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7/18

82- SUBMISSIONS FACING SHEET

MICROFICHE CONTROL LABEL



REGISTRANT'S NAME

Tongkah Harbour Public Company Limited

*CURRENT ADDRESS

7 Flr., Muang Thai-Phatra Office
Tower 1, 252/11 Ratchadapisek Rd.
Huay Khwang, Bangkok 10320

**FORMER NAME

**NEW ADDRESS

PROCESSED

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34994

FISCAL YEAR

THOMSON
FINANCIAL

• Complete for initial submissions only •• Please note name and address changes

INDICATE FORM TYPE TO BE USED FOR WORKLOAD ENTRY:

12G3-2B (INITIAL FILING)

AR/S (ANNUAL REPORT)

12G32BR (REINSTATEMENT)

SUPPL (OTHER)

DEF 14A (PROXY)

OICF/BY:

[Signature]

DATE:

7/18/06

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2006 JUL 18 P 1:09

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 25/05/2006 09:08

THL : Further Extension in Submitting FS Q1/2006

Our Reference: THL.AC.151-049/05/2549

May 24, 2006

Managing Director
The Stock Exchange of Thailand

Dear Sir:

Subject: Request for a further extension in submitting
the review of quarterly financial results for 1/2006.

With reference to our letter dated May 15, 2006 requesting for the extension in submitting the review of quarterly financial results for 1/2006, we would like to seek further extension until May 30, 2006.

In light of every possible best efforts, the progress is still be made till date.

Please be informed accordingly.

Sincerely yours,

J. Peter Mills / Udom Chirapanathorn
Executive Directors

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2006 JUL 18 P 1:59
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 15/05/2006 17:39

THL : Extension in submitting FS Q 1/2006

Our Reference: THL.AC.151-042/05/2549

May 15, 2006

Managing Director
The Stock Exchange of Thailand

Dear Sir:

Subject: Request for an extension in submitting the review
of quarterly financial results for 1/2006.

In order to report accurately and fairly for the period indicated, Company management deems it appropriate to request an extension for the submission of results until May 24, 2006, for the following reasons.

- 1) For the year ending 2006, the Company has changed its auditors from BDO Richfield to A.M.T. & Associates.
- 2) In addition to regular business and related accounting transactions, the change has necessitated a temporary added staff work load relating to the intricacies for audits and confirmation of opening balances (that were already reviewed and audited by the former team).
- 3) The added accounting staff work load related to the inauguration and implementation of our recently deployed computerized accounting and enterprise resources management program which has required an extensive

training period.

Please be informed accordingly.

Sincerely yours,

J. Peter Mills / Udom Chirapanathorn
Executive Directors

RECEIVED

2006 JUL 18 P 2:50

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 03/05/2006 08:37

THL : Resolution of the AGM of Shareholders No.12/2006 -Additional

THL151-039/04/2006

28 April 2006

Director General
The Stock Exchange of Thailand

Dear Sir,

Re:Resolutions of the Annual General Meeting of Shareholders No. 12/2006
(Addition)

Pursuant to the Annual General Meeting (AGM) of Shareholders No. 12/2006 held on 28 April 2006 at Wangchan Room, 4th Floor, The Grand Hotel No. 238 Rachadapisek Road, Huay Kwang, Bangkok, the Company hereby informs the Stock Exchange of Thailand (SET), Shareholders and investors that there were 76 shareholders attend the meeting including by proxy of which represented 300,267,583 shares and the AGM unanimously approved and or acknowledged the following:-

1. The Minutes of the AGM No.11/2005 held on 4 March 2005 as presented.
2. The Company's Annual Report for the year 2005.
3. The Audited statement of accounts for the fiscal year as at 31 December 2005 as tabled.
4. The non-allocation of profit and the nonpayment of dividend.
5. The offsetting accumulated losses against share premiums amounting to Baht 132,615,546 as a result the Company accumulated losses will become zero and share premiums will be reduced to Baht 355,084,695.
6. The re-appointment of the retiring Directors by rotation as following:

- | | |
|------------------------------|---------------------------------|
| (1) Mr. Kraing Kiatfuengfoo | Chairman of the Audit Committee |
| (2) Mr. Somsak Ruamkid | Director and Executive Director |
| (3) Mr. Surapong Chiangthong | Director |

