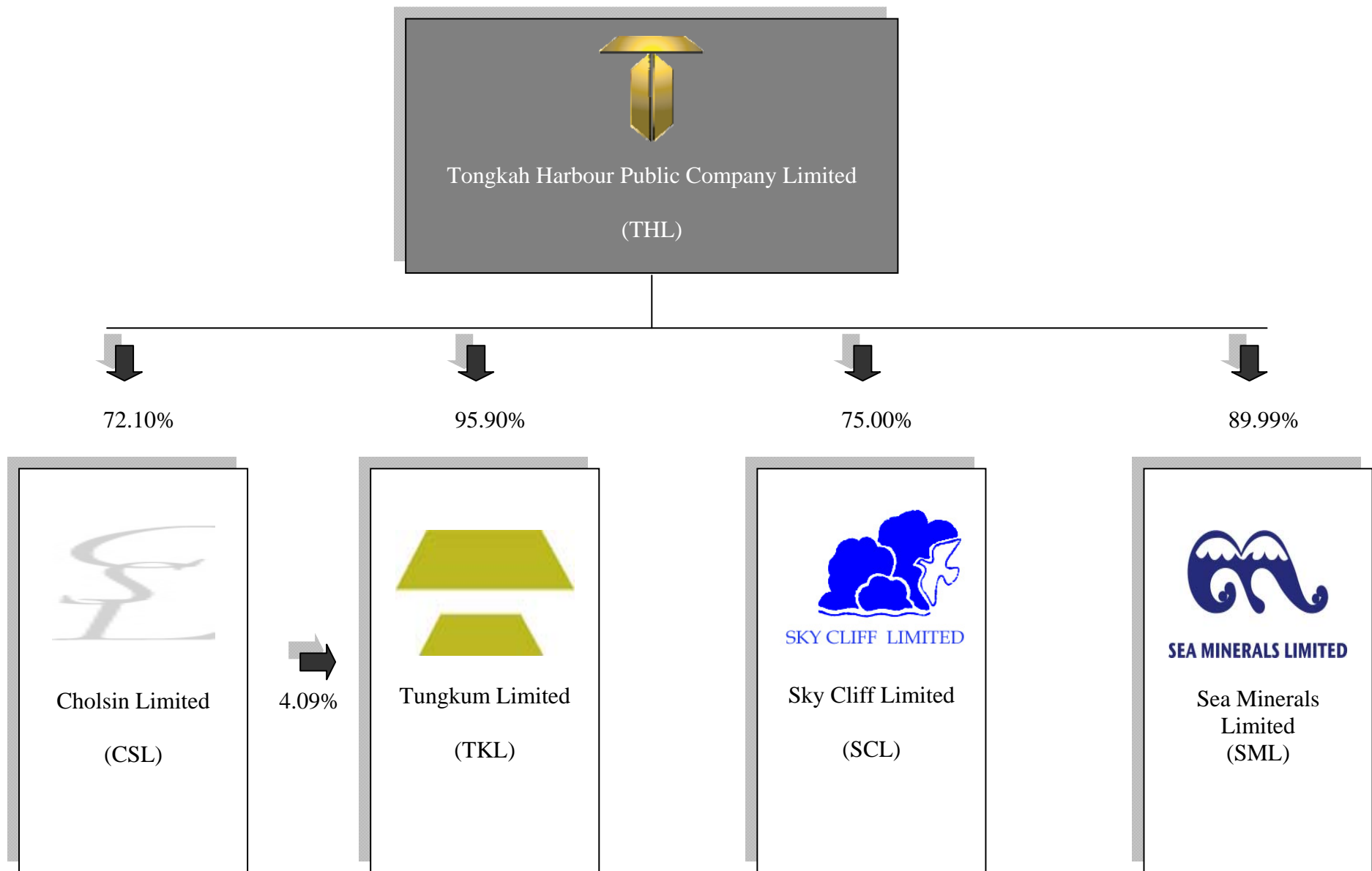
On 4 May 2007, with profitable operations for 2006, the Stock Exchange of Thailand reinstated the Company's security trading. Also, the trading of the Company shares in the form of American Depositary Receipts was approved by US Securities Exchange Commission on 9 May 2007.

The Company looks forward to improving its gold production potential and concentrating on developing and putting into production its tin reserve areas while, in the same time, watching for the right time to develop its land-bank holdings in Phuket and Bangkok. With the beginning of it's next one hundred year journey, Tongkah Harbour Public Company Limited and it's subsidiaries will continue focusing in the mining business.

Ten Major Shareholders as of 31 December 2007

Shareholders	Number of Shares hold	Percentage
1. Thailand Security Depository	509,755,143	67.34
2. Sintana Holdings Limited	* 76,587,810	10.12
3. Paron Resource Inc.	* 51,573,484	6.81
4. Paron Holding Limited	* 31,053,102	4.10
5. Sino Pac Investment (L) Limited	* 26,726,614	3.53
6. Thai Ministry of Finance	15,000,000	1.98
7. Mr.Kriang Kiatfuengfoo	9,075,000	1.20
8. Mr.Ronald Ng Wai Choi	4,517,441	0.60
9. Mr. Korn Kiatfuengfoo	2,900,111	0.38
10. Mr. Phurin Kiansunthon	2,662,000	0.35
Other shareholders	27,088,758	3.59
Total as of 31 December 2007	756,939,463	100.00
Total Thai Shareholding	631,882,653	83.48
Total Foreign Shareholding	125,056,810	16.52

*Note : * Related Companies ,the information is from major shareholders at 28 December 2007 by 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) Mr. Somsak Ruamkid</p> <p>4) Dr. J.P. Mills</p> <p>5) Mr. Varin Cherdboonmuang</p> <p>6) Ms. Montha Kongkum</p> <p>7) Mr. Udom Chirapanathorn (resigned, 10 September 2007)</p> <p>8) Mr. Edward M. Jones (resigned, 15 August 2007)</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	<p>1) Mr. Pricha Attavipach</p> <p>2) Mr. Ronald Ng Wai Choi</p> <p>3) Dr. J.P. Mills</p> <p>4) Mr. Cholphan Vongsing</p> <p>5) Ms. Montha Kongkum</p> <p>6) Mr. Chalermchai Martmuang</p> <p>7) Mr. Prakrit Pradipasen</p> <p>8) Mr. Varin Cherdboonmuang</p> <p>9) Mr. Somsak Ruamkid</p> <p>10) Mr. Surapong Chaingtong</p> <p>11) Mr. Udom Chirapanathorn(resigned, 6 September 2007)</p>
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 (appointed w.e.f 30 th Janaury 2008) 4) Mr Sukkij Rodpradite (appointed w.e.f 30 th Janaury 2008) 5) Mr. Somsak Ruamkid(retired on 30 th January 2008) 6) Mr. Udom Chirapanathorn (resigned on 30 th January 2008) 7) Mr. Tai Chong Yih (terminated on 30 th January 2008)
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	<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 <u>Corporate Headquarters:</u> 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
4.	Registration Date	26 March 1981
5.	Registration Number	0105524006770 (originally No.675/2524)
6.	Registered Capital	At year ended 2007 :Baht 117.20 Million;1,171,976 shares at Par Value Baht 100 each After the share reduction 's effective :Baht 105.46 Million; 1,054,616 shares at Par Value Baht 100 each
7.	Paid up capital	At year ended 2007 : Baht 117,197,600.00 After the share reduction 's effective : Baht 105,461,600.00
8.	Shareholders	An 99.99% holding of Tongkah Harbour Public Company Limited in Sea Mineral Limited
9.	Directors	1) Mr. Ronald Ng Wai Choi 2) Mr. Somsak Ruamkid 3) Dr. J.P. Mills 4) Mr. Varin Cherdboonmuang 5) Mr. Udom Chirapanathorn 6) Mr. Edward M. Jones 7) Dr. Janos Laszio Locsei 8) Mr. Pricha Attavipach 9) Mr. Rachan Kanjana-Vanit
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 and Senior Management Profiles

Board of Directors	Senior Management
<p>Chairman to the Board Mr. Pricha Attavipach *</p> <p>Managing Director Mr. Ronald Wai Choi Ng</p> <p>Executive Directors Dr. J. Peter Mills Mr. Somsak Ruamkid Mr. Edward Mervyn William Jones(1) Mr. Udom Chirapanathorn(2) General. Kittisak Rathprasert(5)</p> <p>Non Executive Directors Mr. Kriang Kiatfuengfoo * Mrs. Arida Vidhyananda * Mr. Nopadon Mantajit * Mr. Surapong Chaingtong Mr. Kwa Boo Leong(3) Mr. Somsak Potisat (4) Mr. Umyos Huvanandana *(5)</p> <p>Advisor to the Board Mr. Rachan Kanjana-Vanit</p> <p>Secretary to the Board Mr. Chalermchai Martmuang</p> <p>Executive Committee Mr. Pricha Attavipach - <i>Chairman</i> * Mr. Ronald Ng Wai Choi - <i>Member</i> Dr. J. Peter Mills - <i>Member</i> Mr. Somsak Ruamkid - <i>Member</i> Mr. Edward Mervyn William Jones(1) - Member Mr. Udom Chirapanathorn(2) – Member General. Kittisak Rathprasert(5)</p> <p>Audit Committee Mr. Kriang Kiatfuengfoo - <i>Chairman</i> * Mrs. Arida Vidhyananda - <i>Member</i> * Mr. Somsak Potisat - Member (4) Mr. Umyos Huvanandana - <i>Member</i>*(5)</p> <p>Remuneration Committee Mr. Kriang Kiatfuengfoo - <i>Chairman</i> * Mrs. Arida Vidhyananda - <i>Member</i> * Mr. Ronald Ng Wai Choi - <i>Member</i></p> <p>Nomination Committee Mr. Pricha Attavipach - <i>Chairman</i> * Mr. Kriang Kiatfuengfoo - <i>Member</i> * Mrs. Arida Vidhyananda - <i>Member</i> *</p>	<p>Bangkok Corporate Office</p> <p>Managing Director Mr. Ronald Wai Choi Ng</p> <p>Executive Directors Dr. J. Peter Mills Mr. Somsak Ruamkid Mr. Edward Mervyn William Jones(1) Mr. Udom Chirapanathorn(2) General. Kittisak Rathprasert(5)</p> <p>Chief Corporate Planner Mr. Ray Kar Teik Ng</p> <p>Financial Controller Ms. Montha Kongkum Mrs. Rungnapa Tantisuphakornsakul</p> <p>Oversea Investment Manager Mrs Angie Ean Kim Goh</p> <p>Head of I.T and support Mr. Sukkij Rodpradite</p> <p>Head of Human Resources Mrs .Uthaitip Sukasem</p> <p>Internal Auditor Teerawat Pothsri</p> <p>Group Metallurgist Mr Lawrence Chong</p> <p>Loei Gold Mining Operation</p> <p>Executive Director General. Kittisak Rathprasert(5) Mr. Somsak Ruamkid</p> <p>Acting operation Manager Mr Sorapong Limpachayopas</p> <p>Saraburi Operations</p> <p>Manager Vacant</p> <p>Phuket Tin Mining Operations</p> <p>Executive Director Mr. Varin Cherdboonmuang</p> <p>Manager Mr. Yingyot Thongton</p> <p>Note: () 1) Resigned with effective on 16 August 2007 2) Resigned with effective on 6 September 2007 3) Resigned with effective on 19 December 2007 4) Resigned with effective on 1 March 2008/ Redesigned to Non Audit Committee member 5) Appointed with effective on 25 February 2008</p>

**Independent Director*

Board Profile

Name: Mr. Pricha Attavipach	
Age: 69	Work Experience (Continue)
Position on Board <ul style="list-style-type: none"> - Chairman of the Board - Chairman of Nomination Committee - Independent Director 	1998 - 1999 - Advisor to the Board of Directors and the Executive Committee of The Siam Cement Public Company Limited
Percentage of Shareholding <ul style="list-style-type: none"> - Nil 	1998 - 2003 - Audit Committee of Tongkah Harbour Public Company Limited
Education/Training <ul style="list-style-type: none"> - Bachelor of Science, Industrial Engineering, Chulalongkorn University - Master of Science, Industrial Engineering and Management, Oklahoma State Univ. - Director's Certification Program 39/2004, Thai Institution of Directors Association - Finance for Non-Finance Directors, Thai Institution of Directors Association 	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
Work Experience <ul style="list-style-type: none"> 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 	Other Present Positions <ul style="list-style-type: none"> - Chairman of Ruamkijaungthong Warehouse Limited - Chairman of Pan-Paper 1992 Company Limited - Specialist, Senior Engineering (Industrial Engineer) of Council of Engineers. - Chairman of Chaiananbangplee Parkland Company Limited - Law Councillor of Ministry of Labour. - Chairman of Siam P.P. International Company Limited - Chairman of Environment Pulp and Paper Company Limited - Chairman of Ekaratpattana Company Limited - Chairman of the Committee for Consideration of Appeals Concerning Factories, Ministry of Industry - Academic Director of the Safety and Health Vocational Management System, The Engineering Institution of Thailand Under H.M. The King's Patronage Positions in Other Core /Affiliated Companies <ul style="list-style-type: none"> - Director of Tungkum Limited - Director of Cholsin Limited - Director of Sea Minerals Limited

Name: Mr. Ronald Ng Wai Choi
Age: 61
Position on Board <ul style="list-style-type: none"> - Managing Director - Member of Remuneration Committee
Percentage of Shareholding <ul style="list-style-type: none"> - 4,517,441 shares (0.6%)
Education/Training <ul style="list-style-type: none"> - Bachelor Degree (Honors) in Economics, University of Malay
Work Experience <p>1970 - 1972 - Malaysian Industrial Department Bank</p> <p>1972 - 1974 - Malaysian International Merchant Bankers</p> <p>1974 - 1976 - CEO of Buildnore Industrial Limited, a Hong Kong Public Listed Company.</p> <p>1977 - 1980 - Chairman of First Siam Corporation Limited</p> <p>1980 - 1986 - Established Madam Tan Soo Lan Foundation Scholarship Fund, 198 corporate base in Hong Kong with acquisition of printing and packaging business and moving production into Shenzhen, China and set up joint ventures with provincial governments and City Municipalities to develop the hotel (six hotels) and travel industry as well. The Paron Group was incorporated in 1978.</p> <p>1986 - 1996 - Entrepreneur in various countries.</p> <p>1996 - Present - Managing Director of Tongkah Harbour Public Company Limited</p>
Other present positions <ul style="list-style-type: none"> - Chairman of Paron Holdings Limited - President of Paron Resources Limited. - Chairman of Davenport Sun International - Chairman of Pamaron Holdings Limited - Chairman of Sintana Holdings Limited
Positions in Other Core /Affiliated Companies <ul style="list-style-type: none"> - Director of Tungcum Limited - Director of Cholsin Limited - Director of Sea Minerals Limited - Director of Sky Cliff Limited

Name: Dr. J. Peter Mills	Name: Mr. Somsak Ruamkid
Age: 77	Age: 41
Position on Board - Executive Director	Position on Board - Executive Director
Percentage of Shareholding - Nil	Percentage of Shareholding - 700,000 shares (0.09%)
Education/Training - MSc.&Ph.D. Degrees, Geology, University of Kansas, Lawrence KS, U.S.A.	Education/Training - Bachelor Degree, Geology, Chulalongkorn University.
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 and 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	Work Experience 1988-1991 - Senior Geologist, United Siamese Gold Company Limited (subsidiary company of Niugini Mining Limited Australia). Gold exploration in Loei, Chantaburi, and Petchaburi Provinces. Training in gold exploration and evaluation at Red Dome Gold Mine, Caines, Australia and at Mount Victor Mine, Kainantu, Papua New Guinea. 2003 - Present - Director of Tongkah Harbour Public Company Limited
Other Present positions - Director of exploration of Sintana Group - Director of Paron Resources Limited	Other Present positions - Nil
Positions in Other Core /Affiliated Companies - Director of Tungkum Limited - Director of Cholsin Limited - Director of Sea Minerals Limited	Positions in Other Core /Affiliated Companies - Director of Tungkum Limited - Director of Cholsin Limited - Director of Sea Minerals Limited - Director of Sky cliff Limited(<i>retired on 30 January 2008</i>)

Name: Mr. Kriang Kiatfuengfoo	Name: Mrs. Arida Vidhyananda
Age: 60	Age: 57
Position on Board <ul style="list-style-type: none"> - Audit Committee Chairman - Remuneration Committee Chairman - Nomination Committee Member - Independent Director - Non-Executive Director 	Position on Board <ul style="list-style-type: none"> - Audit Committee Member - Remuneration Committee Member - Nomination Committee Member - Independent Director - Non-Executive Director
Percentage of Shareholding <ul style="list-style-type: none"> - 9,075,000 shares (1.20%) 	Percentage of Shareholding <ul style="list-style-type: none"> - Nil
Education/Training <ul style="list-style-type: none"> - M.B.A., Michigan State University, Michigan, U.S.A. 	Education/Training <ul style="list-style-type: none"> - Bachelor Degree in Accounting, Chulalongkorn University - SMP Certificate of Chulalongkorn University
Work Experience <p>1999 - 2001 - Senior Executive, Vice President, Siam Commercial Bank Public Company Limited</p> <p>2005 - Present - Audit Committee Chairman of Tongkah Harbour Public Company Limited/ Director of Tongkah Harbour Public Company Limited</p>	Work Experience <p>2005 - Present - Audit Committee of Tongkah Harbour Public Company Limited/ Director of Tongkah Harbour Public Company Limited</p>
Other present positions <ul style="list-style-type: none"> - Independent Director and Audit Committee of SICCO Securities Public Company Limited - Independent Director and Audit Committee Chairman of Millennium Steel Public Company Limited 	Other present positions <ul style="list-style-type: none"> - Entrepreneur, Parada Trading Company Limited - Independent Director and Audit Committee of Siam Commercial New York Life Insurance Public Company Limited
Positions in Other Core /Affiliated Companies <ul style="list-style-type: none"> - Nil 	Positions in Other Core /Affiliated Companies <ul style="list-style-type: none"> - Nil

Name: Mr. Somsak Potisat	Name: Mr. Nopadon Mantajit
Age: 61	Age: 63
Position on Board - Audit Committee Member <i>(resign w.e.f 1 March 2008)</i> - Non-Executive Director	Position on Board - Non-executive Director - Independent Director
Percentage of Shareholding - Nil	Percentage of Shareholding - 1,273,419 shares (0.17%)
Education/Training - Bachelor Degree, Geology, Chulalongkorn University. - Master Degree, Earth Science, Wesleyan, Connecticut, University, U.S.A.	Education/Training - Master of Sciences, University of Manchester, Manchester, U.K.
Work Experience 2000 - 2002 - Deputy Director General of Department of Mineral Resources 2002 - 2006 - Director General of Department of Mineral Resources 2006 - Present - Director of Tongkah Harbour Public Company Limited Audit Committee Chairman of Tongkah Harbour Public Company Limited	Work Experience 1975 - 1982 - Chief Geologist, Geologist Survey Division 1989 - 1992 - Director of the Policy and Planning division 1996 - 1999 - Director General of Department of Mineral Resources 1996 - Director of Tongkah Harbour Public Company Limited 2000 - 2002 - Deputy Permanent Secretary of the Ministry of Industry; 2002 - 2004 Director General, Department of Mineral Fuels. 2006 - Present - Director of Tongkah Harbour Public Company Limited
Other present positions - Nil	Other present positions - Nil
Positions in Other Core /Affiliated Companies - Nil	Positions in Other Core /Affiliated Companies - Nil

Name: Mr. Surapong Chaingtong	Name: General. Kittisak Rathprasert
Age: 53	Age: 62
Position on Board - Non-executive Director	Position on Board - Executive Director (Appointed on 25 February 2008)
Percentage of Shareholding - Nil	Percentage of Shareholding - Nil
Education/Training - MBA, SASIN - Graduate Institute of Business Administration of Chulalongkorn University	Education/Training - Chulachomklao Royal Military Academy - Master of Public and Private Management Program, NIDA - National Defence College(Class 41)
Work Experience 2000 – 2001 - Inspectors-General, Department of Mineral Resource 2001 - 2002 - Director-Ground Water Division, Department of Mineral Resources 2002 - 2005 - Chief of Chemical Industry Development - the Department of Primary Industry and Mines, Ministry of Industry 2004 - 2005 - Director of Primary Industry and Mines Office Region 4, Ministry of Industry. 2005 - Present - Director of Tongkah Harbour Public Company Limited	Work Experience 1989 - 1999 - Director of Total Access Communication Public Company Limited 2006 - 2007 - Consultant of Sethakij Roumdouychouykun Co., Ltd. 2008 - Present - Director of Tongkah Harbour Public Company Limited Other present positions - The President, Borwornpun Kindergarden , Inno Service Co., Ltd., Silent Majority Group - The Originate President/Advisor, Cooperative of Thailand - Advisor, Sarawittaya School Alumni, Roumdouychouykun Cooperative Ltd., Nawamintara Saving Cooperative Limited -The Vice-President, National Father Association - The President Padungsispitaya School Alumini - The Chairman, National Debtor Coordinate Center(Public Benefit Association as Article 34 Act of Social Development 2003)
Other present positions - Director of the office of Primary Industry	
Positions in Other Core /Affiliated Companies - Director of Cholsin Limited	Positions in Other Core /Affiliated Companies - Nil

Name: Mr. Umyos Huvanandana	Name: Mr. Kwa Boo Leong
Age: 55	Age: 54
Position on Board <ul style="list-style-type: none"> - Independent Director - Audit Committee Member - Non-Executive Director <i>(Appointed on 25 February 2008)</i>	Position on Board <ul style="list-style-type: none"> - Non-executive Director <i>(resigned on 19 December 2007)</i>
Percentage of Shareholding <ul style="list-style-type: none"> - Nil 	Percentage of Shareholding <ul style="list-style-type: none"> - 1,273,419 shares (0.17%)
Education/Training <ul style="list-style-type: none"> - M.S.T.,Portland State University, U.S.A. - MBA, NIDA - Bachelor of Science, Chulalongkorn University. 	Education/Training <ul style="list-style-type: none"> - Master of Science, Mackay School of Mines, University of Nevada, Reno NV, U.S.A.
Work Experience <p>1983 - 1985 - Financial & Administration Director, Bangkok Drying&Silo Co.,Ltd.</p> <p>1985 - 1989 - Assist General Manager, Huay Chuan Co., Ltd.</p> <p>1989 - 1997 - Representative, Generale Bank</p> <p>1997 - 2002 - Deputy General Manager, Fortis Bank BIBF</p> <p>2002 - 2003 - E-Project Executive, College of Management Mahidol University</p> <p>2004 - 2006 - Managing Director, Sino-Thai Resources Development PCL.</p> <p>2008 - Present - Director of Tongkah Harbour Public Company Limited</p> <p>Other present positions</p> <ul style="list-style-type: none"> - Managing Director, Solution Plus International Co., Ltd. - Director of Energy combining environment Co.,Ltd - Director of Energy Crop Syndicate Co.,Ltd <p>Positions in Other Core /Affiliated Companies</p> <ul style="list-style-type: none"> - Nil 	Work Experience <p>1977 - 1979 - Senior Assistant Mining Engineer, Nchanga Consolidated Copper Mines Limited, Kitwe, Zambia</p> <p>1980 - 1986 - Lecturer, Mackay School of Mines,University of Nevada, Reno, NV, U.S.A</p> <p>1987 - 1991 - Senior Consultant, Mineral Industries Company Limited, London, England</p> <p>1992 - 2001 - Vice President, Direct Investments, Finansia Limited, Ha Noi, Vietnam, and Bangkok Thailand</p> <p>2001 - 2003 - Vice President of Operations Asia Pacific Potash Corporation Limited, Bangkok Thailand</p> <p>2003 - Vice President, Chief Operating Officer, Amanta Mining Company Limited</p> <p>2002 - Present - Director of Tongkah Harbour Public Company Limited</p> <p>Other present positions</p> <ul style="list-style-type: none"> - Chief Executive Officer of Coral Resources Limited <p>Positions in Other Core /Affiliated Companies</p> <ul style="list-style-type: none"> - Nil

Name: Mr. Edward Mervyn William Jones	Name: Mr. Udom Chirapanathorn
Age: 71	Age: 46
Position on Board - Executive Director (<i>resigned on 16 August 2007</i>)	Position on Board - Executive Director (<i>resigned on 6 September 2007</i>)
Percentage of Shareholding - Nil	Percentage of Shareholding - 955,064 shares (0.13%)
Education/Training - ACSM First Class ,Camborne School of Mines - Master Degree, Royal School of Mines, - Imperial College, University of London	Education/Training - MBA in Finance Management, San Francisco State University, San Francisco CA, U.S.A.
Work Experience 1990 - 1996 - Chief mining engineer of the Niguini Mining Group 2000 - 2001 - CEO of Wardley Australia (an investment banking arm of HSBC) 2005 - 2007 - Director of Tongkah Harbour Public Company Limited	Work Experience 1990 - 1991 - Research Assistant of The Bay Area Bank, Redwood City, CA, U.S.A. 1991 - 1993 - Financial Analyst and Assist Finance Manager of Sahaviriya Group 1994 - 1995 - Business Development Manager of Sinsubnakhorn Public Company Limited 1996 - 1999 - Finance Manager and Project Coordinator of Rayong Petrochemicals Corp 2000 - 2001 - Project Consultant of Sutton Energy Corp. 2004 - 2007 - Director of Tongkah Harbour Public Company Limited
Other present positions - Nil	Other present positions - Nil
Positions in Other Core /Affiliated Companies - Director of Tungkum Limited (<i>resigned on 15 August 2007</i>) - Director of Sea Minerals Limited	Positions in Other Core /Affiliated Companies - Director of Tungkum Limited (<i>resigned on 10 September 2007</i>) - Director of Cholsin Limited (<i>resigned on 6 September 2007</i>) - Director of Sea Minerals Limited - Director of Sky Cliff Limited (<i>resigned on 6 September 2007</i>)

Name: Mr. Rachan Kanjana-Vanit	Name: Mr. Chalermchai Martmuang
Age: 86	Age: 38
Position on Board - Advisor to the Board	Position on Board - Secretary to the Executive Board - Secretary to the Audit Committee
Percentage of Shareholding - Nil	Percentage of Shareholding - Nil
Education/Training - Master Degree, Eng (Mining), Stanford University, Palo Alto CA, U.S.A.	Education/Training - Bachelor of Law, Graduated Diploma in Business Law, Graduated Diploma in Public Law - Master of Arts. in Criminal Justice, Thammasart University.
Work Experience 1947 - 1951 - Mining Engineer, Department of Mines 1948 - 1951 - Valuation Engineer 1951 - 1979 - Mining Engineer/District Superintendent for Tongkah Harbour Tin Dredging 1979 - 1992 - Managing Director of Tongkah Harbour Public Company Limited 1992 - 1995 - Executive Board Chairman of Tongkah Harbour Public Company Limited 1995 - Present - Advisor to Board of Tongkah Harbour Public Company Limited	Work Experience 1992 - 1994 - Lawyer, Joechai Law Office - Legal Officer 3, Thai Law Division, Office of the Council of State 1994 - 1996 - Attorney at Law, Turarat Accountancy and Law Office 1996 - 1997 - Attorney at Law, Dej-Udom & Associates 1997 - 2001 - Assistant Legal Manager, LPN Plate Mill Public Company Limited 2001 - Present - Secretary to the Board of Tongkah Harbour Public Company Limited 2002 - Present - Secretary to the Audit Committee of Tongkah Harbour Public Company Limited
Other present positions - Nil	Other present positions - Nil
Positions in Other Core /Affiliated Companies - Director of Sea Minerals Limited	Positions in Other Core /Affiliated Companies - Director of Cholsin Limited

CORPORATE GOVERNANCE STATEMENT

THL, being a 101 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, the Company's Articles of Association, and Other Regulations of the Kingdom of Thailand.

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

As the Company is listed in the Stock Exchange of Thailand (SET), its Board is committed to all 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 to maintaining business excellence and accommodation to 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

Size of the Board

The Board members consist of the Board Chairman (an independent member), Managing Director, Executive Directors, and Non Executive Directors. The Chairman of the Board manages the Board's activities and is the Leader at 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 links with the Senior Management staff as they conduct Company Business.

THL, as at the date of this Annual Report, consists of One (1) Chairman to the Board, One (1) Managing Director, Three (3) Executive Directors, and Six (6) Non executive Directors

Role of the Board

The primary role of the Board of Directors (Board) is to oversee the Company and its controlled entities 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:

- a) 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).
- b) Striving for growth and stability leading to good returns for shareholders in the long term.
- c) Monitoring the Company's financial performance.
- d) Ensuring the existence of adequate internal controls.
- e) Monitoring the Company's compliance and adherence to internal controls.
- f) Ensuring that significant business risks are appropriately managed.
- g) Reviewing management performance.
- h) Recommending to shareholders the selection and appointment of new directors upon vacancy.
- i) 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 2007 the Company held 8 Board meetings: with attendance as listed in the following table.

	Board Meetings Attendance		Absent for Meeting No:	Reside in Thailand
Director	A	B		
Mr. Pricha Attavipach	8	8	Nil	Yes
Mr. Ronald Ng Wai Choi	8	8	Nil	Yes
Mr. Kriang Kiatfuengfoo	8	7	7	Yes
Mrs. Arida Vidhayananda	8	8	Nil	Yes
Mr. Somsak Potisat	8	8	Nil	Yes
Dr. John Peter Mills	8	7	7	Yes
Mr. Surapong Chiangthong	8	4	1,3,7,8	Yes
Mr. Nopadon Mantajit	8	7	6	Yes
Mr. Somsak Ruamkid	8	Nil	1-8	Yes
General. Kittisak Rathpraser*	Nil	Nil	Nil	Yes
Mr. Umyos Huvanandana*	Nil	Nil	Nil	Yes
Mr. Kwa Boo Leong (Resigned on 19 December 2007)	8	Nil	1-8	No
Mr. Edward Mervyn Jones (Resigned on 6 September 2007)	6	4	3,6	No
Mr. Udom Chirapanathorn (Resigned on 16 August 2007)	6	5	6	Yes

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

B. Meetings attended by the director.

* Appointed on 25 February 2008

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.

Re-election of Directors

In accordance with the Articles of Association and Company best practices, the following conditions have been set out for re-election of directors.

- 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 a vacancy occurs other 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 qualified and legally eligible person to fill the vacancy at the following meeting of the Board of Directors.
- c) Directors appointed by the Board must submit to election by shareholders at the next AGM.

The following 3 directors shall retire by rotation at this year's AGM and are being submitted for re-election by the shareholders:

1. Mr. Pricha Attavipach
2. Dr. John Peter Mills
3. Mr. Umyos Huvanandana

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 Company 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 needs, but not excessive.
- 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 paid appropriately more.
- 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.
- 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 on Tuesday, April 10, 2007, for the Board in 2007:

1. Annual Fee

1.1 Board compensation structure consisted of:

- Chairman of the Board for Baht 150,000
- Ordinary Members for Baht 100,000
- Executive Directors for Baht 100,000

1.2 Audit Committee compensation structure consisted of:

- Chairman of the Audit Committee for Baht 120,000
- Member of the Audit Committee for Baht 90,000

1.3 Remuneration Committee compensation structure consisted of

- Chairman of the Remuneration Committee for Baht 90,000
- Member of the Remuneration Committee for Baht 60,000

1.4 Nomination Committee compensation structure consisted of

- Chairman of the Nomination Committee for Baht 90,000
- Member of the Nomination Committee for Baht 60,000

2. Meeting Allowances

2.1 Board meeting allowances consisted of:

- Chairman of the Board for Baht 25,000 each time (for his in attendance only)
- Ordinary Members for Baht 20,000 each time (for those in attendance only)

2.2 Audit meeting allowances structure consisted of:

- Chairman of the Audit Committee for Baht 20,000 each time (for his in attendance only)
- Member of the Audit Committee for Baht 15,000 each time (for those in attendance only)

2.3 Remuneration meeting allowances structure consisted of:

- Chairman of the Remuneration Committee for Baht 15,000 each time (for his in attendance only)
- Member of the Remuneration Committee for Baht 10,000 each time (for those in attendance only)

2.4 Nomination meeting allowances structure consisted of:

- Chairman of the Nomination Committee for Baht 15,000 each time (for his in attendance only)
- Member of the Nomination Committee for Baht 10,000 each time (for those in attendance only)

The remuneration and fee structure for the Directors during the financial year ended 31st December 2007 is as follows

Company Director	Annual Fee	Board Meeting Allowance	Committee Meeting Allowance	Total Compensation
Executive	479,301	200,000	-	679,301
Non-Executive	891,667	600,000	470,000	1,961,667
Total as of 31 December 2007	1,370,968	800,000	470,000	2,604,968

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

Executive Director	Number
Below Baht RM 100,000	5
RM 100,001 – RM 400,000	1
Non-Executive Director	
Below RM 100,000	2
RM 100,001 – RM 300,000	1
RM 300,001 – RM 500,000	2
RM 500,000 – RM 700,000	1

Note : The summarized remuneration of Director exclude two new Directors entering in year 2008

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 2007, the Managing Director and 13 Management executives received Baht 20,039,897.45 in compensation detailed as follows:

Compensation	2007		2006	
	Persons	Paid Amount	Persons	Paid Amount
Salary	14	18,612,204.09	13	16,457,344.83
Other Benefit	6	1,427,693.36	3	805,789.51

Management Shareholding

Shareholding by Directors and Management as at 31 December 2007 are as follows:

No	Name	No. of Shares held		Increase/ (Decrease)
		2007	2006	
1.	Mr. Pricha Attavipach	Nil	Nil	Nil
2.	Mr. Ronald Wai Choi Ng	4,517,441	4,517,441	Nil
3.	Mr. Kriang Kiatfuengfoo	9,075,000	12,000,000	(2,925,000)
4.	Mrs. Arida Vidhyananda	Nil	Nil	Nil
5.	Mr. Somsak Potisat	Nil	Nil	Nil
6.	Dr. J. Peter Mills	Nil	Nil	Nil
7.	Mr. Surapong Chaingtong	Nil	Nil	Nil
8.	Mr. Nopadon Mantajit	1,273,419	1,273,419	Nil
9.	Mr. Somsak Ruamkid	700,000	700,000	Nil
10.	Mr. Kwa Boo Leong	1,273,419	1,273,419	Nil
11.	Mr. Edward Mervyn Jones	Nil	Nil	Nil
12.	Mr. Udom Chirapanathorn	955,064	1,273,419	(318,355)
13.	Mr. Chalermchai Martmuang	Nil	Nil	Nil
14.	Mr. Varin Cherdboonmuang	50	50	Nil
15.	Mr. Ray Kar Teik Ng	Nil	Nil	Nil
16.	Mr. Lawrence Chong	Nil	Nil	Nil
17.	Mrs. Angie Ean Kim Goh	Nil	Nil	Nil
18.	Ms. Montha Kongkum	189,572	1,209,738	(1,020,166)
19.	Mrs. Rungnapa Tantisuphakornsakul	Nil	Nil	Nil
20.	Mr Sukkij Rodpradite	1,164	91,164	(90,000)
21.	Mrs Uthaitip Sukasem	Nil	1,782,729	(1,782,729)
22.	Teerawat Pothsri	Nil	110,003	(110,003)

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 Chairmen 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, 4 Directors as Committee members.

Mr. Prica Attavipach	Chairman,
Mr. Ronald Ng Wai Choi	Managing Director
Dr. John Peter Mills	Executive Director
Mr. Somsak Ruamkid	Executive Director
Mr. Udom Chirapanathorn	(Resigned on 16 August 2007)
Mr. Edward Mervyn Jones	(Resigned on 6 September 2007)
General. Kittisak Rathprasert	(Appointed on 25 February 2008)

Attendee of the Meeting included

Mr. Rachan Kanjana-Vanit	Advisor
Mr. Varin Cherdboonmuang	Consultant
Mr. Chalermchai Martmuang	Secretary to the Committee.

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.

Mr. Kriang Kiatfuengfoo	Chairman
Mrs. Arida Vidhayananda	
Mr Somsak Potisat (<i>resigned w.e.f 1st March 2008</i>)	
Mr. Umyos Huvanandana	

The Audit Committee's terms of reference included the following:

- 1.Ensuring that all financial reporting is in accordance with generally accepted accounting procedures.
- 2.Ensuring timely and transparent regulatory compliance.
- 3.Making informed recommendations regarding the Company's accounting policies, practices, and disclosures.
- 4.Reviewing the scope, cost and results of internal and external audits.
- 5.Maintaining communication between the Board of Directors and the Company's internal finance department and/or external auditors.
- 6.Assessing the adequacy of the Company's administrative, operating and accounting controls and making suggestions for possible improvement.
- 7.review and nomination of external auditors for recommendation to the Board of Directors for adoption by the shareholders at the Company's AGM
- 8.Reviewing connected transactions involved with related companies.
- 9.Reviewing any matter that may potentially affect the financial welfare of the company.

During the Financial Year, the Audit Committee met 9 times with all members present at each meeting.

Remuneration Committee

The Remuneration Committee comprises, as at the date of the Annual Report, 2 Independent Directors and 1 Executive Director as the Committee members.

Mr. Kriang Kiatfuengfoo	Chairman
Mrs. Arida Vidhayananda	
Mr. Ronald Ng Wai Choi	Managing Director

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 annually, and additionally if necessary.