Approve Mr. Sunthorn Choorak who retirec by rotation and elect Directors to fill vacancy::

(1) Mr. Noppadol Mantajit Independent Director

7. Fixing the Director's remuneration for the fiscal year 2006.

7.1 To approve fixing the Directors' remuneration for the fiscal year 2006 as follows:-

| Board of Directors | (Baht) Annual Fee | Board's Meeting Allowance |
|-----------------------|-------------------|---------------------------|
| Chairman of the Board | 150,000 | 25,000 per meeting |
| Ordinary Members | 100,000 | 20,000 per meeting |
| Executive Director | 100,000 | -- |

As per Agenda 7.1, was put to vote and 96.67% of the shareholders present approved of the above remuneration with 0.11% disapproving and 3.22% abstained from voting.

7.2 To ratify and approve fixing the Directors' remuneration for the Audit Committee, Remuneration Committee, and Nomination Committee as follows:

Audit Committee (Effective September 2005)

| (Baht) | Audit Committee Annual Fee | Board's Meeting Meeting Allowance | Board's Meeting Allowance |
|--|----------------------------|-----------------------------------|---------------------------|
| Independent Director And Chairman of the Audit Committee | 120,000 | 25,000 per meeting | 20,000 per meeting |

| | | | |
|--|--------|--------------------|--------------------|
| Independent Director And Member of Audit Committee | 90,000 | 15,000 per meeting | 20,000 per meeting |
|--|--------|--------------------|--------------------|

Remuneration Committee (for year 2006)

| (Baht) | Annual Fee | Remuneration Committee Meeting Allowance |
|---|------------|--|
| Chairman of the Remuneration Committee | 90,000 | 15,000 per meeting |
| Remuneration Member | 60,000 | 10,000 per meeting |

Nomination Committee (for year 2006)

| (Baht) | Annual Fee | Nomination Committee Meeting Allowance |
|---|------------|--|
| Chairman of the Nomination Committee | 90,000 | 15,000 per meeting |
| Nomination Committee Member | 60,000 | 10,000 per meeting |

8.The appointment of Mrs. Kesree Narongdej as Certified Public Accountant, License No. 76, and/or Mrs. Natsarak Sarochanunjeen Certified Public Accountant, License No. 4563 of A.M.T. & Associates, as the Company's auditors for fiscal year 2006. In the event that one of the above is unable to perform his duties, the other may serve as a backup to perform auditing services for the Company. In addition, A.M.T. & Associates are independent, not related to the Company or its management, and have not served the Company for any period of time.

That their remuneration be fixed at Baht 560,000 (Five hundred sixty thousand Baht only) for the year 2006.

9.As per agenda 9. Consider and approve the trading of THL shares on AIM or other alternatives or issue of financial instruments to give access to trading of THL.

The Meeting approved (except for 0.77 percent) of the trading THL share as ADR (American Depository Receipts) via the Deutsche Bank. The SET and SEC shall accordingly be informed. THL shall continue to comply with all the rules and regulations of the SET and SEC in maintaining its listing status in Thailand.

Yours faithfully,

Mr. Chalermchai Martmuang
The Secretary to the Executive Boards of Director

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2006 JUL 18 P 2:40

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 02/05/2006 09:31

THL : Resolution of the AGM of shareholders No. 12/2006

THL151-039/04/2006

28 April 2006

Director General
The Stock Exchange of Thailand

Dear Sir,

Re:Resolutions of the Annual General Meeting of Shareholders No. 12/2006

Pursuant to the Annual General Meeting (AGM) of Shareholders No. 12/2006 held on 28 April 2006 at Wangchan Room, 4th Floor, The Grand Hotel No. 238 Rachadapisek Road, Huay Kwang, Bangkok, the Company hereby informs the Stock Exchange of Thailand (SET), Shareholders and investors that there were 76 shareholders attend the meeting including by proxy of which represented 300,267,583 shares and the AGM unanimously approved and or acknowledged the following:-