Nomination Committee

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

Mr. Pricha Attavipach Chairman

Mr. Kriang Kiatfuengfoo

Mrs. Arida Vidhayananda

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 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 annually, and additionally if 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 1/2007	14 May 2007
Financial Statement Quarter 1/2007 (Amendment)	12 Jul 2007
Financial Statement Quarter 2/2007	14 Aug 2007
Financial Statement Quarter 3/2007	25 Oct 2007
Financial Statement Year Ended 2007	26 February 2008

Summary of Announcements to the Stock Exchange of Thailand

HEADLINE	DATE
Reviewed Quarter 1 and Consolidated F/S (F45-3)	14 May 2007
Clarifying FS Quarter 1/2007	14 May 2007
Clarifying Q1/2007 (Additional)	15 May 2007
American Depository Receipt (ADR)	15 May 2007
The SET summarize THL performance of Q4/06 and Q1/07	23 May 2007
SEC requires THL to clarify the accounting recognition	28 May 2007
Clarifying SEC Letter No.SEC.CH 1327/2007	11 Jun 2007
SP and NP sign posted against THL	25 Jun 2007
Stock Exchange of Thailand Halts Trading of THL	10 Jul 2007
Legal case against a subsidiary	10 Jul 2007
The Stock Exchange of Thailand Resumes Trading of THL	10 Jul 2007
Reviewed Quarter 1 and Consolidated F/S (F45-3)	11 Jul 2007
Audited Yearly F/S And Consolidated F/S (F45-3)	11 Jul 2007
The SET lifts NP and posts NR against THL	11 Jul 2007
Board Resolution on recent allegation	11 Jul 2007
Clarifying operating result 2006 (Amendment)	12 Jul 2007
Clarifying FS Quarter1/2007 (Amendment)	12 Jul 2007
Financial Statement Yearly 2006 (Amendment)	12 Jul 2007
Reviewed Quarter 2 and Consolidated F/S (F45-3)	14 Aug 2007
Clarifying FS Quarter 2/2007	15 Aug 2007
Retirement of Director	16 Aug 2007
Clarifying Q2/2007 (Additional)	16 Aug 2007
Change in THL 's Board of Director	3 Sep 2007
Announcement on 2008 Annual Holidays	18 Oct 2007
Financial Statement Quarter 3/2007	25 Oct 2007
Reviewed Quarter 3 and Consolidated F/S (F45-30)	26 Oct 2007
Clarifying FS 3/2007	26 Oct 2007
Notification of Sea Mineral Limited capital reduction	15 Nov 2007
Sea Mineral Limited capital reduction (Additional)	19 Nov 2007
Director's Resignation	13 Dec 2007
Property Development Projects	19 Feb 2008
Financial Statement Yearly 2007	26 Feb 2008
Audited Yearly F/S And Consolidated F/S (F45-3)	26 Feb 2008
Clarifying the Financial Statements for the year ended 2007	26 Feb 2008
No payment of dividend and the date of AGM 2008	27 Feb 2008

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 am delighted to present to you the Management Report of Tongkah Harbour Public Company Limited (THL) and its subsidiaries for year 2007

The Company has come a long way since it was founded in 1906 beginning with offshore tin mining in and around Phuket Bay and now, with its subsidiaries, operates diversified core business activities in mineral exploration and mine production and property development. Mining activities consist of gold ore mining and processing, igneous rock (andesite) quarrying, and plans are in progress to further develop offshore tin mining operations.

During 2007, management focused on planning and implementation toward development and profitability in our core business activities. A report on the year's main developments and activities are presented below.

TONGKAH HARBOUR PUBLIC COMPANY LIMITED

INTRODUCTION

THL principle activities include

- 1) Tin mining
- 2) Property development
- 3) Igneous rock (andesite) mining
- 4) Investment holding.

THL started its first operations in Tin mining and still holds four Tin mining leases in and near at Phuket Bay covering approximately 15,327.91 rai (24.52 sq km). A section of water-front land at Phuket Bay, once held for tin mining proposes, is now a good prospect for prime property development activity when the Company feels the timing is right.

Igneous rock (andesite) mining currently in operation at Kaeng Khoi, in Saraburi Province, has surveyed resources of about 12 M tons and open to depth and laterally indicating a further approximate 15 M tons. The Company started operating on obtaining a mining permit in 1999. In order to control its four major activities efficiency, THL has to manage investment structure and assign each function properly. At the present, THL invests in four subsidiary companies with each operating in different supporting businesses.

IGNEOUS ROCK (ANDISITE) MINING

BACKGROUND

The Company's quarrying operations at Saraburi have been challenging in 2007 with poor sales of railway ballast given the moratorium on budgeting for new double-track projects by the State Railway of Thailand (SRT). Thus recognizing the need to diversify the quarry's financial dependence away from ballast. However, the Company dedicated much of 2007 to promoting the Company's non-ballast aggregate products.

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.

PRODUCTS

The quarry is one of the leading producers and suppliers of hard igneous rock materials in central Thailand producing 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.

A) Aggregates

The Company has been successful in increasing its share of the quality aggregate market demand focusing mainly on cultivating relationships with contractors to the Highway Department. The quality of our products, and our focus on customer service, has enabled us to secure several new contracts in this area. Given that our product is the only aggregate meeting Highway Department specifications for asphaltic road surfacing in the Kaeng Khoi region, we are also able to command a premium price for this product.

Pursuant to the SRT's intended improvement in the Kingdom's rail system, the Company investigated the prospects and viability of manufacturing railway sleepers utilizing our own aggregate. It was found that the timing of such an endeavor was not right as the SRT is promoting mainly track rehabilitation and repair at this juncture. Manufacturing our own sleepers would be dependent upon the SRT implementing new double track railway lines, which are pending but not

yet implemented. Accordingly, it was decided that it was in the best interest of the Company to remain a supplier to those contractors that are already in production of railway sleepers.

B) Ballast

As in year 2007, sales of railway ballast were relatively low due to the postponement of the SRT's double track and major rail maintenance projects for which budget releases by the SRT did not occur.

PRODUCTION AND DELIVERY

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 possible according to contract schedules.

The following table provides quarterly production figures for 2007. Although demand for our product is high, contractors have not been able to take deliveries as logistics and managerial problems at major project sites continue to be unsettled. Accordingly, production was put on hold in some months of 2007. However, it is now likely that bidding will resume in 2008 for extensive maintenance and double tracking in the central region requiring about 850,000 tons of ballast. Our quarry is in a good competitive location to supply this demand.

2007 AGGREGATE PRODUCTION (tons)

Item	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Road base	-	-	-	8,550.52	8,550.52
Railway Ballast	280.18	318.27	454.56	193.21	1,246.22
Aggregate ¾"	5,830.99	3,088.09	6,949.42	11,837.39	27,705.89
Dust (Coarse)	2,502.39	3,058.56	4,889.87	14,475.19	24,926.01
Dust (Fine)	1,199.54	379.33	683.51	597.62	2,860.00
TOTAL	9,813.10	6,844.25	12,977.36	35,653.93	65,288.64

TIN MINING

BACKGROUND

Even though tin prices have increased dramatically, the Government's extremely high royalty rates, a staggering 24%, the highest in the world, has force the Company to keep on hold offshore mining operations during 2007 pending results of negotiations with the Government to have rates reduced to more competitive levels..

MINING LEASES

The Company owns 100% of the following tin mining leases at Phuket, Thailand, and plans to apply to the Ministry of Primary Industry for extensions of said mining leases pending revisions in the royalty rates to more competitive levels, and subsequent revival of the local offshore dredging and mining industry.

TIN MINING LEASES

Lease No.	Date Valid to:	Rai	Area (sq m)
10866/13050	19 May 2006 (expired)	5,626.44	9,002,304
18071/13369	28 March 2008	2,362.35	3,779,760
18064/13448	28 July 2008	3,883.93	6,214,288
18065/13449	28 July 2008	3,455.19	5,528,304
TOTAL MINING CONCESSION AREA:		15,327.91	24,524,656

TIN PRICES

In keeping with the large price increases over the past three years, prices stayed high in 2007 and are expected to remain so. Tin prices closed at (USD) 16.25/kg at the end of 2007 and continued rising through the end of February 2008 at (USD) 18.7/kg. Price increases are due mainly 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. Current application include metal alloys, tin plating, lead-free soldering (particularly in the electronics and IT sector), and packaging.

OPERATIONS AND PRODUCTION

In mining its lease areas, the Company still adheres to the policy of using contractors utilizing their own dredges under the Company's technical supervision and control. The Company had planned to contract additional dredges to maximize production in view of much improved tin prices over the past three years. However, due to very high royalty rate hikes, mining the leases remained on hold through 2007 pending the Government's revision of royalty rates to levels more in line with international standards.

Royalty payments increased to an onerous 24% in 2004, the highest tin royalty rate in the world. As this severely impacts administrative cost, the Company has been requesting the Royal Thai Government to reduce rates to be more in line with other leading tin and base metal producing countries, which are charging, on average, rates of about 3%. The Company feels that Thailand's method of determining royalty rates on tin is antiquated and should be updated to reflect current international mining practices. The Company understands and believes that revision is being finalized for the Cabinet's approval.

In October 2007 ,the Royal Thai Government finally has reduced the tin royalty rate from the maximum progressive rate 60% at sale price over Baht 20,000 per hab to 20% at sale price over Baht 45,000 per hab thank to the realization of the Ministry of Industry in the original expensive royalty rate which negatively resulted to tin business development in Thailand and affected THL to stop the tin operation for 2 years.

PROPERTY HOLDINGS

BACKGROUND

At present, the Phuket Bay development project remains on hold pending Government preparations which have been held back as priority is given to solving tsunami related problems. The Company is still looking forward to implementing this project.

PHUKET BAY REHABILITATION PROJECT

In September, 2002, the Company submitted a comprehensive proposal to the Royal Thai Government for the rehabilitation and development of Phuket Bay. In 2003, the proposal was revised pursuant to further extensive research and upon receiving community input. The revised concept focused on development of a world class cruise ship terminal and related tourist facilities, plus a marina, convention and exhibition center, and recreation areas. The revision retained the proposal to upgrade the Princess Mother's Park to its original intent, and safeguarding of the Bay's extensive mangrove forest with a view to promoting eco-tourism as a major part of the development.

In 2004, the Royal Thai Government stated its intentions to develop a convention and exhibition center at Phuket Bay, and for which external participation is expected to be invited. However, since the tsunami in 2004, the Company put the project on hold. When the timing is right, the Company will endeavor to play a key role in the development.

PROPERTY

In 2004, Tongkah Harbour Public Company Limited acquired a 6-3-51.3 rai (11,005.20 sq m) parcel of waterfront land from the Siam Commercial Bank for Baht 25 million. Possession of this property joins the other two land areas (also waterfront areas) resulting in a single land parcel totaling about 24-3-36.4 rai (39,745 sq m). Ownership of this land as a single unit greatly increases the Company's prospects for major waterfront development in the future. No other significant changes occurred in property ownership in 2007.

In January 2008, the Company had signed the agreement to sell land in Phuket town with area 13,644 square metre to a company at Baht 60 million. The land has been purchased before year 1981 with cost of Baht 7.85 million and the present appraisal value of Baht 60.7 million. The Company received deposit payment of Baht 9.0 million and the remaining Baht 51 million shall be received within 4 month from the agreement date.

THL PROPERTY HOLDINGS

Area (sq m)	Location	Property Description
1,844.69	Bangkok	THL corporate headquarters located at the 7th Floor of the Muang Thai Phatra Complex, Tower 1.
39,745.00	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.
13,644.00	Phuket	Land with improvements located in Phuket town. (This land has been sold on Jan 2008)

INVESTMENT HOLDINGS

Tongkah Harbour Public Company Limited (THL) is the parent company of Tungsum Limited (THL), Cholsin Limited (CSL), Skycliff Limited (SCL) and Sea Minerals Limited (SML) with holding percentage at 98.86%, 72.1%, 75.00% and 89.99% respectively. The Company has been diversifying its mining business from original tin mining at Phuket to gold mining and other offshore tin mining areas.

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. The result was interest of the Company in the equity of Sea Mineral 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 will increase from 89.99% to 99.99% since 6 March 2008

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

SML was set up to manage pending offshore tin mining operations which figure prominently in the Company's plans for the future and should be highly rewarding. In 2007, SML further advanced its mining license application and increased its holding percentage in Sea Minerals Limited from 83.7% to 99.99%.

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 currently concentrating on implementing the Le Metro Condominium project in Bangkok under SCL.

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

TUNGKUM LIMITED

INTRODUCTION

Tungkum 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 Tungkum 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 consisting 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. Tungkum 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 13.3 M loan from Exim Bank, and completion of the development and commissioning phases, Tungkum 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%. During the year agreement was reached with Deutsche Bank on a USD 25 M refinancing package which will enable the Company to retire the loan with the EXIM Bank and proceed with phase 2 installations, improve efficiency in existing operations, and prepare 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

Tungkum Limited had been awarded the Block 4 concession totaling area of about 93 sq km in October 1991 afterward 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).

Tungkum 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

Within the approved batch of six mining license applications, the resources and mineralization are presented below. 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 Tungkum Limited'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	Tonnes	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

b	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	
b	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
b	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
b	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	
c	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-leach (CIL/CIP) methodology. The processing plant is designed to process up to 1,500 tons of ore per day with initial production mainly from the readily available oxide ore. Gold dore produced is being sent to Heraeus Limited's refinery in Hong Kong

With gold production and refining 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 Tungkum Limited's management team consisting of expertise in mineral exploration and mining, business, finance and administration.

OPERATION AND PRODUCTION REPORT

The total production for the year was 17,485 ounces of gold and 2,361 ounces of silver (by-product) at a total cash cost of USD 413 per ounce and total production cost of USD 503 per ounce of gold.

Tungkum successfully started operating with profit in 2006 with the support of all management and staff, and with good planning and comprehensive risk management. In 2007, the second year of operations, the Company faced many unexpected operational challenges reducing the profitability

Summary of gold production for the year ended 2007		
Mined	Tons	625,641
Milled or processed	Tons	513,646
Feed grade (reconciled)	Grams/tons	1.44
RECOVERY (RECONCILED)	%	78.90
Gold produced	Kg Au	543.83
Gold produced	Ounces Au	17,485
Silver produced	Kg Ag	73.43
Silver produced	Ounces Ag	2,361
Average gold price (2007 Sale price)	USD per oz	689.18
Cash cost	USD/oz	413
Total cost	USD/oz	503

GOLD PRICE, PROJECT FINANCING AND ECONOMICS

2007 Gold Price

Summary of gold price for the year ended 2007		
	<u>2007</u>	<u>2006</u>
Gold price average (2007 Sale price)(USD/oz)	695.39	603.46
Gold price close (Market price)(USD/oz)	833.75	632

During fiscal year 2007, gold prices averaged USD 695.39/oz compared to USD 603.46 for fiscal year 2006 and closed the year at USD 833.75/oz. In the first quarter of 2008, gold prices reached as high as USD 950/oz.

Project Financing

Project development was initially financed by a local consortium of banks. On 29 December 2006, TKL signed a new loan agreement with Deutsche Bank for USD 25 million, and part of the new loan was utilized to refinance the local consortium banks' agreement. The drawdown of USD 25 million was then completed on 29 January 2007. The remaining loans will be utilized to for further plant expansion and proving of reserves. At the end of 2007 the Company had a remaining loan balance of USD 19.27 million; USD 2.5 million was already spent to improve and expand production by installing the second ball mill and crushing plant equipment to treat T-1-8 ore expected in early 2008.

FUTURE PLANS

DEVELOPMENT AND GROWTH STRATEGY

Our strategy in order to improve and develop production

1) Oxide ore from T-1-8

The Department of Primary Industries and Mines (DPIM) has already permitted mining and transfer ore in T-1-8 area since 19 February 2008. The surface ore at T-1-8 is oxide ore which is easier to process and at less cost. Fixed costs will not increase significantly as the present staff can operate both mills efficiently. Only certain variable costs are expected to increase. Also, the Company will achieve greater economics of scale as ore from T-1-8 will be transported and processed at T-1's existing processing facilities rather than setting up separate production facilities.

2) Major expansions to the existing plant

The production level will be increased once the second ball mill, leach-adsorption detox tanks, and thickener start operation. The second mill will be able to process the transitional and sulfide ores more efficiently and which are also higher grade than the oxide ore. Nevertheless, the Company delayed on the installation schedule to complete entire additional production system for improve production in 2007. The second ball mill and leach-adsorption detox tanks have been completed installation since December 2007 and the thickener will be completed in February 2008.

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

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. Porphyritic 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 to 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) full exemption from import duties on machinery until 25 Feb 2008;
- 2) 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
- 3) an 8 year exemption from corporate income tax and a 50% exemption for 5 years thereafter. The benefit started recognizing since the first day of revenue recognition which was 15 September 2006.

CHOLSIN LIMITED

CRUSHING PLANT OPERATIONS

Rock crushing operations have been contracted to Cholsin Limited (CSL), the Company's 72.10% owned subsidiary, since June 1998. CSL had acquired relevant rock crushing experience as underground mining operators at the former Toh Moh gold mine in southern Thailand. CSL's five-year crushing plant permit, granted on 31 December 2002, expired on December 31, 2007. A renewal application was filed at the Saraburi Industrial Works Office on October 16, 2007 and an extension was granted valid to 31 December 2012.

PRODUCTION AND DELIVERY

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). Although demand for our product is high, contractors have not always been able to take deliveries as initially scheduled as logistics and managerial problems at major client project sites remained unsettled. Accordingly, production was shut down from January to September in 2007. However, it is now likely that bidding (scheduled for 13 January 2008) will be resumed in year 2008 for extensive maintenance and double tracking in the Central region requiring some 850,000 tons of ballast. Our quarry is in a good competitive location to supply this demand.

Production – Crushing and stockpiling of Blasted Rock (tons)

October	--	2,900.8
November	--	17,656.4
December	--	11,989

SEA MINERALS LIMITED

INTRODUCTION

Sea Minerals Limited (SML), a offshore tin mining company, with control and working interest 99.99% held by Tongkah Harbour Public Company Limited (THL).

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) bearing sediments. Based on extensive exploration results, the quantity of tin contained in these sediments has been estimated at around 41,460 tons at a cutoff grade of 0.15 kg cassiterite per cubic meter, making it one of the largest unexploited tin deposits in the world.

BACKGROUND

After first exploring this area some two decades ago, Sea Minerals Limited concluded that the depth of the resources made it technically and economically too difficult to mine and tin priced collapsed, therefore, shifted their corporate focus away from offshore tin mining. THL, however, feels that mining of the lease area is now technically and commercially viable due to recent advances in deepwater mining technology.