1. The Minutes of the AGM No.11/2005 held on 4 March 2005 as presented.
2. The Company's Annual Report for the year 2005.
3. The Audited statement of accounts for the fiscal year as at 31 December 2005 as tabled.
4. The non-allocation of profit and the nonpayment of dividend.
5. The offsetting accumulated losses against share premiums.
6. The re-appointment of the retiring Directors by rotation and elect Directors to fill vacancy::

- (1) Mr. Kraing Kiatfuengfoo Chairman of the Audit Committee
- (2) Mr. Somsak Ruamkid Executive Director
- (3) Mr. Surapong Chiangthong Director
- (4) Mr. Noppadol Mantajit Independent Director

7. Fixing the Director's remuneration for the fiscal year 2006.

7.1 To approve fixing the Director's remuneration for the fiscal year 2006 as follows:-

| Board of Directors | | |
|-----------------------|-------------------|---------------------------|
| | (Baht) Annual Fee | Board's Meeting Allowance |
| Chairman of the Board | 150,000 | 25,000 per meeting |
| Ordinary Members | 100,000 | 20,000 per meeting |
| Executive Director | 100,000 | -- |

As per Agenda 7.1, was put to vote and 96.67% of the shareholders present approved of the above remuneration with 0.11% disapproving and 3.22% abstained from voting.

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| | (Baht) Annual Fee | Audit Committee Meeting Allowance | Board's Meeting Allowance |
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| Independent Director And Chairman of the Audit Committee | 120,000 | 25,000 per meeting | 20,000 per meeting |

| | | | |
|--|--------|--------------------|--------------------|
| Independent Director And Member of Audit Committee | 90,000 | 15,000 per meeting | 20,000 per meeting |
|--|--------|--------------------|--------------------|

Remuneration Committee (for year 2006)

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| Chairman of the Remuneration Committee | 90,000 | 15,000 per meeting |
| Remuneration Member | 60,000 | 10,000 per meeting |

Nomination Committee (for year 2006)

| | (Baht) Annual Fee | Nomination Committee Meeting Allowance |
|---|-------------------|--|
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9. As per agenda 9. Consider and approve the trading of THL shares on AIM or other alternatives or issue of financial instruments to give access to trading of THL.

The Meeting approved (except for 0.77 percent) of the trading THL share as ADR (American Depository Receipts) via the Deutsche Bank. The SET and SEC shall accordingly be informed. THL shall continue to comply with all the rules and regulations of the SET and SEC in maintaining its listing status in its listing status in Thailand.

Yours faithfully,

Mr. Chalermchai Martmuang
The Secretary to the Executive Boards of Director

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2006 JUL 18 P 2:40
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 26/04/2006 13:05

THL : Report on progress of the Company's performance

Translation

THL 151-038/4/2549

21 April, 2006

Re : Report on progress of the Company's performance

To : Director General
The Stock Exchange of Thailand

Dear Sir,

According to the SET's requirement, the Company in REHABCO Sector is required to report performance progress every 6 months as of 31 March and 30 September of each year.

The Company, therefore, herein reports its financial and operational performance as of 31 March 2006 as follows:-

1) Andesite, Gold, and Tin Mining Operations

1.1 Andesite Quarry

Andesite quarry performance in the year 2005 ended December 2005 is as follows

Unit : million Baht

| Year | 2004 | 2005 |
|---------------------|-------|--------|
| Sales | 17.39 | 21.46 |
| % increase/decrease | - | 23.40% |
| Production costs | 16.33 | 20.71 |
| % increase/decrease | - | 26.82% |
| Gross Margin | 6.10% | 3.49% |

Andesite sales in the year 2005 were Baht 21.46 million, an increased of 23.40% from Baht 17.39 million in the previous year. Operational costs increased 26.82% from Baht 16.33 million in 2004 to Baht 20.71 million in year 2005. The increase in operational costs were due mainly to higher oil prices causing the gross profit margin to decrease from 6.10% in the previous year to 3.49% in year 2005. The Company continued to diversify its products toward the highway construction sector in order to not to depend solely on ballast, as the main product.

1.2 Gold Mining [Tungkum Limited (TKL)]

Tungkum's Gold Project obtained a USD 13 million loan from the EXIM Bank and Bankthai PCL. on March 1, 2005. There was a delay in the construction and installation of the process plant from the initial schedule due mainly to the rescheduling of slurry pumps to be shipped from Australia. However, the plant is currently under construction and installations have now been mainly completed and commercial operations are scheduled to commence in May 2006.