In 2007, THL maintained its 89.99% holding and full corporate and managerial control in its associated company, SML. The remaining 0.01% shareholding is vested in the treasury of SML as the former shareholder is now a defunct entity. Although THL is currently inactive in offshore tin mining, SML has filed mining plans for its previously submitted mining lease application in the Andaman Sea, about 25 km offshore northwest of Phuket Island.

In February 2007, THL 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. The result was interest of THL in the equity of Sea Mineral 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 will increased from 89.99% to 99.99% since 6 March 2008.

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 Jan De Nul (JDN), a world class dredging company to be within deepwater mining technology 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 17,200 per ton, SML would definitely provide a healthy return.

2) Technical design: Based on the presentation and the data that we provided, the initial response of IHC Holland (IHC), (one of the world's leading engineering firms for design and construction of dredges) is that the SML 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 target 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 propose the dredging engineering plans and complete 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 and zircon, 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 Tonnes
Present Tin Price @ 29 th Feb 2008	USD 18,695 tonnes
Target Annual Tin Production	4,000 Tonnes

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 rutile, ilmenite and zircon. 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.

Potential

With production at 2,000 tonnes per year of contained tin, and a value of (USD) 17,200 per tonne, gross revenue would be (USD) 28,000 per year. With annual operating costs estimated at about (USD) 11,000 revenue before taxes would be about (USD) 17,000 per year, and with mine life expectancy of at least 12 years. Given the buoyant tin prices which are expected to remain high for the foreseeable future, (as well as for related accessory minerals), the project is financially attractive for the Company.

Capital Costs

The capital cost of the project capable of producing 2,000 tonnes 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.

Operating Cost Estimates

The operating cost estimates are based upon a project treating 11.4 million cubic meters of sediments and producing 2,000 tonnes of contained tin metal per year.

The equipment and plant used in the operations include the following:

1. Offshore dredging and heavy mineral concentration plant
2. Onshore cassiterite separation plant
3. Ancillary vessels, accommodation, crew transport etc
4. Dock operations, unloading equipment etc
5. Trucks and light vehicles
6. Smelting charges payable to Thaisarco.

It should be noted that most of the operating costs are fixed and that the cost per cubic meter processed is highly dependant on the level of production.

The total annual operating cost has been simplified by considering & estimating the categories of labor, fuel, and materials.

As previously stated the estimate is for a 11.4 million cubic meter project. The operating cost is estimated at USD 1.0 per cubic meter processed.

Potential Returns

Mining will require one very large dredging and processing unit, or two smaller ones.

The project has a target production of 2,000 tonnes of tin metal per year which would, at present prices, generate USD 28 million per year. With the cassiterite/tin grades estimated this would require the excavation and processing of around 11.4 million cubic meters of sediments per year.

The cost of operating the project to produce and process 11.4 million cubic meters is estimated at USD 11.0 million per year giving an operating cost of around USD 1.00 per cubic meter. Using these estimates an operating profit of around USD 17.0 million could be generated each year provided the tin price stays at its present level.

FUTURE PLANS

Sea Minerals will be pushed ahead with laying 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.

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 is proposing 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.

1. **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.

2. **Condo Units:** At current planning, the project will offer a total of 629 individual condominium units for sale to the public (excluding office spaces and other). Unit types will consist of: 80% one bedroom (1+1), and 20% two bedroom including 3 and 4 bedroom units. Following is a unit breakdown of the total project by the number of bedrooms:

Unit T ype:	Number of Units:
4 Bedroom	2
3 Bedroom	6
2 Bedroom	182
1 Bedroom	439
Total Units	629

The Condominium will be an “intelligent” building equipped to provide high-tech option to all condominium owners, including broadband internet access, home automation, and integrated security management systems. The home automation system will allow the owner to customize the controls of all electrical appliances located within the unit while also maintaining the temperature of the unit.

3. Parking & Services: The basement floors through to fifth floor will be for parking providing about 368 spaces. The ground floor (double height) will feature a garden-themed lobby, reception and concierge services, an office and business center, a laundry & hair salon shop, and a family restaurant. In addition, the basement floor will offer 15 storage units which will be available for sale or lease to condominium owners. The sixth floor, in addition to condo units, will provide condominium owners with various amenities, such as: a 25 meter lap pool, a children's swimming pool, a Jacuzzi, and fitness facilities. The area surrounding the swimming pool will be utilized as a multi-purpose area suitable for outdoor gatherings.

4. Security: The building will be secured with key-card access only to the building and parking areas. Entry areas will be monitored and will include digital recording of CCTV at the lift areas and the lobby.

The Company expects all relevant discussion and confirmation to be finalized during the first quarter of 2008, and construction and marketing activities to begin in the second quarter.

MANAGEMENT DISCUSSION AND ANALYSIS

During Financial Year 2007, The Group main activity is the gold mining business which began in Year 2006 and continues to bring in revenue for the Company. However, due to several factors from internal and external environments, the Company's operating results are not as encouraging as compared to Financial Year 2006.

TIN ORE BUSINESS

In 2007, 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), so that SML's substantial offshore leases in the Andaman Sea can be put into production as soon as possible. Estimated tin production is expected to be about 2,000 tones per year with mine life of at least 20 years, pending tin prices and cutoff grade established.

ANDESITE BUSINESS

Andesite sales for the year ended 2007 decreased from Baht 21.08 million to Baht 8.98 million and the cost of sales was reduced to Baht 8.13 million from Baht 17.41 million in Year 2006. The decrease in sales was due mainly to the postponement of SRT's double track project which did not start in 2007 as expected and, therefore, prevented the Company reaching its aggregate sales targets.

GOLD BUSINESS

In year ended 2007, the Company's produced 17,485 ounces of gold which was all sold within the year. Revenue of Baht 419.12 million and a net gross margin of 23.27%, or approximately Baht 97.55 million, were realized. A shortfall in production output resulted in Tungkom (a Company subsidiary) reporting a net loss of Baht 93.09 million.

PROFITABILITY ANALYSIS

The Gross profit margin of the Company was reduced by 28.43% as compared to Year 2006, but costs increased by 19.39%. This was mainly due to higher production cost in the Gold Mining operation as the Company is focusing in various efforts to improve the gold production. The reduction in the Gross profit margin together with the increase in operating costs has also resulted in a loss position for the Company in Financial Year 2007.

LIQUIDITY ANALYSIS

The liquidity position of the Company was affected during year 2007 as the Company invested a substantial amount in expanding production capacity in the gold mining operation hence an increase in the outflow of cash as part of the financing came through internal funding.

The Company expects the liquidity position to improve in Year 2008 with the increase in production capacity and output in the gold mining operation.

FINANCIAL STATUS

Asset

The total assets as of December 31, 2007 were Baht 1,899 million, increased by Baht 103 million from 2006 or 5.7%. Current assets decreased by Baht 82 million due primarily to decrease in cash and cash equivalents of Baht 72 million. The reduction of the cash and cash equivalent was mainly due to creating a US dollar deposit in a local branch of the foreign bank to secure the bank overdraft and bank guarantee for mining operation purposes and investment by the Company's Subsidiary for the installation of a second ball mill in the Gold processing plant section. The reduction of the cash and cash equivalent was partly offset with the increase in inventory holdings in work in progress.

Non-current assets increased by Baht 185 million. During the year, the Company began the installation of its second ball mill, leach-adsorption, detox tanks, and thickener, in order to improve the gold production. The Completion of the above equipment will enable the Company to process sulfide and transitional ore more efficiently as compared to the original capacity, which was designed mainly for oxide ore. During the year there was also reclassification of funds classified under Cash and Cash equivalent to long term investment-deposits at bank, which in return helped the Group to secure working capital for ongoing gold mining operations.

Liabilities

Total liabilities as of December 31, 2007 were Baht 839 million which was an increase of Baht 256 million or 43.9% as compared to Financial Year 2006. Current liabilities increased by Baht 15 million due mainly to accrual of royalty fees payable to ALRO which the Management of the Company is not agreeable to it and is in the process appeal as the fee charge is unfair and unreasonably high. Accounts payable is higher at year end due mainly to accumulation unpaid creditors at year end.

Non-current liabilities increased by Baht 241 million. The increase of the non-current liabilities was due mainly to increase in the Company's Long term loan. The Loan has been used to finance the Company's expansion of the gold processing plant enabling the Company to have a larger production volume which shall result in increased production output in Year 2008.

During 2007, the Company underwent a refinancing exercise to secure a new loan agreement amounting to USD 25 millions with a foreign bank. Through the refinancing, the Company is able to achieve the following direct and indirect benefits

1. Saving on interest expenses from the new loan.
2. Price band of the new loan is beneficial as it will allow the revenue from gold sales to be at a free-range (band) compared to a forward sale, at a time when gold prices are markedly rising, as requested by the original financier.
3. Benefits on release of collaterals as follows:
 - 3.1 Release of collateral in a fixed deposit of Baht 70 million, resulting in interest expense savings amounting to Baht 13.3 million.
 - 3.2 Release of collateral in 6 land-title deeds (located in Bangkok and Phuket) in which the book value was Baht 57.71 million and the 2007 appraised value was Baht 225.5 million; consisting of
 - One title deed on Ratchadapisek Road, Bangkok (the total project consisting of three title deeds having the 2007 appraised value of about Baht 545 million) for

which the subsidiary company has plans for an office and residential building construction and development.

- Five title deeds in Phuket will be pledged to finance SML's off-shore tin mining project
4. USD 1.0 million (approximately Baht 36.23 million) in gold sales proceeds that had been kept by the local bank as additional loan security, has been returned to the Company, as a result of the refinancing arrangement, and now benefits the Company directly as working capital.

Cash flow for operating activities

Higher production costs and operating expenses has resulted in a negative cash flow position for operations activities. The increase in production costs were due mainly to increases in direct material costs such as sodium cyanide, hydrated lime and sodium metabisulfite.

The operation cost increases were due mainly to the increase in royalty fees and one-off bank charges incurred during the year. The Management will focus on its cost control exercise and at the same time persist in efforts to improve revenue Company revenue.

Cash flow from investing activities

Purchasing for property, plant improvements, and equipment, were the main cash outflow items for the Company as it expanded the gold ore processing plant through installations including the second ball mill, leach-absorption, detox tank, and thickener, in order to support processing of the transitional and sulfide ores.

The Management does not expect significant capital expenditure to occur again in Financial Year 2008.

Cash flow from financing activities

The financing of the Company's expansion and working capital were main external financing with several local banks, the local branch of a foreign bank, and the foreign bank. During the year the Group refinanced its financing with a foreign bank which resulted in a new financial arrangement of USD 25 millions to fund the Capital expenditure and a Baht 30M bank overdraft to support the Company's working capital.

OPERATING LOSSES

The Group's (THL and its subsidiaries) operating losses of Baht 147.95 million compared with net profit of Baht 2.071 million in year 2006 were due mainly to losses incurred by the subsidiary Tungsum Limited (TKL) for reason as follows:

1. Decrease in Revenues:

TKL's revenue from gold sales did not coincide with the market price which greatly increased in 2007. The sale price through most of the year had been limited to USD 712 per ounce as per the export contract. However, upon further negotiation, the Bank adjusted the sale-price limit to USD 820 per ounce from December 2007 until February 2008.

2. Lower Gold Production:

Production fell below the forecast of 25,000 ounces for 2007 because of the lower than expected ore feed grade, and a recovery rate lower than the estimated 90% expected at the beginning of the year. Recovery was hampered by sulfide ore appearing earlier than expected in the oxide ore zone and, being harder and more difficult to crush to the required size range, which lowered the total ore quantity processed. Some improvement in the recovery process was achieved through installation of

oxygenation facilities in the leach tanks, completed in April 2007. However, chemical reagent costs and manpower costs increased over the year thus adding to production costs.

(Production in 2007 was 17,485 (oz) compared to 12,203 (oz) in 2006.)

3.Foreign Exchange Rate

The strong value of Thai Baht in 2007 had a direct negative effect on TKL's operations because the gold sales were based on the US dollar, but TKL's production costs were in Thai Baht. Therefore, production costs increased as the Baht appreciated against the US dollar. However, the Company still had a positive effect on TKL's USD loan from gain on exchange rate Baht 26.92 million to offset the negative effect.

4. Selling and Administrative Expenses

These expenses increased by Baht 41.33 million when compared to year 2006 (a 58.13% increase). The increase was mainly due to payments made to related Governmental agencies, and increases in staff and staff salaries in line with the full scale production. The operation in 2007 was for a full year cycle as compared to a four month cycle for year 2006.

5. Amortization of Deferred Exploration

Amortization expenditures amounted to Baht 54 million based on stockpiled ore processed in 2007. Depreciation amounted to Baht 66 million, because of fixed assets calculated as obtained and starting in operation during 2007.

6. Royalty Rate Increases

Rate increases to the DPIM and ALRO in 2007 from 2.5% of sale price to a progressive rate of between 2.5% to 20% of the gold-market price resulted in royalty payments of Baht 28.6 million in 2007.

7. Higher Production Costs:

A) Ore running at higher viscosity than expected was encountered forcing down throughput with the lowering of pulp density. This development increased production costs because there as less ore throughput per unit time and more resources are needed to correct the problem. This feature of the ore processing appeared later in the production stage and was not demonstrated in the laboratory test stage or appear in initial production.

B) It had been planned to excavate and process the oxide ore from target T-1-8 beginning in June of 2007. The ore would have been blended with the oxide ore from T-1. However, the required permit to start excavation was withheld and thus necessitating a more protracted mining operation than originally planned Up to the date of reporting the permit to mine at T-1-8 has still not been granted though the Company has met all requirements and the ground has been fully prepared for mining.

[Production costs (Baht/oz): in 2007 (avg: 17,431), in 2006 (avg: 13,044)]

Costs were high in year 2007 as compared to year 2006 due to lower feed grade and the higher consumption of oxygen and related chemicals. Also, additional costs involved renting of additional equipment and machinery for improvement of the waste dump areas for transition and sulfide waste rock; increasing the capacity of the tailing storage facility; and improving the wetlands for treatment of water runoff from sites T-1, T-1-8, and the processing plant site area.

8 Gold purchases

Due to the lower gold production, the Company is now required to purchase gold to meet its monthly gold sale obligation to its export contract. The purchases are being made just before the delivery date and immediately delivered to the bank to meet the obligation. However, the Company does not trade

in the gold market nor take positions. The management does not expect this to continue, as immediate action is being taken to increase production.

Purchases in 2007: avg 6,579 oz at avg price of Baht 24,664/oz. In 2006: Nil;

COMPANY LISTING STATUS

In November 1997, the Stock Exchange of Thailand (SET) notified Management that Tongkah Harbour Public Company Limited (THL or the Company) was not generating enough income from tin mining activities to warrant listing on the stock exchange. Consequently, the Company's shares were suspended from trading on 23 December 1997. The SET also stipulated that THL appoint a financial advisor and that an operational plan be developed and submitted to the SET. The Company complied with the SET's requirements and, in cooperation with the Company's appointed financial advisor, submitted an operational plan to the SET after approval by the Board of Directors and shareholders at its AGM in April 1998.

The SET approved resumption of share trading on 24 March 2003. Subsequently, throughout year 2005, the Company was engaged in mine development work and not making profit. Consequently, in November 2005, the SET again suspended trading of Company shares as no profit had been generated for three consecutive quarters. Once the Company returns to profitability for three consecutive quarters, the suspension will be lifted upon satisfaction of the SET.

The Company reports its project activities and progress to the SET quarterly as required. In these reports, the Company compares actual results with the financial projections presented in the Operational Plan.

Since Tungkhum Limited (TKL) started gold mining operations in 2006, gold production aided in turning the Company's operations from the loss into marginal profitable operations. Accordingly, the SET reinstated the Company's security trading on 4 May 2007.

ALTERNATIVE INVESTMENTS

In addition to being listed on the SET, the Company pursuant to the AGM held in April 2006; obtained shareholders' approval to pursue the issuance of American Depositary Receipts (ADR). The Company is also looking into alternatives for listing its subsidiaries on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE). These are well recognized alternatives and opportunities to broaden the Company's share holding base and expand its investment in global financial markets.

AIM Listing

The Company may pursue the listing on the AIM for its subsidiaries for raising of equity funds for its working capital and exploration plans. THL's Executive Board has previously met with the LSE's Southeast Asia Area Manager. He has indicated his interest to assist our listing TKL, and also Sea Minerals Limited (SML), on the AIM.

The Management is working on tabling the recommendations to the BOD and the shareholders that TKL and SML shares be traded on the AIM as the London markets are familiar with the mining industry. They have lengthy experience and in-depth knowledge in financing mining ventures through their multi-billion pound sterling capital markets. The proposed scheme would, upon due consultations with a Nominated Advisor (Nomad), legal advisor in Thailand and the United Kingdom, for compliances; particularly in share registration, the sponsoring brokers, and tax and foreign exchange issues. The proposed plan would be for:

1. TKL to be listed on the AIM through an IPO by placement of existing shares held by THL as well as the issuance of new shares by TKL to raise funds. The funds would be directed for further proving up of reserves in the 114 Mining Lease Applications (MLA's - covering 52.62 sq km) and 8 Special Prospecting Licenses (SPL - covering 38.4 sq km) already filed with the Department of Primary Industries and Mines (DPIM). The proposed exercise was initially timed for after commencement of the Gold mine in Loei. However due to the delay in gold project commencement and production; the exercise has been postponed.

2. SML would be listed on the AIM through an IPO by issuing of new shares after the verification and re-valuation of the tin deposit, and upon the anticipated lowering of tin royalty (for which support was indicated in a meeting with the Secretary General of the Ministry of Finance). The Finance Ministry is awaiting the proposal from the DPIM.

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 ADS's at an attractive market price, which is currently about USD 8 to 9 per ADS. Since the Stock Exchange of Thailand reinstated the Company's security trading, the ADS is adjusted to reflect the market value of the shares..

CONNECTED 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 guidelines (meeting No. 4, August 27, 2002) stating that sums up to Baht 500,000 require approval of the Managing Director or any two directors, amounts between Baht 500,000 and Baht 2 million requires the approval of the Managing Director, and transactions above Baht 2 million must be approved by the Board of Directors. In the latter case, any involved parties must abstain from voting on the transaction; and said transaction must be scrutinized by the Audit Committee and reported to the SET pursuant to SET regulations relating to the disclosure of connected parties transactions.

CONNECTED TRANSACTIONS ENTERED INTO BY THE COMPANY

Company	Aspac Construction Limited (ASPAC)	Sino Pac Development (Thailand) Limited (SPD)	Sintana Holdings Limited (SH)
Transaction Type	Overdraft (O/D) facility of Baht 14 million	As SPD (through AsPac) allowed THL to use its Baht 14 million overdraft credit facility. THL was requested by SPD to provide a secondary land mortgage registration with the bank of additional Baht 12 million on behalf of SPD.	Short term loan from SH
Transaction Value & Criteria on Net Tangible Assets	The balance of short term loan as at December 31, 2006, was Baht 138,320.(2007:Nil)	Baht 12 million land mortgage. This value represents less than 3% of the latest audited 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 (12,000,000/1,802,631,000) derives a percentage of 0.67%.	The balance of short term loan as at December 31, 2006, was Baht 713,343.(2007:Nil)
Reason for Transaction	In 1999 THL accepted financial assistance from AsPac due to severe cash flow restraints brought on by the extremely tight credit market. The financial assistance rendered was used primarily to support the high strength aggregate quarry operations and as THL's working capital.	To provide working capital for THL and its controlled entities.	To provide funds for the capital increase of its subsidiary, Tungkum Limited, in accordance with the requirements of the Banking institutions that are providing the medium term loan for its gold project.
Terms and Conditions of Transaction	<p>1) The facility was made exclusively for THL and its controlled entities for working capital.</p> <p>2) THL pays the monthly interest charge directly to a bank at the prevailing rate.</p> <p>3) THL provided collateral consisting of land at Saraburi province in the amount of Baht 4 million. The remaining Baht 10 million of the facility is secured by AsPac's group collateral.</p> <p>4) The OD facility is allocated to THL and its controlled entities without other charges.</p>	When THL no longer utilised the Baht 14 million OD facility, the Baht 12 million secondary registration will be released.	In terms of the loan, interest charged between each party is at the prevailing rate charged by the bank.

Company	Aspac Construction Limited (ASPAC)	Sino Pac Development (Thailand) Limited (SPD)	Sintana Holdings Limited (SH)
Scope of Connected Persons/ Relationships	THL and AsPac are connected to the extent that Mr. Ronald Ng and the late Mr. W. Sukasem were directors of both THL and AsPac at the time of the transaction. Per THL policy, these persons abstained from voting in connection with this transaction.	THL and SPD are connected to the extent that Mr. R. Ng, the late Mr. W. Sukasem, and Dr. J.P. Mills were directors of both THL and SPD at the time of the transaction. As per THL policy, these persons abstained from voting in connection with these transactions.	THL and SH are connected as SH is one of the major shareholders in THL.
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.	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.

CONNECTED TRANSACTIONS WITHIN THE GROUP

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 Mineral Limited SML)
Transaction Value				
Principal	Baht 44,250,105	Baht 78,195,680	Baht 96,826,565	Baht (36,420,000)
Acc. Interest	Baht 17,528,168	Baht 46,975,887	Baht 18,180,017	Baht (187,686)
Scope of Connected	Share holders 98.86%	Share holders 72.10%	Share holders 75.00%	Share holders 99.99%
Persons/Relation-ships	Joint directors	Joint directors	Joint directors	Joint directors

GENERAL GOVERNMENT LIAISON AND PUBLIC RELATIONS

GENERAL AND GOVERNMENT LIAISON

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

Offshore Tin Mining Operations

On 5 November 2004 the Phuket District's Attorney filed a lawsuit against the Company concerning offshore tin mining operated by the Company's contractor and consisting of: Criminal Case No. Black 2825/2546 consisting of two charges (now under appeal): 1) the slime diffusion devices were not used by the dredge during the dredging operations over the seabed ground, and 2) the engines installed on board the dredge were changed without notification being submitted to the local Mineral Resources Office.

On 5 November 2004 at 13.30 hours, the Phuket Provincial Court ruled in favor of the Plaintiff and declared that the Company was to pay a fine of Baht 5,000 on each of three charges. The Court recommended that, if the Company did not agree with the judgment, it should lodge an appeal to the Appellate Court. The Company lodged an appeal on 29 December 2004 and the Case is now under the Court's consideration.

Sky Cliff's Case

Construction Cost Consultants Limited Partnership (CCC) initiated legal action against Sky Cliff Limited (SCL), a subsidiary of the Company, in the Civil Court on 25 May 2005 for full payment of service fees amounting to Baht 491,531.24. SCL rejected the claim as not all services had been rendered pursuant to agreement. The Civil Court ruled in favor of the CCC and declared that SCL was to pay fees amounting to Baht 491,531.24 plus 7.5% interest. SCL did not agree with the judgment and lodged the appeal to the Appellate Court on 11 October 2006.

On 19 September 2007 the Appeal Court and Civil Court summoned both parties to appear on 20 November 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 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 Case on Financial Statement Submissions to the SEC

The SEC has accused THL of Late Submission of Financial Statements for the year ending 31 December 2006 and for the first quarter of 2007. On judging THL guilty of the late filing, the SEC submitted the case to the Settlement Committee for fine assessment on 3 December 2007 at 18.00 am. Subsequently, on 3 December 2007, the SEC Settlement Committee assessed THL fines of Baht 89,500 and 92,062.50 for the two violations respectively (totaling Baht 181,526.50). If THL accepts, it is to pay the fine by 11 December 2007.

However, according to the Abolition Act BE 2550, on occasion of H.M. the King's Birthday, if THL pays said fine before 5 December 2007, it will be granted absolution and, moreover, any record of violation on THL's part against the Securities and Exchange Act BE. 2535, will be deleted. Accordingly, THL accepted and paid the fine on 4 December 2007.

MINING INDUSTRY AND COMPETITION

Marketing

Tin and Gold Mining Operations:

Product concentrates are sent to the refinery for final processing. Prices for tin and gold 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 pr-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 slow down in payments by the client.

Competition

Offshore Tin Mining:

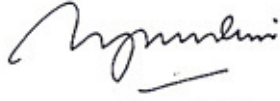
There is no significant domestic competition at this time. One other mining company also has offshore mining rights, but has ceased offshore mining operations.

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. The management and the staff are to be congratulated on 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.

A handwritten signature in black ink, appearing to read 'Ng Wai Choi', with a horizontal line underneath.

Ronald Ng Wai Choi,

Managing Director

1st March 2008

DIRECTORS' STATEMENT

Dear Shareholders,

The Public Limited Companies Act B.E. 2535, legally requires directors to maintain adequate accounting records and to prepare annual financial statements that represent fairly the financial position of the Company and its controlled entities at the end of the financial year. In addition, directors are responsible for preparing and presenting to the Company's shareholders an audited balance sheet and statement of profit and loss for the fiscal year. The Code of Best Practice for Directors of Listed Companies as provided by the Stock Exchange of Thailand, 1999, further stipulates that directors are responsible for the accuracy, completeness, and transparency, of said financial reports.

The annual financial statements appearing in the financial statement section were prepared in conformity with generally accepted accounting principles utilizing appropriate accounting policies supported by reasonable and prudent judgments and estimates.

The directors are of the opinion that these financial statements, balance sheets, and statements of profit and loss fairly represent the financial position and state of affairs of the Company and its controlled entities as at 31 December 2007, the end of the Company's fiscal year in accordance with relevant laws and regulatory guidelines. Upon directorate review of the Company's Operational Plan, the Company's current financial position, financial obligations, and borrowing facilities, the directors are satisfied that Tongkah Harbour Public Company Limited and its controlled entities identified will be sustained as a going concern.

The above opinions are provided to the shareholders based on the Board of Directors' continual monitoring of the Company's performance and operations through director's meetings, reports received from management, reports from the Company's internal auditor, and the external auditor's report. The Audit Committee of the Board of Directors has consistently monitored the system of financial reporting and the Company's internal audit system with unrestrained access and have reported to the Board of Directors on their findings that the financial statements presented in this report were transparent and in accordance with generally accepted accounting principles. The report of the Independent Directors and Audit Committee is included in this report.

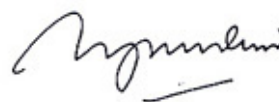
Independent auditing and reporting on the Company's financial statements was undertaken by the Company's external auditor, A.M.T. & Associates, in compliance with generally accepted accounting principles. A.M.T. & Associates' independent and unqualified report on these financial statements is shown in the auditor's report section.

In accordance with the Company's shareholder relations policy, the Board of Directors encourage shareholders to attend the Annual General Meeting where any issues or concerns can be raised by either shareholders, investors, or the Board. In addition, shareholders and investor inquiries may be directed to the Company Secretary at any time.

For the Board of Directors,



Mr. Pricha Attavipach



Mr. Ronald Ng Wai Choi

AUDIT COMMITTEE AND INDEPENDENT DIRECTOR'S REPORT

Dear Shareholders,

As provided by the requirements and guidelines of the Stock Exchange of Thailand (SET), and outlined in the Best Practice Guidelines for the Audit Committee, Tongkah Harbour Public Company Limited (the “Company”) has an established Audit Committee to ensure the company’s compliance with generally accepted accounting principles and regulations, sufficient information disclosure, and to assess the Company is well-positioned to continue following best governance practices.

In year 2007, the Audit Committee met on nine occasions to effectively and responsibly carry out duties as further outlined in the Corporate Governance Statement Section. The Audit Committee held 5 meetings with the external auditor, the internal auditor and the management to review the consolidated and company financial statements, 2 meetings to consider the restate financial statements for the year 2006 by SEC instruction, and 2 meeting with internal auditor and the management to assess the company’s internal control and risk management and review gold mine operation and property development of subsidiary.

The Audit Committee comprises three independent directors appointed by the Board of Directors that have appropriate experiences in accounting and financial matters. 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. If necessary, the Committee may also seek external advice from independent professional advisors. A qualified accountant acts as the Internal Auditor and secretary to the Audit Committee.

The financial statements for the year ended 31 December 2007 were prepared by 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 2007, the Audit Committee hereby submits its findings as follows:

1. The Company’s accounting policies are in accordance with generally accepted accounting principles and that information disclosures were sufficient. Reports and interim consolidated financial statements (inclusive of previously implemented connected transactions with related companies or parties) were also in accordance with generally accepted accounting standards and regulatory requirements.
2. Internal Control and Internal Audit, the Audit Committee reviewed the assessments of the company’s internal control system, the Audit Committee is of the opinion that the company’s operations have been appropriate and has found no significant weaknesses in its conduct of business.
3. In year 2007, the Company had changed its accounting policy for its investments in subsidiaries in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No.44 “Consolidated and Separate Financial Statements” (revised 2007), the change had been applied retrospectively for the separate financial statements for the year ended December 31, 2006. After due and careful consideration, the adjustments made to the separate financial statements are appropriate and have been properly applied.
4. On July 9, 2007 the Audit Committee met with external auditor and the management to consider the adjustments of financial statements for the year 2006 by SEC letter dated June 25, 2007 (ref: SEC.CH. 1479/2550) in regards to the opinions from the accounting practices and governance steering committees with regards to accounting treatment and records as well as

the disclosures in the financial statements by Tongkah Harbour PCL (the Company) was not in compliance with Generally Accepted Accounting Practice (GAAP) therefore SEC ordered the Company to restate its audited Financial Statement for the year ended 31 December 2006 and its reviewed Financial Statement for the first quarter 2007. The instruction was as follows:

(1) Production Sharing for year 2006 paid to Department of Primary Industry and Mines (DPIM) amounting Baht 4.1 million should be recorded in the Financial Statement for the year ended 31 December 2006 and removed from the Financial Statement for the first quarter of 2007.

(2) The prepayment expenses on the refinancing of loan amounting to Baht 11.6 million must be disclosed as “an event after the balance sheet date” as a note to Financial Statement for the year ended 31 December 2006. Also, the Company wishes to disclose the benefits of the new borrowing.

(3) To consider if the legal fee of Baht 4.7 million should be deferred and amortized over the loan life in order that the nominal interest rate can be computed. After due consideration, the Company is under the perception that the practicality of the deferral, adjusting to real interest rate and its sizable concern of Baht 4.7 million legal fees against Baht 906 million loan would be too marginal and immaterial. In addition, the four year amortization would further caused the amount to be insignificant to take such action. Further, to include the legal fee to interest and cost of assets acquired for the expansion and proven-up of reserves would give rise to the problems in identifying the amortizable cost of sales to be deferred, real interest rate determination, and cost of assets acquired. This treatment of the legal fee would be inefficient based on the cost and benefit analysis

5. The Audit Committee is satisfied that there is an ongoing process of identification, evaluation, and management of risks faced by the Company as internal audit and control systems are continuously monitored. The Audit Committee has also ensured that all connected party transactions was reviewed by the Committee and satisfied that the transactions were at arms length market value and interests charged are also per financial institution’s rate.

The Audit Committee recommended to the Board of Director that Professor Kesaree Narongdej and/or Mrs. Natsarak Sarochanunjeen of the firm A.M.T. & Associates, be nominated to the shareholders to reappoint as the Company auditor(s) to conduct the audit of financial statements for the year ended December 31, 2008 at the next Annual General Meeting of the Company.



Mr. Kriang Kiatfuengfoo
Independent Director and Chairman of the Audit Committee,
Bangkok: 1 March 2008

Note: Mr. Somsak Potisat was resigned from Audit Committee Member to Non Audit Committee Member with effective on March 1, 2008.

Mr. Umyos Huvanandana was appointed as an Independent Director and Audit Committee Member by resolution of the Board on February 25, 2008.

TONGKAH HARBOUR PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
THAILAND

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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

I have audited the consolidated balance sheet of Tongkah Harbour Public Company Limited and its subsidiaries as of December 31, 2007 and 2006, 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.

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.

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, 2007 and 2006, the results of their operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

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

As described in note 3 to the financial statements that in year 2007, the Company had changed its accounting policy for its investments in subsidiaries in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No.44 "Consolidated and Separate Financial Statements" (revised 2007), the change had been applied retrospectively for the separate financial statements for the year ended December 31, 2006. In my audits, the adjustments made to the separate financial statements are appropriate and have been properly applied.

As described in note 26.9 to the financial statements that on June 28, 2007, the Department of Primary Industries and Mines (DPIM) had notified the Company to acknowledge its complaints against Tungkhum Limited (a subsidiary) for exporting gold doré weighting 105.5153 kgs out of its mine/metallurgical area without filling the request for transportation permit. This is deemed to violate with Section 108 of Minerals Act B.E 2510 by the DPIM which shall be fined at 1-5 times of gold value (the gold value at the delivery date amounted to Baht 52.83 million) and the Minister of the Ministry of Industry has the power to cancel the mining right under Section 148 and the Director General of DPIM has the power to fine the subsidiary under Section 153. Subsequently, on July 26, 2007, the subsidiary has met with the inquiry officers of the Wangsaphung District Police Office, Loei province denying all the allegations and stated that the subsidiary has complied with all official regulations. At present, this matter is being under the process of the inquiry officers to preparing the case for the prosecutor to consider whether or not there are sufficient grounds for the indictment. However, the subsidiary's legal counselor has given the opinion on the above case that the case had been lapsed prescription in law.

As described in note 12 to the financial statements that the related company has submitted to renew the andesite mining right since year 2005 prior to its expiration date on January 21, 2007. The Mineral Act Committee has accepted the renewal mining right submission on February 8, 2008 and the matter is at the final stage of the consideration.

(KESREE NARONGDEJ)
Certified Public Accountant
Registration No. 76

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 22, 2008

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS
AS OF DECEMBER 31, 2007 AND 2006
ASSETS

		Thousand Baht			
		Consolidated		The Company Only	
	Note	2007	2006	2007	2006
			(Restated)		(Restated)
CURRENT ASSETS					
Cash and cash equivalents		5,475	77,454	83	145
Trade accounts receivable, net	7	3,742	9,378	2,007	6,749
Short – term loans to related parties	6	257			
Inventories, net	8	62,252	45,194	10,279	13,930
Other current assets					
- Under estimate gold royalty fees-DPIM	9	3,444	5,664		
- General advance		2,643	7,327	82	654
- Input tax refundable		11,263	25,516	2,585	2,425
- Other		14,485	15,154	1,974	1,812
TOTAL CURRENT ASSETS		103,561	185,687	17,010	25,715
NON - CURRENT ASSETS					
Long – term investments					
- Deposits at banks	10,18 and 19	209,469	75,500		
Investments in subsidiary Companies, net	11,18 and 19			658,590	718,830
- -as revised report					
Deferred expenditures of other projects, net					
- Andesite mining	12	12,822	13,814	12,822	13,814
- Gold mining	13	334,481	388,053		
- Phuket project	14				
Long – term loans to related parties, net	6	2,212	2,545	250,842	325,080
Property, plant and equipment, net	15,18 and 19	1,200,527	1,097,456	118,661	123,104
Advance Payment for purchase of Land					
-Andesite mining project	16 and 18	17,687	17,687	17,687	17,687
Goodwill, net		594	672		
Other non - current assets	17	17,245	14,563	425	591
TOTAL NON - CURRENT ASSETS		1,795,037	1,610,290	1,059,027	1,199,106
TOTAL ASSETS		1,898,598	1,795,977	1,076,037	1,224,821

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, 2007 AND 2006

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht			
		Consolidated		The Company Only	
	Note	2007	2006	2007	2006
			(Restated)		(Restated)
CURRENT LIABILITIES					
Bank overdrafts and short - term loans					
From financial institutions	10,15,16 and 18	26,493	56,031	4,511	6,031
Trade accounts payable - related party	6	-	-	14,942	18,231
Trade accounts payable - other parties		47,870	13,389	94	874
Current portion of long - term loans	19	223,195	228,351	11,414	19,520
Short – term loans from related parties	6	1,388	975	-	972
Current portion of hire-purchase and finance lease obligations	20	12,,129	16,720	900	1,234
Other current liabilities					
- Accrued expenses		17,360	18,054	3,064	9,827
- Accrued the land usage fee-ALRO	9	20,890	6,588	-	-
Accrued expenses on payment of extra benefit to DPIM under the agreement dated March30, 2007					
(recorded the adjustment on July 9, 2007)	26.7	-	4,074	-	-
- Other		16,817	6,700	1,145	1,246
TOTAL CURRENT LIABILITIES		366,142	350,882	36,070	57,935
NON - CURRENT LIABILITIES					
Long – term loans from related parties	6	101	953	43,947	9,343
Long – term loans	10,11,15 and 19	447,063	205,492	22,718	35,137
Hire - purchase and finance lease obligations	20	18,685	20,665	2,637	3,791
Provision for environmental restoration expenses		7,048	5,251	250	250
TOTAL NON - CURRENT LIABILITIES		472,897	232,361	69,552	48,251
TOTAL LIABILITIES		839,039	583,243	105,622	106,456
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	21	358,607	487,700	358,607	487,700
Deficit from changes in equity interest of subsidiary	11	(5,197)	-	-	-
Retained earnings (deficit)					
Unappropriated	21	(145,879)	2,071	(145,132)	2,818
Shareholders' Equity of the Company		964,471	1,117,618	970,415	1,118,365
Minority Interest		95,088	95,116	-	-
TOTAL SHAREHOLDERS' EQUITY		1,059,559	1,212,734	970,415	1,118,365
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,898,598	1,795,977	1,076,037	1,224,821