1.3 Tin Mining

Tin performance in year 2005 ended December 2005 as follows:-

Unit : million Baht

| Year | 2004 | 2005 |
|------|------|------|
|------|------|------|

| | | |
|---------------------|-------|----------|
| Sales | 39.77 | 2.35 |
| % increase/decrease | - | (94.09%) |

| | | |
|---------------------|-------|----------|
| Production cost | 37.06 | 2.27 |
| % increase/decrease | - | (93.87%) |

| | | |
|--------------|-------|-------|
| Gross Margin | 6.81% | 3.40% |
|--------------|-------|-------|

In year 2005, the Company's tin ore sales were Baht 2.35 million, a decrease of 94.09% when compared to Baht 39.77 million in the previous year. Production costs decreased 93.87% from year 2004. The Company ceased its offshore tin mining operations since April 2005 due to a higher production costs and increased royalty rates on tin. Currently, the Company is awaiting the results of tin royalty review by the Government.

In connection with tin mining prospects farther offshore, the Company has raised its share holdings in Sea Minerals Limited (SML), which owns a large offshore tin concession, to 83.70%. Currently, the Company has embarked on the technical and financial feasibility of mining this deposit and has initiated contact with engineering and resource evaluation firms experienced in offshore mining and dredging.

2) Property development

The 29-storey condominium project on Ratchadapisek road is on temporary hold due to the high increase in oil prices which affects both the costs of construction materials and also the overall market situation. The Company has plans to review the project and property development market conditions prior to any further development.

3) The Company's debt restructuring

In Debt Restructuring, THL has completed restructuring by converting its short term liabilities into long term liabilities to suit the Company's financial situation since July 2001. Since then, the Company has always repaid the principal and outstanding interest according to the payment conditions. The restructuring debt balance as at the end of March 2006 is as follows:-

| Banks | Principal/ Balance | Outstanding Interest/ | Total/ Balance | Terms (Years) | Grace Period | Payment Condition |
|-------|-----------------------|--------------------------|-------------------|------------------|-----------------|----------------------|
|-------|-----------------------|--------------------------|-------------------|------------------|-----------------|----------------------|

| | (Baht) | Balance (Baht) | (Baht) | (Years) | |
|-------------------------|---------------------------|-------------------------|---------------------------|---------|---|
| Financial Institution1 | 31,281,736/ 14,775,332 | 3,998,107/ 1,665,878 | 35,279,843/ 16,441,210 | 7 | 2 Monthly, Baht 0.60 million each. Starting April 2003 |
| *Financial Institution2 | 6,832,633/ 3,074,685 | 1,121,537/ 504,691 | 7,954,170/ 3,579,376 | 7 | 2 Monthly, Baht 0.13 million each. Starting June 2003 |
| Financial Institution3 | 15,502,687/ 12,656,069 | 1,384,520/ 0 | 16,887,207/ 12,656,069 | 10 | 2 Monthly, Baht 0.25 million each in Year 3-7, and Baht 0.28 million each in Year 8-10, starting July 2003 |
| Financial Institution4 | 10,000,000/ 5,709,127 | - | 10,000,000/ 5,709,127 | 10 | 2 Quarterly, Baht 0.25 mil each in Year3-5 and Baht 0.35 million each in Year 6-10, Starting March 2003 |
| Total | 63,617,056/ 36,215,213 | 6,504,164/ 2,170,569 | 70,121,220/ 38,385,782 | | |

Note : * Under Cholsin Limited, THL's subsidiary.

As of December 2005, the Company has a loss of Baht 69.02 million or Baht 0.10 per share compare to a loss of Baht 57.21 million or Baht 0.11 per share in the year 2004, the higher loss was a result of the share of loss from investment in Sea Minerals Limited in which the Company has raised its share holdings to 83.70%. The share of loss from investment amounts to Baht 6.9 million in the year 2005.

The Company, therefore, reports the progress of its financial and operational performances in accordance with its Rehabilitation Plan (or Operational Plan) as of March 2006 for your consideration.