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, 2007 AND 2006

		Thousand Baht						
		Consolidated						
	Note	Issued and fully paid-up share capital	Premium on common stocks, net	Revaluation surplus (decrease) on land	Deficit from change in equity interest of subsidiary	Retained earnings (deficit)	Minority interest	Total
Balance as of January 1, 2006 - before adjustments		756,940	487,700	(4,903)	-	(132,616)	99,655	1,206,776
Accumulated effect from the prior year adjustments	4	-	-	4,903	-	3,523	(1,226)	7,200
Balance as of January 1, 2006 - after adjustments		756,940	487,700	-	-	(129,093)	98,429	1,213,976
Transfer the premium on common stocks, net to eliminate the Company's accumulated deficit	21	-	(129,093)	-	-	129,093	-	-
Net profit		-	-	-	-	6,098	-	6,098
Loss (profit) of minority interest		-	-	-	-	-	(3,030)	(3,030)
Adjusted minority interest from excess loss on invesment in subsidiary company		-	-	-	-	-	(236)	(236)
Balance as of December 31, 2006 - as previous report		756,940	358,607	-	-	6,098	95,163	1,216,808
Payment of the extra benefit to DPIM under the agreement dated March 30, 2007 (recorded the adjustment on July 9, 2007)	26.7	-	-	-	-	(4,027)	(47)	(4,074)
Balance as of December 31, 2006 - as revised report		756,940	358,607	-	-	2,071	95,116	1,212,734
Balance as of January 1, 2007		756,940	358,607	-	-	2,071	95,116	1,212,734
Net loss		-	-	-	-	(147,950)	(5,225)	(153,175)
Dificit from change in equity interest of subsidiary	11	-	-	-	(5,197)	-	5,197	-
Balance as of December 31, 2007		756,940	358,607	-	(5,197)	(145,879)	95,088	1,059,559

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

Thousand Baht					
The Company Only					
	Note	Issued and fully paid - up share capital	Premium on common stocks, net	Retained earnings (deficit)	Total
Balance as of January 1, 2006- before adjustments		756,940	487,700	(132,616)	1,112,024
Accumulated effect from the prior year adjustments	4		-	3,523	3,523
Balance as of January 1, 2006- after adjustments		756,940	487,700	(129,093)	1,115,547
Transfer the premium on common stocks, net to eliminate the Company's accumulated deficit	21		(129,093)	129,093	
Net profit				6,845	6,845
Balance as of December 31, 2006 – as previous report		756,940	358,607	6,845	1,122,392
Share of payment of the extra benefit to DPIM under the agreement dated March 30,2007 of a subsidiary (recorded the adjustment on July 9, 2007)	26.7			(4,027)	(4,027)
Balance as of December 31, 2006 - revised report		756,940	358,607	2,818	1,118,365
Balance as of January 1, 2007 - before adjustments		756,940	358,607	2,071	1,117,618
Accumulated effect from the prior year adjustments	4			747	747
Balance as of January 1, 2007 - after adjustments		756,940	358,607	2,818	1,118,365
Net loss				(147,950)	(147,950)
Balance as of December 31, 2007		756,940	358,607	(145,132)	970,415

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

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

		Thousand Baht			
		Consolidated		The Company Only	
	Note	2007	2006 (Restated)	2007	2006 (Restated)
REVENUES					
Revenue from the sale of					
- Andesite sales		8,980	21,083	8,980	21,083
- Gold sales		419,118	269,474	-	-
Gain on exchange rate		26,922	22,619	-	-
Adjustment for decrease in impairment on investment					
in subsidiary companies		-	-	-	43,229
Other income					
- Interest income	6	16,554	2,329	13,987	14,305
- Other	6	3,236	1,675	2,853	3,605
TOTAL REVENUES	22	474,810	317,180	25,820	82,222
EXPENSES					
Cost of the sales of					
- Cost of andesite sales	6	8,125	17,408	7,822	15,891
- Cost of gold sales		321,572	123,734	-	-
Selling and administrative expenses	6	170,742	116,905	37,460	35,845
Doubtful debts		244	694	18,785	10,479
Adjustment for increase in impairment on investment in subsidiary companies		-	-	105,438	-
Amortization on exploration expenditures					
of gold mining project	13	53,801	19,302	-	-
Impairment loss on Phuket project	14		7,000	-	7,000
Loss from sales of purchased gold, net	23	4,569	-	-	-
TOTAL EXPENSES		559,053	285,043	169,505	69,215
PROFIT (LOSS) BEFORE INTEREST EXPENSES		(84,243)	32,137	(143,685)	13,007
INTEREST EXPENSES	6	68,932	29,069	4,265	6,162
PROFIT (LOSS) BEFORE MINORITY INTEREST- AS PREVIOUS REPORT		(153,175)	3,068	(147,950)	6,845
LOSS (PROFIT) OF MINORITY INTEREST - AS PREVIOUS REPORT		5,225	3,030	-	-
NET PROFIT (LOSS) - AS PREVIOUS REPORT	24	(147,950)	6,098	(147,950)	6,845
Payment of the extra benefit to DPIM under the agreement dated					
March 30, 2007 (recorded the	26.7				

adjustment on July 9, 2007)

- Before minority interest	-	(4,074)	-	-
- Minority interest	-	47	-	-
Payment of the extra benefit to DPIM - part of the Company	-	(4,027)	-	-
Share of payment of the extra benefit to DPIM under the agreement dated March 30, 2007 of a subsidiary (recorded the adjustment on July 9, 2007)	26.7	-	-	(4,027)
NET PROFIT (LOSS) - AS REVISED REPORT		<u>(147,950)</u>	<u>2,071</u>	<u>(147,950)</u>
				<u>2,818</u>
BASIC EARNINGS (LOSS) PER SHARE (BAHT PER SHARE) - AS REVISED REPORT		<u>(0.20)</u>	<u>0.003</u>	<u>(0.20)</u>
				<u>0.004</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

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Thousand Baht			
	Consolidated		The Company Only	
	2007	2006 (Restated)	2007	2006 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	(147,950)	2,071	(147,950)	2,818
Adjustment to reconcile net profit (loss) to net cash inflow (outflow)				
from operating activities :-				
Depreciation and amortization	85,561	45,459	6,216	7,803
Doubtful debts	244	694	18,785	10,479
Loss from decline in value of inventories	307	-	307	-
Amortization on expenditures of andesite mining project	992	863	992	863
Amortization on exploration expenditures of gold mining project	53,801	19,302	-	-
Impairment loss on Phuket Project	-	7,000	-	7,000
Adjustment for increase (decrease) in impairment				
On investment in subsidiary company	-	-	105,438	(39,202)
Loss (gain) on sale fixed assets	(658)	(262)	-	(262)
Fixed asset written - off	(579)	1,062	-	-
Loss (profit) of minority interest	(5,225)	(3,077)	-	-
Adjusted minority interest from excess loss on				
Investment in subsidiary company	-	(236)	-	-
Goodwill amortization	78	1,871	-	-
Loss (gain) on exchange rate	(49,878)	(22,397)	-	-
	(63,307)	52,350	(16,212)	(10,501)
<u>Decrease (increase) in operating assets :-</u>				
Trade accounts receivable	5,392	(3,780)	4,498	(1,151)
Short - term advances to related parties	(257)	2,407	-	1,034
Inventories, net	(17,365)	(34,710)	3,344	(4,050)
Other current assets	21,826	(31,910)	250	1,162
Other receivable - related parties	333	(1,483)	(2,800)	(14,044)
Other non - current assets	(3,254)	(11,055)	149	151
<u>Increase (decrease) in operating liabilities :-</u>				
Trade accounts payable - related party	-	-	(3,289)	1,253
Trade accounts payable - other parties	34,481	7,026	(780)	390
Short - term advances from related parties	413	(4,085)	-	-
Accrued expenses on payment of the extra benefit to DPIM under the agreement dated March 30, 2007 (recorded the adjustment on July 9, 2007)	(4,074)	4,074	-	-
Other current liabilities	23,725	7,437	(6,864)	2,246
Provision for environmental restoration expenses	-	(5,309)	-	-
Net cash inflow (outflow) from operating	(2,087)	(19,038)	(21,704)	(23,510)

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, 2007 AND 2006

	Thousand Baht			
	Consolidated		The Company Only	
	2007	2006 (Restated)	2007	2006 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in investments in subsidiary companies	-	-	(45,198)	-
Decrease (increase) in deferred exploration expenditure of gold mining project	(229)	(3,413)	-	-
Decrease (increase) in long - term loans to related parties	-	-	58,497	44,489
Payment for purchases property, plant and equipment	(189,545)	(286,499)	(1,756)	(326)
Proceeds from sales fixed assets	10,141	262	-	262
Net cash inflow (outflow) from investing activities	(179,633)	(289,650)	11,543	44,425
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short term - loan from financial institution	(29,538)	52,838	(1,520)	2,838
Increase (decrease) in short - term loans from related parties	-	-	(972)	(3,258)
Increase (decrease) in long - term loans from related parties	(852)	(1,445)	34,604	(1,762)
Increase (decrease) in long - term loans	303,158	379,146	(20,525)	(18,460)
Increase (decrease) in hire - purchase and finance lease obligations	(6,571)	(1,335)	(1,488)	(351)
Decrease (increase) in deferred arranging fee	(22,487)			
Net cash inflow (outflow) from financing activities	243,710	429,204	10,099	(20,993)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	61,990	120,516	(62)	(78)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	77,454	31,837	145	223
CASH AT BANK PLEDGED AS COLLATERAL AT BEGINNING OF YEAR	75,500	601	-	-
CASH AT BANK PLEDGED AS COLLATERAL AT END OF YEAR	(209,469)	(75,500)	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,475	77,454	83	145

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, 2007 AND 2006

	Thousand Baht			
	Consolidated		The Company Only	
	2007	2006 (Restated)	2007	2006 (Restated)
OPERATING ACTIVITIES NOT AFFECT CASH				
Increase (decrease) in provision for environmental restoration expenses	1,797	-	-	-
Decrease (increase) in deficit from change in equity interest of subsidiary	(5,197)	-	-	-
INVESTMENT ACTIVITIES NOT AFFECT CASH				
Increase (decrease) in investment in subsidiary company from reverse of allowance for impairment of investment in subsidiary companies	-	3,523	-	3,523
Transfer the premium on common stocks, net to eliminate the Company's accumulated deficit	-	129,093	-	129,093
Transfer from long - term investment in land held for development to property, plant and equipment	-	469,365	-	-
Transfer from property, plant and equipment to assets not in used	-	4,969	-	-
Transfer from short - term loans to related parties to long - term loans to related parties	-	938	-	83,864
FINANCING ACTIVITIES NOT AFFECT CASH				
Transfer from short - term loans from related parties to long - term loans from related parties	-	2,297	-	3,650
OPERATING ACTIVITIES AND INVESTMENT ACTIVITIES NOT AFFECT CASH				
Transfer from other receivable - related parties to long term loans to related parties	-	-	2,974	-
SUPPLEMENTARY CASH FLOW INFORMATION				
Cash paid during the year for				
Interest expenses	61,567	32,172	4,915	5,271
Income tax expenses	149	191	-	-

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

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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 operates in Thailand, and its principal activity is tin mining, gold mining, igneous rock quarrying, and rental building and service residence.

The Company and its subsidiaries's employees and employee expenses are as follows :

	Consolidated		The Company Only	
	2007	2006	2007	2006
The number of employees at the end of year (person)	296	412	36	42
Employee expenses for the year (million baht)	86.45	61.81	16.23	14.29

1.2 Basis for preparation and presentation of financial statements

The financial statements of the company are prepared in accordance with generally accepted accounting standards and presented in brief in accordance with the Department of Commercial Registration's announcement on September 14, 2001.

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 :

				(Unit : Percent)			
				Percentage of			
Name	Share holding (%)		Type of Business	Total assets included in the consolidated total assets		Total revenues included in the consolidated total revenue for the years ended December 31	
	as of December 31			as of December 31			
	2007	2006		2007	2006	2007	2006
Sky Cliff Limited	75.00	75.00	Rental building and service residence	25	26	-	-
Tungkum Limited (direct and indirect)	98.86	98.86	Gold mining	65	62	98	93
Cholsin Limited	72.10	72.10	Crushing	1	2	-	-
Sea Minerals Limited	89.99	83.70	Tin mining	-	-	-	-

The excess of the investment in subsidiary companies over the book value were presented as "Goodwill" in the consolidated balance sheets and amortized on the straight - line method for a period of 10 years.

.....DIRECTOR.....DIRECTOR

1.3 Related parties

As of December 31, 2007, enterprises are under common control by the company and the related parties though shareholding and/or directors as follows:

Name	Type of Business	Relationship	Share Holding (%)
<u>Subsidiaries Companies</u>			
Tungkum Limited	Gold mining	Holding and Joint Director	98.86
Cholsin Limited	Crushing	Holding and Joint Director	72.10
Sky Cliff Limited	Rental building and service residence	Holding and Joint Director	75.00
Sea Minerals Limited	Tin mining	Holding and Joint Director	89.99
<u>Related Parties</u>			
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	-
Otaione Strategic Company Limited	Property Development	Joint Director	-
(a related party until December 26, 2007)			

1.4 Adoption of new accounting standards

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, No. 38/2550 and No. 62/2550 regarding Accounting Standards, and these have been published in the Royal Gazette. The Notifications mandate the use of the Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled. Accounting Standards (revised version) which are not effective for the current period are as follows :

Accounting Standards No. 25	Cash Flows Statements (revised 2007)
Accounting Standards No. 29	Leases (revised 2007)
Accounting Standards No. 31	Inventories (revised 2007)
Accounting Standards No. 33	Borrowing Costs (revised 2007)
Accounting Standards No. 35	Presentation of Financial Statements (revised 2007)
Accounting Standards No. 39	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2007)
Accounting Standards No. 41	Interim Financial Reporting (revised 2007)
Accounting Standards No. 43	Business Combinations (revised 2007)
Accounting Standards No. 49	Construction Contracts (revised 2007)
Accounting Standards No. 51	Intangible Assets

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008.

However, the management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

.....DIRECTOR.....DIRECTOR

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 and current accounts.

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 expenditure 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 by the straight line method over the period of 25 years.

2.7 Deferred exploration and development expenditure of gold mining

The subsidiary recorded the related expenses of exploration and development expenditure of gold mining which expected to have the 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 any indication exists that the above expenditure shall not recoverable future benefit, the subsidiary company shall write - off all deferred expenditure to expenses.

Deferred exploration and development expenditure of gold mining are amortized when the subsidiary company derive income from operation according to the units of production compare with the volume of gold ore reserve estimated by the professional.

.....DIRECTOR.....DIRECTOR

2.8 Property, plant and equipment

Property, plant and equipment are stated at cost.

Except for land of a subsidiary is stated at the appraisal value by an independent valuer on November 4, 2005. The appraisal value on land is eliminated from the consolidated financial statements due to the excess of the investment in a subsidiary over the book value at purchase date.

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

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

Residue ponds are amortized on units of production basis using the capacity volume of the residue ponds.

2.9 Deferred environmental restoration expenditures

Deferred environmental restoration expenditures consisted of:

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

2.10 Deferred arranging fee

Deferred arranging fee is amortized by the straight line method over the period of 4 years.

2.11 Provision for environmental restoration

Future expenses relating to environmental liabilities have arisen as a result of past events, the Company establishes a provision when the obligation is incurred and charge to the statement of income over the remains of useful life of mining right and permission. These provisions are made on the best estimation of expenses which pay to current obligation on balance sheet date.

2.12 Capitalization of borrowing cost

The subsidiary has capitalized the borrowing costs that are directly attributable to the acquisition of building factory and machinery. The capitalization of interest will be discontinued when the assets are completed and the commercial operation start. The interest capitalized for the year 2006 amounted to Baht 5.09 million.

The subsidiary has capitalized the borrowing costs from the parent company that are directly attributable to the acquisition of deferred exploration and development expenditure for gold mining. The capitalization of borrowing cost will be discontinued when the mining are completed and the commercial operation starts. The interest capitalized for the years 2006 amounted to Baht 0.90 million.

.....DIRECTOR.....DIRECTOR

2.13 Financial lease agreements

The Company and subsidiaries record vehicles under lease agreements, as assets and liabilities in the balance sheets at amounts equal to fair value of the leased property at the inception of the lease or ,if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used 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.

2.14 Financial instruments

Financial instruments carried in the balance sheets include cash and cash equivalents, investments, trade account receivables and payables, bank overdrafts, loans, account payable for purchase of assets, accrued expenses, and hire – purchase and finance lease obligations. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.15 Foreign currency transaction

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

Gain or loss from translation are included in determining earnings.

2.16 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 recognize the impairment loss in the statement of income. The reversal of impairment losses is recorded when there is an indication that impairment losses no longer exist or have decreased by crediting to “Other income”.

2.17 Basic earnings (loss) per share

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

2.18 Use of accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Subsequent actual results may differ from these estimates.

3. CHANGE IN ACCOUNTING POLICY

In year 2007, the Company had changed its accounting policy for its investments in subsidiaries in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No.44 “Consolidated and Separate Financial Statements” (revised 2007). The change in accounting policy is recorded retrospectively to the years in which the investments were made and also recorded the allowance for impairment on the investments, resulted in the deficit beginning of year 2007 decreased by Baht 0.75 million, net loss for the year ended December 31, 2006 decreased by Baht 0.75 million (Baht 0.001 per share) and investments in subsidiary companies as of December 31, 2006 increased by Baht 0.75 million. The above change in the accounting policy had no effect on the consolidated financial statements.

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4. PRIOR YEAR ADJUSTMENT

In the quarter 1 st 2006, the Company had adjusted the beginning deficit for correction of prior years errors and retrospectively adjusted to the financial statement as follows:

- 4.1 The Company had reversed the allowance for impairment of investment in a subsidiary company effecting the deficit beginning of year 2006 to be decreased and the investment in a subsidiary company to be increased by Baht 7.20 million.
- 4.2 In the consolidated financial statement, the Company had adjusted for correction of error from the impairment of a subsidiary company investment in land asset amount to Baht 4.90 million effecting the deficit beginning of year 2006 of Baht 3.68 million, and decrease the minority interest of Baht 1.22 million.
- 4.3 In the Company's financial statements, the Company had adjusted for the impairment of a subsidiary company's land asset effecting the decrease of the investment in the subsidiary company and increase in the deficit beginning of year 2006 of Baht 3.68 million.

5. OPERATIONAL PLAN

Beginning May 4, 2007, the Stock Exchange of Thailand ("SET") had allowed the Company to trade shares after being suspension to trade since 2005.

6. 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 in the ordinary course of business, are summarized below:-

(Unit : Thousand Baht)					
	Consolidated				Pricing policies (Year 2007)
	2006	Increase	Decrease	Transfer	2007
<u>The outstanding balances</u>					
Short - term loans to related parties					
- Advances to related person	<u>-</u>	357	100	-	<u>257</u>
Long - term loans to related parties					
- Other receivable - related parties	<u>2,545</u>	563	896	-	<u>2,212</u>
Short - term loans from related parties					
- Advances from related parties					
Related person	-	2,685	1,300	-	1,385
Related companies	<u>975</u>	18,000	18,972	-	<u>3</u>
	<u>975</u>				<u>1,388</u>
Long – term loans from related parties					
Related person	101	-	-	-	101
Related companies	<u>852</u>	-	852	-	<u>-</u>
Total short - term loans from related parties	<u>953</u>				<u>101</u>

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(Unit : Thousand Baht)

	The Company Only					
	2006	Increase	Decrease	Transfer	2007	Pricing policies (Year 2007)
<u>The outstanding balances</u>						
Long - term loans to related parties, net						
- Other receivable - related parties						
Subsidiary companies	32,842	4,865	1,732	(2,974)	33,001	
Related companies	2,011	563	896	-	1,678	
	<u>34,853</u>				<u>34,679</u>	
- Long - term loans to subsidiary companies						
Principal	288,113	93,988	165,803	2,974	219,272	0.75- 7.69%
Accrued interest receivable	69,366	13,409	91	-	82,684	
	<u>357,479</u>				<u>301,956</u>	
Less allowance for doubtful account	<u>(67,252)</u>	(18,541)	-	-	<u>(85,793)</u>	
Long - term loans to subsidiary companies, net	<u>290,227</u>				<u>216,163</u>	
Total long - term loans to related parties	<u>325,080</u>				<u>250,842</u>	
Trade accounts payable - related party						
Subsidiary company	<u>18,231</u>	1,386	4,675	-	<u>14,942</u>	
Short - term loans from related parties						
- Advances from related parties	<u>972</u>	-	972	-	<u>-</u>	
Long - term loans from related parties						
Subsidiary companies						
Principal	982	60,400	24,962	-	36,420	0.50%
Accrued interest payable	7,509	110	92	-	7,527	
	<u>8,491</u>				<u>43,947</u>	
Related companies						
Principal	852	-	852	-	-	No interest
Accrued interest payable	-	-	-	-	-	charge
	<u>852</u>				<u>-</u>	
Total long - term loans from related parties	<u>9,343</u>				<u>43,947</u>	

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

Since 1998, loans have been made to Cholsin Limited for crushing in the Company's andesite mining in Saraburi Province. The loans are secured by the pledge of share certificates of Tungkom Limited held by Cholsin Limited, and most of the machinery and equipment of Cholsin Limited.

.....DIRECTOR.....DIRECTOR

The transactions with related parties for the years ended December 31, 2007 and 2006 are as follow:

	Thousand Baht				
	Consolidated		The Company Only		
	2007	2006	2007	2006	Transfer Pricing policies
<u>Transactions with subsidiary companies</u> :-					
(eliminated from the consolidated financial statements)					
Interest income	-	-	13,981	14,305	Average actual cost of the source of funds provided
Rental income	-	-	1,860	1,860	} At cost, contract price
Management income	-	-	240	240	
Interest expenses	-	-	111	77	Actual cost charged by the bank
Crushing cost	-	-	1,295	6,804	Baht 45 per ton
Electricity	-	-	235	479	At cost, price comparable to the market prices
<u>Transactions with related companies</u> :-					
Rental income	420	420	420	420	} At cost, contract price
Management fee	3,900	3,900	-	-	
Rental expenses	1,116	1,116	-	-	
Interest expenses	-	123	-	123	Actual cost charged by the bank, Minimum Overdraft Rate of a local bank
Consulting fee (Being capitalized in construction In progress)	1,500	-	-	-	Contract price

.....DIRECTOR.....DIRECTOR

7. TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2007 and 2006, there are 22 and 32 trade accounts receivable respectively that have been overdue over than 3 months, the aging is as follows:

		(Unit : Thousand Baht)	
		Consolidated	The Company Only
		2007	2006
		2007	2006
<u>Andesite mining</u>			
Current		659	225
Overdued - less than 3 months		1,015	246
- 3 months to 6 months		16	109
- 6 months to 12 months		173	5,905
- over than 12 months		1,032	908
Total		2,895	7,393
Less Allowance for doubtful accounts		(888)	(644)
Trade accounts receivable - andesite mining, net		2,007	6,749
<u>Gold mining</u>			
Current		1,735	2,629
Trade accounts receivable, net		3,742	9,378

8. INVENTORIES, NET

		(Unit : Thousand Baht)	
		Consolidated	The Company Only
		2007	2006
		2007	2006
<u>Andesite mining</u>			
Finished goods		5,169	10,241
Work in process		15,068	11,900
Supplies		1,201	4,233
Total		21,438	26,374
Less Loss from declining in value		(10,616)	(10,309)
Inventories - andesite mining, net		10,822	16,065
<u>Gold mining</u>			
Finished goods		-	3,936
Work in process		10,184	3,799
Supplies and other		41,246	21,394
Inventories- gold mining		51,430	29,129
Inventories, net		62,252	45,194

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9. UNDER (OVER) ESTIMATE GOLD ROYALTY FEE DPIM AND ACCRUED THE LAND USAGE FEE - ALRO

	Consolidated		(Unit : Thousand Baht) The Company Only	
	2007	2006	2007	2006
<u>Under (over) estimate gold royalty fee – DPIM</u>				
Deposit of gold royalty fee - DPIM	9,828	12,316	-	-
<u>Less</u> Estimated gold royalty fee - DPIM	(6,384)	(6,652)	-	-
Under (over) estimate gold royalty fee – DPIM	3,444	5,664	-	-
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
 <u>Accrued the land usage fee - ALRO</u>	 20,890	 6,588	 -	 -
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

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 the subsidiary company in accordance with the Minerals Act B.E 2510 and related Law during the period pending for the final assaying result.

Estimated gold royalty fee and Accrued the land usage fees are the fees estimated by the subsidiary company which using its laboratory assaying results in the rate specified under the Mineral Law.

10. LONG - TERM INVESTMENTS - DEPOSITS AT BANKS

As of December 31, 2007, deposits at banks of a subsidiary amounted to USD 1.23 million is pledged to secure the letters of guarantees from bank of Baht 6.70 million and bank overdraft facilities of Bath 30 million with a local branch of foreign bank and the USD 5.00 million is pledged to secure the Export Contract from a foreign bank.

As of December 31, 2006, fixed deposit at bank of a subsidiary of Baht 75.50 million is pledged to secure the letters of guarantees from a bank. In February 2007, a subsidiary cancelled the letter of guarantee from a bank amounted to Baht 70 million.

11. INVESTMENTS IN SUBSIDIARY COMPANIES, NET

As of December 31, 2007 and 2006, investments for using the equity method are as follows:

(Unit : Thousand Baht)								
	Share Capital		Share Holding (%)		Consolidated		The Company Only	
Note	2007	2006	2007	2006	2007	2006	2007	2006
								(Restated)
<u>Investments in subsidiaries, net</u>								
Tungkum Limited								
	500	500	95.91	95.91	-	-	469,306	469,306
<u>Less</u> Allowance for impairment loss					-	-	(109,059)	(15,791)
Investment under cost method, net - as previous report					-	-	360,247	453,515
<u>Less</u> Payment of the extra benefit to DPIM under the agreement dated March 30, 2007 (recorded the adjustment on July 9, 2007)	26.7				-	-	-	(4,027)
Investment under cost method, net - as revised report					-	-	360,247	449,488
Sky Cliff Limited								
Investment under cost method	42	42	75.00	75.00	-	-	321,709	321,709
<u>Less</u> Allowance for impairment loss					-	-	(63,001)	(52,367)
Investment under cost method , net					-	-	258,708	269,342
Sea Minerals Limited								
Investment under cost method	117	72	89.99	83.70	-	-	56,501	11,303
<u>Less</u> Allowance for impairment loss					-	-	(16,866)	(11,303)
Investment under cost method , net					-	-	39,635	-
Cholsin Limited								
Investment under cost method	150	150	72.10	72.10	-	-	62,001	62,001
<u>Less</u> Allowance for impairment loss					-	-	(62,001)	(62,001)
Investment under cost method , net					-	-	-	-
Total investments in subsidiaries, net – as revised report					-	-	658,590	718,830

As of December 31, 2007, the Company has pledged 4.5 million shares of investment in a subsidiary (Tungkum Limited) to secure the subsidiary company's loans from a foreign bank.

Sea Minerals Limited

At the Shareholder's Ordinary Meeting on January 27, 2006 and the Shareholder's Extraordinary Meeting on March 2, 2006, the shareholders of Sea Minerals Limited approved the special resolution to increase the authorized share capital from Baht 72 million (720,000 ordinary shares at Baht 100.00 each) to Baht 288 million (2,880,000 ordinary shares at Baht 100.00 each).

In February 2007, the subsidiary called up share capital of Baht 45.20 million (451,976 ordinary shares at Baht 100.00 each). As a result the issued and paid - up capital of the subsidiary increased from Baht 72 million to Baht 117.20 million. This was registered with the Ministry of Commerce on February 23, 2007. The Company acquired total increased share capital of the subsidiary and paid the share price amounting to Baht 45.20 million. The result was interest of the Company in the equity of the subsidiary increasing from 83.70 percent to 89.99 percent.

In respect of the acquisition of such increased shares there is a difference of Baht 5.20 million between the cost of the additional investment acquired and its attributable book value. Such transaction has been presented as "Deficit from change in equity interest of subsidiary" in the shareholders' equity.

At the Shareholder's Extraordinary Meeting on October 29, 2007 and November 13, 2007, the shareholders of Sea Minerals Limited approved the special resolutions as follows

1. to amend the Shareholder's Extraordinary Meeting on March 2, 2007 by canceling the unsubscribed of increased authorized share capital of Baht 170.80 million (1,708,024 ordinary shares at Baht 100.00 each), remaining the authorized shares capital of Baht 117.20 million (1,171,976 ordinary shares at Baht 100.00 each)

2. to decrease the authorized share capital from Baht 117.20 million (1,171,976 ordinary shares at Baht 100.00 each) to Baht 105.46 million (1,054,616 ordinary shares at Baht 100.00 each) by canceling 117,360 ordinary shares hold by Southern Kinta Consolidated Limited. The subsidiary had registered the special resolution with the Ministry of Commerce on November 15, 2007, which is announcing to public under the legal process.

Should the registration of the said decreased share of the subsidiary with the Ministry of Commerce has been completed, it shall result the interest of the Company in the equity of the subsidiary to increase from 89.99 percent to 99.99 percent.

12. DEFERRED EXPENDITURES OF ANDESITE MINING PROJECT, NET

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

	(Unit : Thousand Baht)	
	2007	2006
Expenditures of andesite mining project	23,653	23,653
<u>Less</u> Amortization	(10,831)	(9,839)
Deferred expenditures of andesite mining project, net	<u>12,822</u>	<u>13,814</u>

The Company considered whether there had been impairment in the value of their property, plant and equipment, and investment relating to the operations of the andesite mining by considering from the survey result of the remaining of concession and its cash flow using a discounted rate of 8 percent. The projected cash flows indicated that the future cash flows would be in excess of the net book value of the related assets as at the balance sheet date. The Company believes that the projected cash flows from the mining would not be significantly different from the projection and will exceed the net book value of the assets as at the balance sheet date.

.....DIRECTOR.....DIRECTOR

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	Sq. Wah		
28676/15268	88	3	81	May, 2009	Mining Temporary suspended under the process of renewal
28675/15632	154	2	67	January, 2007	

On January 21, 2007, the mining right no. 28675/15632 (under the name of the related company) had been expired. However, under the Minerals Act B.E. 2510, the Company can continue to operate its business for another 180 days after the expired date (July 20, 2007).

After July 20, 2007 (180 days after the expired date), the Company has stopped the mining activities except for continuing to crush the remaining rock from the extraction prior to the expiration date. As of December 31, 2007, the Company has outstanding rock stock balance of 0.28 million tons.

At present, the related company has submitted the said renewal mining right since year 2005. The Mineral Act Committee has accepted the renewal mining right submission on February 8, 2008 and the matter is at the final stage of the consideration. The Company expects to be able to proceed the mining activities in year 2008.

13. DEFERRED EXPLORATION EXPENDITURES OF GOLD MINING PROJECT, NET

The subsidiary has deferred exploration expenditures of gold mining as follows:

	(Unit : Thousand Baht) Consolidated	
	2007	2006
Exploration expenditures – deferred	2,742	2,513
Exploration expenditures	230,323	230,323
Development costs	24,598	24,598
Land purchased	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	82,732
	404,842	404,842
<u>Less</u> Amortization	(73,103)	(19,302)
Exploration and development expenditures, net	331,739	385,540
Deferred exploration expenditures of gold mining project, net	334,481	388,053

The amortization expenditure for the years ended December 31, 2007 and 2006, amounted to Baht 53.80 million and Baht 19.30 million respectively was occurred from a unit of production 0.60 million tons and 0.22 million tons respectively compare with the volume of gold ore reserve 4.49 million tons estimated by the professional.

As of December 31, 2006, the interest cost of borrowing from the Company and a financial institution relating to exploration and development amounted to Baht 0.9 million. This was capitalized and included in the exploration expenditures and development costs.

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“Land purchased” represents the cost of land for which no land possessor rights of title deeds have been issued. These plots of land are the areas where the subsidiary is going to operate its mining business.

The six mining licenses were officially approved by the Ministry of Industry to the subsidiary for 25 years and expired in year 2027 and 2028.

Under the concession agreement for exploration and development of gold mining entered into by the subsidiary company and the Department of Mineral Resources (DMR), upon receiving the first batch of mining license, the subsidiary shall give the right to the Government for purchasing the ordinary shares at the rate of 5 to 10 percent of the registered share capital at par value.

14. DEFERRED EXPENDITURES FOR PHUKET PROJECT, NET

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Deferred expenditures for Phuket project	7,000	7,000	7,000	7,000
<u>Less</u> Allowance for impairment	(7,000)	(7,000)	(7,000)	(7,000)
Deferred expenditures for Phuket project, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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15. PROPERTY, PLANT AND EQUIPMENT, NET

(Unit : Thousand Baht)

	Consolidated								
	Land	Land improve ment	Building and building improve ment	Furniture and office equipment	Machinery and equipment	Vehicles	Other	Work in progress and machinery in progress	Total
<u>Cost or appraisal value</u>									
As of December 31, 2006									
- at cost	147,400	49,873	82,522	16,878	364,952	130,724	43,554	60,819	896,722
- incremental appraisal value	329,574	-	-	-	-	-	-	-	329,574
Increase	920	14,170	863	1,878	17,368	21,252	2,872	130,222	189,545
Decrease	-	-	-	(472)	(193)	(12,882)	(483)	-	(14,030)
Transfer - at cost	-	-	-	-	-	-	-	-	-
As of December 31, 2007									
- at cost	148,320	64,043	83,385	18,284	382,127	139,094	45,943	191,041	1,072,237
- incremental appraisal value	329,574	-	-	-	-	-	-	-	329,574
<u>Accumulated depreciation</u>									
As of December 31, 2006									
- at cost	-	(2,475)	(13,296)	(10,855)	(47,680)	(50,877)	(3,657)	-	(128,840)
- incremental appraisal value	-	-	-	-	-	-	-	-	-
Increase	-	(10,169)	(4,100)	(2,727)	(34,480)	(21,669)	(4,425)	-	(77,570)
Decrease	-	-	-	271	457	4,348	50	-	5,126
Transfer	-	-	-	-	-	-	-	-	-
As of December 31, 2007									
- at cost	-	(12,644)	(17,396)	(13,311)	(81,703)	(68,198)	(8,032)	-	(201,284)
- incremental appraisal value	-	-	-	-	-	-	-	-	-
<u>Closing net book amount</u>									
As of December 31, 2006	476,974	47,398	69,226	6,023	317,272	79,847	39,897	60,819	1,097,456
As of December 31, 2007	477,894	51,399	65,989	4,973	300,424	70,896	37,911	191,041	1,200,527

Depreciation charges for the years ended December 31, 2007 and 2006 are included in determining earnings as follows:

	(Unit : Thousand Baht)	
	2007	2006
Included in production costs	60,651	29,170
Included in selling and administrative expenses	16,919	14,819
	77,570	43,989

As of December 31, 2007 and 2006, the gross carrying amount of fully depreciated property and equipment that is still in use amount of Baht 31,658,103 and Baht 24,321,291 respectively.

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(Unit : Thousand Baht)

	The Company Only							
	Land	Land improve ment	Building and building improvem ent	Furniture and office equipment	Machinery and equipment	Vehicles	Other	Total
<u>At cost</u>								
As of December 31, 2006	58,819	5,022	63,595	7,435	6,317	22,884	1,527	165,599
Increase	-	1,622	-	134	-	-	-	1,756
Decrease	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
As of December 31, 2007	58,819	6,644	63,595	7,569	6,317	22,884	1,527	167,355
<u>Accumulated depreciation</u>								
As of December 31, 2006	-	(991)	(13,016)	(5,231)	(4,932)	(17,098)	(1,227)	(42,495)
Increase	-		(3,208)	(432)	(423)	(2,046)	(90)	(6,199)
Decrease	-	-		-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
As of December 31, 2007	-	(991)	(16,224)	(5,663)	(5,355)	(19,144)	(1,317)	(48,694)
<u>Closing net book amount</u>								
As of December 31, 2006	58,819	4,031	50,579	2,204	1,385	5,786	300	123,104
As of December 31, 2007	58,819	5,653	47,371	1,906	962	3,740	210	118,661

Depreciation charges for the years ended December 31, 2007 and 2006 are included in determining earnings as follows:

(Unit : Thousand Baht)		
	2007	2006
Included in production costs	474	2,213
Included in selling and administrative expenses	5,725	5,572
	6,199	7,785

As of December 31, 2007 and 2006, the gross carrying amount of fully depreciated property and equipment that is still in use amount of Baht 22,157,453 and Baht 18,197,876 respectively.

In the consolidated statements as of December 31, 2007, land of Baht 408.57 million and work in progress of Baht 61.85 million is the assets of a subsidiary which operate its business in rental building and service residence project. At present, the project is in the process of planning to develop the project.

As of December 31, 2007, in the consolidated, a part of land and construction, office condominium units and a part of machinery are mortgaged to secure the Company's loans from several local banks, the Company's bank overdrafts and bank guarantees of the Company, its subsidiary and related company.

As of December 31, 2007, in the Company's financial statements, a part of land and construction and office condominium units are mortgaged to secure the Company's loans from several local banks.