Sincerely yours,

(Dr. J. Peter Mills) (Mr. Udom Chirapanathom)
Director Director

RECEIVED

2006 JUL 18 P 2:40

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 24/03/2006 13:25

THL : Names and Scope of Performance of Audit Committee-F24-3

F 24-3

Form for Report on Names of Members and Scope of Performance
of the Audit Committee

The board of directors meeting / Tongkah Harbour PCL No. 2/2006 held
on 22 March 2006 passed a resolution appointing Mr.Somsak Potisat as
Independent Director and Member Audit Committee in place
Mr. Tiwa Sukumoljuntrat therefore, at 22 March 2006

1.Names of members of the Audit Committee are as follows :

Remaining terms
of holding office

Chairman of the Audit Committee Mr.Kriang Kietfuengfoo - year(s) 2006
Member of the Audit Committee Mrs.Arida Vidhyananda 1 year(s) 2007
Member of the Audit Committee Mr. Somsak Potisat 1 year(s) 2007
Secretary of the Audit Committee Mr. Chalermchai Martmuang

Certificates and Resumes of 1 member of the Independent Director
and Audit Committee are attached hereto.

2. The Audit Committee of the Company has the scope of duties and
responsibilities, and shall report to the board of directors on:

1. Ensuring that all financial reporting is in accordance with generally
excepted accounting procedures.
 2. Ensuring timely and transparent regulatory compliance.
 3. Making informed recommendations regarding the Company's
accounting policies practices.
 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 working suggestions for possible improvement.
 7. Reviewing any matter that may potentially affect the financial welfare of the
company and/or connected transactions involved with related companies.
 8. Reviewing and making recommendations in the Company's internal control.
- The Company hereby certifies that the aforementioned members meet all the
qualifications prescribed by the Stock Exchange of Thailand.

Signature _____ Director

(Mr. Ronald Ng Wai Choi)

(Seal)

Signature _____ Director
()

RECEIVED

2006 JUL 18 P 2:40

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 24/03/2006 08:41

THL : The Appointment of Director (Revised)

THL 151-024/3/2006

22 March 2006

Director General
The Stock Exchange of Thailand

Dear Sir,

Re: Board's Resolution Concerning Shareholders (Revised Edition)

Pursuant to the Board of Directors' Meeting No. 2/2006 held on 22 March 2006, the Company hereby informs the Stock Exchange of Thailand (SET), shareholders and investors regarding the following Board Resolution:-

1. The appointment of Mr. Somsak Potisat as Independent Director and Audit Committee Member replacing Mr. Tiwa Sukumoljantra effective 22 March 2006.

The Company's Audit Committee therefore consists of Three members as follows:-

- 1) Mr. Kriang Kietfuengfoo Independent Director and
Chairman of Audit Committee
- 2) Mrs. Arida Vidhyananda Independent Director and
Audit Committee Member
- 3) Mr. Somsak Potisat Independent Director and
Audit Committee Member

2. Recommend to the Shareholders for approval the appointment of Mr. Nopadol Mantajit as Director replacing Mr. Sunthorn Choorak who retired by rotation and also appoint as the Independent Director.

Please be informed accordingly.

Yours faithfully,

Mr. Chalermchai Martmuang
The Secretary to the Executive Boards of Directors

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2006 JUL 18 P 2:20

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 23/03/2006 09:05

THL : Appointment Independent Director and Audit Committee Member

THL 151-024/3/2006

22 March 2006

Director General
The Stock Exchange of Thailand

Dear Sir,

Re: Board's Resolution Concerning Shareholders

Pursuant to the Board of Directors' Meeting No. 2/2006 held on 22 March 2006, the Company hereby informs the Stock Exchange of Thailand (SET), shareholders and investors regarding the following Board Resolution:-

1. The appointment of Mr. Somsak Potisat as Independent Director and Audit Committee Member replacing Mr. Tiwa Sukumoljantra effective 22 March 2006.

The Company's Audit Committee therefore consists of Three members as follows:-

- 1) Mr. Kriang Kietfuengfoo Independent Director and
Chairman of Audit Committee
- 2) Mrs. Arida Vidhyananda Independent Director and
Audit Committee Member
- 3) Mr. Somsak Potisat Independent Director and
Audit Committee Member

2. Recommend to the Shareholders for approval the appointment of Mr. Nopadol Mantajit as Independent Director replacing Mr. Sunthorn Choorak who retired by rotation.