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 in the name of a related company. These have to be transferred to the Company by June 1998 and June 2001, according to the Sale and Purchase Agreement and Assignment of Claim made with that related company. However, due to the tight liquidity in the financial markets, the Company decided to postpone the transfer of the land possessory rights to be in the name of the Company as such transfer would incur a substantial sum in fees.

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

17. OTHER NON - CURRENT ASSETS

	Consolidated		(Unit : Thousand Baht) The Company Only	
	2007	2006	2007	2006
Deferred expenditure for rehabilitation of the concession area	2,403	2,403	250	250
<u>Less</u> Amortization	(378)	(267)	(97)	(80)
End balance of year	2,025	2,136	153	170
Deferred expenditure for forest restoration	8,157	8,157	-	-
<u>Add</u> Increase	1,797	-	-	-
<u>Less</u> Amortization	(4,977)	(2,719)	-	-
End balance of year	4,977	5,438	-	-
Deferred expenditure, net	7,002	7,574	153	170
Other	10,243	6,989	272	421
Other non - current assets	17,245	14,563	425	591

The quarrying operations of the Company and the gold mining operations of 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 2.37 million in 2007 and Baht 1.47 million in 2006 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, Narathiwad 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.

.....DIRECTOR.....DIRECTOR

18. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Bank overdrafts	26,493	6,031	4,511	6,031
Promissory note				
(Interest at the rate of 8.75% p.a.)	-	50,000	-	-
	<u>26,493</u>	<u>56,031</u>	<u>4,511</u>	<u>6,031</u>

The Company and a subsidiary has bank overdraft facilities amounted to Bath 35 million with several banks which are secured by deposits at bank of USD 1 million and mortgaged of land and construction of a subsidiary, part of the land possessory rights (Nor. Sor.3 and Nor. Sor.3 Kor) of the Company which are in the name of a related company and machinery of a subsidiary.

Promissory note are secured by mortgaged of land of the Company and a subsidiary, building and machinery of the subsidiaries, and pledge of share certificates of the subsidiary held by the Company, share certificates of the Company held by a subsidiary, letter of bank guarantee from a local branch of foreign bank and the Company, a subsidiary, a related company and director.

19. LONG - TERM LOANS

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Loans under debt restructuring agreement from several local banks	12,444	28,491	12,444	26,105
Loan from a local bank	21,688	28,552	21,688	28,552
Loans from two local banks - Credit lines of USD 10.4 million	-	376,800	-	-
Loans from a foreign bank - Credit lines of USD 25 million				
(As of December 31, 2007, principal is USD 19.27 million)	652,991	-	-	-
<u>Less</u> Deferred arranging fee, net	<u>(16,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	670,258	433,843	34,132	54,657
<u>Less</u> Current portion of long - term loans	<u>(223,195)</u>	<u>(228,351)</u>	<u>(11,414)</u>	<u>(19,520)</u>
Long - term loans, net	<u>447,063</u>	<u>205,492</u>	<u>22,718</u>	<u>35,137</u>

Loans under debt restructuring agreement from several local banks bear interest rate of MLR - MLR+1% p.a. and repayable in monthly and quarterly installment. The final payment shall be due in year 2011. The loans are secured by mortgaged of land and construction of the Company and a subsidiary company.

Loan from a local bank of the Company bears interest rate of MLR+1% p.a. and repayable in monthly installment. The final payment shall be due in year 2011. The loan is secured by mortgaged of Company's office condominium units, a subsidiary company and Company's director.

.....DIRECTOR.....DIRECTOR

In quarter 1st 2007, a subsidiary (Tungkum limited) had signed the loan and other related agreements with a foreign bank amounting to USD 25 million. (A part of the loan being used to repay loan from two local banks) The loan bears interest rate of Libor + 2.5% + Mandatory cost (if any) p.a. and repayable in monthly installment. The final payment shall be due in year 2011. The interest are payable monthly. The loan is secured by pledge of 90% of total shares of the subsidiary being hold by the Company and also guaranteed by the Company. In addition, under the said loan agreement, the subsidiary has to comply with the conditions specified in the agreements to delivery a minimum of 2,083.33 ounces of Gold per month and the sum of 105,000 ounces of Gold for 48 months under the price specified at the minimum of USD 500 per troy ounces and the ceiling of USD 712 - 735 per troy ounces except for the first 2 years if the gold price increases above USD 900 per troy ounces, the subsidiary shall receive the marginal price above the USD 900 per troy ounces and guarantee by the fixed deposits amounted to USD 5 million.

In December 2007, the guaranteed gold price of the subsidiary had been amended that the effective gold price shall be determined at the minimum of USD 500 per troy ounces and the ceiling of USD 820 per troy ounces for the first 2,083.33 ounces for the gold delivery for 3 months from December 2007 to February 2008 and from March to December 2008, the effective gold price shall be determined at the minimum of USD 500 per troy ounces and the ceiling of USD 712 per troy ounces for the first 2,083.33 ounces for the gold delivery.

The refinancing loan agreement with the foreign bank of USD 25 million which a part of the loan amounting to USD 10.4 million being used to repay the loan from two local banks has the following disadvantage and benefits:

Disadvantage

The subsidiary paid the prepayment fee for the amount of Baht 11.6 million in January 2007.

Benefits

1. Saving on interest expenses from the new loan.
2. Price band of the new loan is beneficial as it will allow the revenue from the gold sale to be at a free - range (band) compared to a forward sale with the fixed sale price at rising gold trend.
3. Benefits on release of collaterals as follow :
 - 3.1 Release of collateral in fixed deposit of Baht 70 million, result in interest expense saving amounted to Baht 13.3 million.
 - 3.2 Release of collateral in 6 title deeds of lands (located in Bangkok and Phuket) in which the book value was Baht 57.71 million and the 2007 appraised value was Baht 225.5 million consist of
 - One title deed on Ratchadapisek road, Bangkok (the total project comprises of three title deeds have the 2007 appraised value approximately Baht 545 million) of which the subsidiary company plan for office and residential building construction and development or for pledging to finance other projects.
 - Five title deeds on Phuket will be pledged to finance for the off - shore tin mining project
4. Benefit on releasing of gold sales proceed amounting to USD 1.0 million (approximately Baht 36.23 million) from one local bank at the time the collection has been received. The proceed had been kept for additionally secure the long term loan obligation.

The total benefits to the Company and the subsidiary obtained from the prepayment on loan from refinance had tremendously surpass the losses to the Company of paying the Baht 11.6 million prepayment fee.

.....DIRECTOR.....DIRECTOR

20. HIRE - PURCHASE AND FINANCE LEASE OBLIGATIONS

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2007	2006	2007	2006
<u>Vehicle</u>				
Hire - purchase and finance lease obligations	33,361	41,892	4,009	5,931
<u>Less</u> Deferred interest	(1,784)	(3,220)	(472)	(906)
Deferred input VAT	(763)	(1,287)	-	-
	30,814	37,385	3,537	5,025
<u>Less</u> current portion of hire - purchase and finance lease obligations	(12,129)	(16,720)	(900)	(1,234)
Hire - purchase and finance lease obligations	<u>18,685</u>	<u>20,665</u>	<u>2,637</u>	<u>3,791</u>

21. REDUCTION OF ACCUMULATED DEFICIT

At the ordinary shareholders' meeting held on April 28, 2006, the shareholders had approved the elimination of the Company's accumulated deficit as of December 31, 2005 by transfers from the premium on common stocks.

As of December 31, 2006, the premium on common stocks are as follows:

	(Unit : Thousand Baht) 2006
Premium on common stocks	550,626
<u>Less</u> Discount on common stocks	(62,926)
Premium on common stocks, net	487,700
<u>Less</u> Accumulated deficit as of December 31, 2005	(129,093)
Premium on common stocks, net	<u>358,607</u>

22. REVENUES

Revenues from the BOI - promoted and non - promoted industry for the years ended December 31, 2007 and 2006 are as follows:

	Note	(Unit : Thousand Baht)		
		Consolidated		Total
		Promoted industries	Non - promoted industries	
Export sales - gold sales		419,118	-	419,118
Local sales		-	8,980	8,980
Gain (loss) on exchange rate		-	26,922	26,922
Other income		-	19,790	19,790
Total Revenues		419,118	55,692	474,810
Revenue from sales of purchased gold	23	-	157,706	157,706
Total		<u>419,118</u>	<u>213,398</u>	<u>632,516</u>

(Unit : Thousand Baht)			
Consolidated			
2006			
	Promoted	Non -	
	industries	promoted	Total
		industries	
Export sales - gold sales	269,474	-	269,474
Local sales	-	21,083	21,083
Gain (loss) on exchange rate	-	22,619	22,619
Other income	-	4,004	4,004
Total Revenues	269,474	47,706	317,180

23. LOSS FROM SALES OF PURCHASED GOLD, NET

During the year 2007, 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), resulting the loss for the years ended December 31, 2007 and 2006 are as follows:

(Unit : Thousand Baht)		
Consolidated		
	2007	2006
Revenue from sales of purchased gold	157,706	-
<u>Less</u> Cost of gold purchased	(162,275)	-
Loss from sales of purchased gold, net	(4,569)	-

24. INCOME TAX EXPENSES

No income tax was payable for the year ended December 31, 2006 because of the Company has the tax loss after deducting the adjustment for decrease in impairment on investment in subsidiary companies.

No income tax was payable for the year ended December 31, 2006 because of the subsidiary has exemption from income tax on net profit from the promotion business.

25. 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, 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.

.....DIRECTOR.....DIRECTOR

26. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantee

26.1 As of December 31, 2007 and 2006, there were bank guarantees approximately amounted to Baht 9.76 million and Baht 78.36 million respectively, which are secured by subsidiaries' deposits at banks in the amount to USD 0.23 million and Baht 75.50 million respectively, with the Company only having bank guarantees approximately amounted to Baht 0.59 million and Baht 0.39 million respectively. The guarantees were issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the ordinary course of the businesses of the Company and its subsidiaries.

26.2 As of December 31, 2007, the Company has contingent liabilities for guarantee of a subsidiary's loans of USD 25 million.

As of December 31, 2006, the Company has contingent liabilities for guarantee of a subsidiary's loans of Baht 90 million and USD 10.4 million.

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

26.3 The Company and a subsidiary have contingent liabilities regarding the quarrying operations of the Company and the gold mining operations of a subsidiary that 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.

26.4 A subsidiary entered into a Memorandum of Understanding with the Kao - luang local council in Loei province. The memorandum included an agreement to compensate for any damage to the environment caused by its gold mining operation.

26.5 Under the agreement with the Forestry Department and the Agricultural Land Reform Office (ALRO), a subsidiary company has the following commitments and contingent liabilities regarding its gold mining operations.

The subsidiary has to pay the land usage fee in the same amount of the royalty fee paid to DPIM to the Agricultural Land Reform Office (ALRO).

The subsidiary must follow 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.

26.6 Under the Minerals Act B.E 2510 and related Law, a subsidiary shall pay the gold royalty to DPIM at the rate and price of the published gold royalty rate.

26.7 Under the concession agreement for exploration and development of gold mining on November 5, 1991 and the terms and conditions agreement on March 30, 2007 entered into by the subsidiary company and the Department of Primary Industries and Mines "DPIM" (formerly the name of the Department of Mineral Resources), the subsidiary company shall pay the extra benefit in cash of 1.5 percent of fine gold sold at each time by calculate from the daily published gold royalty rate on each selling date. The payment shall be made at the end of each quarter (March, June, September and December) within 30 days after each due date.

As of July 9, 2007, the Company made the adjustment and recorded the extra benefits which had to pay under the agreement dated March 30, 2007 amounted to Baht 4,073,667.47 in the 2006 financial statements according to the letter of the Securities Exchange Commission number SEC.CH 1479/2550 dated June 25, 2007.

.....DIRECTOR.....DIRECTOR

26.8 As of December 31, 2007 and 2006, a subsidiary had commitment under the engagement agreement with a university for environmental compliance monitoring and evaluation of gold mining project for 3 years commencing in December 2006 amounted to Baht 9.00 million and Baht 14.40 million respectively.

26.9 On June 28, 2007, the Department of Primary Industries and Mines (DPIM) had notified the Company to acknowledge its complaints against Tungkom Limited (a subsidiary) for exporting gold dores weighting 105.5153 kgs out of its mine/metallurgical area without filling the request for transportation permit. This is deemed to violate with Section 108 of the Minerals Act B.E 2510 by DPIM which shall be fined at 1-5 times of gold value (the gold value at the delivery date amounted to Baht 52.83 million) and the Minister of the Ministry of Industry has the power to cancel the mining right under Section 148 and the Director General of DPIM has the power to fine the subsidiary under Section 153.

On July 26, 2007, the subsidiary has met with the inquiry officers of the Wangsaphung District Police Office, Loei province denying all the allegations and stated that the subsidiary has complied with all official regulations.

At present, this matter is being under the process of the inquiry officers to preparing the case for the prosecutor to consider whether or not there are sufficient grounds for the indictment.

However, the subsidiary's legal counselor gave opinion on the above case that the case had been lapsed prescription in law.

Construction and other services agreements

26.10 In June, 2007, a subsidiary had signed the services agreement with a related company to perform services for the coordination and management of its proposed Le Metro project for 2 years commencing in July 2007 a one - off signing fee of Baht 0.6 million and monthly services fee of Baht 0.2 million per month. The said company shall be granted an option to purchase condominium units of the proposed project of 400 sq meters in floor space at cost price. The term of this agreement may, upon mutual agreement by the parties, be extended for additional 1 year with 10% fee increased, unless termination as provided herein. If the subsidiary is dissatisfied with the service provided by the local company, the agreement may be terminated with a 60 days written notice.

In August, 2007, the subsidiary and the related company had changed the above monthly services fee from Baht 0.2 million per month to Baht 0.15 million per month on the same condition.

In December 2007, the subsidiary had cancelled the said agreement.

26.11 As of December 31, 2007 and 2006, a subsidiary company had commitments resulting from entering into consultancy services agreements with various suppliers in respect of Le Metro Condominium project construction amounting to Baht 4.4 million and Baht 3.3 million respectively.

26.12 As of December 31, 2007, a subsidiary had commitments under the construction agreements with various companies in respect of fixed asset in gold mining project amounted to Baht 9.4 million.

Other

26.13 Under an agreement between the Company and a subsidiary's minority interest, the Company is committed to release from mortgage a part of the subsidiary's land awaiting development in proportion to the minority interest's shareholding. The commitment is in relation to the subsidiary's mortgage of the land to secure the credit facilities of Baht 30 million granted by a bank to the Company.

26.14 A subsidiary has guaranteed Baht 15 million bank overdraft facilities for the Company since the Company has provided advances and loans to the subsidiary company for using as working capital.

.....DIRECTOR.....DIRECTOR

27. FINANCIAL INSTRUMENTS

Foreign currency risk

As of December 31, 2007 and 2006, the Company is exposed to foreign currency risk primarily to foreign currency denominated assets and liabilities, as follows:

	Unit : Million USD			
	Consolidated		The Company Only	
	2007	2006	2007	2006
<u>Foreign currency denominated asset</u>				
Deposits at banks	6.37	-	-	-
Trade account receivable	0.05	0.07	-	-
<u>Foreign currency denominated liabilities</u>				
Long - term loans	19.27	10.40	-	-

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 which the Company and its subsidiaries anticipate non material risk from interest rates.

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.

28. SUBSEQUENT EVENT

28.1 In January 2008, the Company had signed the agreement to sell land with a company at Baht 60 million (the appraised value as of December 12, 2007 of Baht 60.7 million). The land has been purchased before year 1981 with the cost of Baht 7.85 million. In January 2008, the Company received deposit payment of Baht 9 million and the remaining Baht 51 million shall be received within 4 month from the agreement date. (The said land has been mortgaged to secure the Company's loans facility total Baht 17 million from a local bank. As of December 31, 2007, the Company has the outstanding loan of Baht 9.18 million.)

28.2 In January 2008, the Company had advanced for the temporary initial payment of Pound Sterling 0.1 million to a foreign company for possible investment in a gold mining project in a foreign country. However, the Company are considering to make the final decision whether the Company shall go ahead with the investment project or not. Therefore, the estimate expenditure cannot be made for the said project for the time being.

28.3 In February 2008, the Company had obtained bank overdraft facilities amounted to Bath 25 million and the letters of guarantees of Baht 10 million with a local bank which are guaranteed by mortgaged of a part of Company's land and office condominium units, a subsidiary and Company's director.

.....DIRECTOR.....DIRECTOR

28.4 On February 18, 2008, a subsidiary had signed the consulting service agreement and the project agreement with a foreign company for a period of 2 years from February 2008 in order to design and development, the construction, sale and marketing of the condominium project and the financing of Baht 250 million. Accordingly, the subsidiary has to pay the fee at the rate of 50 percent of profit obtained from the project after deducting the tax and the monthly fee of Baht 2 million (for 24 months).

The Company shall provide a corporate guarantee and the subsidiary shall provide a fixed and floating charge in favour of a foreign company to fully indemnify the liabilities of a foreign company for any loss, liabilities and damages suffered by the foreign company in relation to the procurement of the credit line up to Baht 250 million, which has not been signed.

29. BUSINESS SEGMENT INFORMATION

The Company's and its subsidiaries' core business is mining, which includes tin mining operations in Phuket Province, andesite mining operations in Saraburi Province, and gold mining operations in Loei Province. The Company also has an investment in a subsidiary, Sky Cliff Limited, whose main asset is a plot of land.

Sales and cost of sales classified by segment for the years ended December 31, 2007 and 2006 were presented in the statements of income for the years. The classification of the assets of the Company and its subsidiaries by segment as at the balance sheet date is presented as follows:

	Mining Business								(Unit : Million Baht)			
	Tin Mining		Gold Mining		Andesite Mining		Property Business		Eliminated		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
Investment in other Project												
Andesite mining	-	-	-	-	12.8	13.8	-	-	-	-	12.8	13.8
Gold mining	-	-	334.5	388.1	-	-	-	-	-	-	334.5	388.1
Property, plant and equipment, net	56.8	55.3	598.5	488.7	20.7	25.8	473.6	471.9	-	-	1,149.6	1,041.7
Other assets	85.5	4.1	761.6	870.6	102.8	127.4	390.1	385.2	(989.2)	(1,090.6)	350.8	296.7
General assets	-	-	-	-	-	-	-	-	-	-	50.9	55.7
Total assets	<u>142.3</u>	<u>59.4</u>	<u>1,694.6</u>	<u>1,747.4</u>	<u>136.3</u>	<u>167.0</u>	<u>863.7</u>	<u>857.1</u>	<u>(989.2)</u>	<u>(1,090.6)</u>	<u>1,898.6</u>	<u>1,796.0</u>

30. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements as presented herein for comparative purpose have been reclassified to conform with the current period's classifications.

31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2007 have been approved by the board of audit committee and the authorized directors on February 22, 2008.

.....DIRECTOR.....DIRECTOR

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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