Please be informed accordingly.

Yours faithfully,

Mr. Chalermchai Martmuang
The Secretary to the Executive Boards of Directors

Date/Time : 10/03/2006 09:03

THL : Omit dividend payment and Set date of AGM

THL151-019/03/2006

9 March 2006

Director General
The Stock Exchange of Thailand

Dear Sir,

Re: Board's Resolution Concerning Shareholders

Pursuant to the Board of Directors' Meeting No. 1/2006 held on 9 March 2006, the Company hereby informs the Stock Exchange of Thailand (SET), shareholders and investors regarding the following Board Resolution:-

1. THL's Audit Committee Members recommended and the Board of Directors approved the audited accounts for yearended 31 December 2005 for recommendation to shareholders.
2. To approval the AMT & Associated for recommendation to the shareholders as the Company's auditor for 2006 and fix their remuneration.
3. To approval the Directors fees for the year 2006 for recommendation to shareholders.
4. The Company will call for the Annual General Meeting of the Shareholders (AGM) No.12/2006, to be held on Friday, 28 April 2006 at 9:30 hrs. at Wangchan Room, 4th Floor, The Grand Hotel No. 238 Ratchadapisek Road, Huay Kwang Bangkok 10320 Thailand, as the proposed agenda is outlined below.

- Agenda No. 1. Consider and, if accepted, confirm the minutes of the previous shareholders' AGM no. 11/2005, dated 4 March 2005.
- Agenda No. 2. Acknowledge the Company's Annual Report for the year 2005.
- Agenda No. 3. Approve the audited financial statements for the fiscal year.
- Agenda No. 4. Approve the non-allocation of dividend payments.
- Agenda No. 5. Consider and approve offsetting accumulated losses against share premiums.
- Agenda No. 6. Consider and elect directors in place of those directors retiring by rotation and appoint the Board of Directors to elect Director

to fill vacancy and fixing directorate remuneration for the year 2006.
Agenda No. 7. Consider and appoint the Company's auditor(s) and affix their remuneration for the fiscal year 2006.

Agenda No. 8. Consider and approve the trading of THL Share AIM or other alternatives or issue of financial instruments to give access to trading of THL.

Agenda No. 9. Other matters.

5. The Company's share register book be closed on Friday 7 April 2006 at 12:00 hrs for the right to attend the AGM of the Shareholders No. 12/2006 until such Meeting is completed.

6. To approval and authorize Mr. Kriang Kiatfuengfoo, Chairman of the Audit Committee and Independent Director or Mrs. Arida Vidhyananda, Audit Committee Member and Independent Director, to act as proxy holder of the Company's Shareholders unable to attend the AGM.

7. The Company will not make any dividend payments as the Company's operated at a loss for the year ending 31 December 2005 in accordance with the law.

Please be informed accordingly.

By order of the Board.

Yours faithfully,

Mr. Chalermchai Martmuang
The Secretary to the Executive Boards of Directors

RECEIVED

2006 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 01/03/2006 18:27

THL : Clarifying Operating Result 2005

THL A/C 151-015/03/2006

March 1, 2006

Director General
The Stock Exchange of Thailand

Dear Sir,

Subject : Clarifying Financial Statements for the year ended
December 31, 2005 - Comparison of operating results for
the year ended 2005 and 2004

With reference to our Report and Consolidated Financial Statements (Audited by Certified Public Accountant BDO Richfield Co.,Ltd.), and the summary of Financial Statements for the year ended 31 December 2005 being submitted to the Stock Exchange of Thailand on March 1, 2006, we would like to highlight operating results as follows:-

The Company reported a net loss for the year ended December 31, 2005 of Baht 69.02 million, compared with a net loss of Baht 57.21 million for the previous year.

1. Tin ore sales

A substantial reduction in tin ore sales for the year as compared to the previous year is due to the Company's decision to temporarily suspend the operation pending further review by the Government on issue related to tin royalty rate.

2. Increase in Andesite Sales by Baht 4.07 million

Andesite sales for the year increased from Baht 17.39 million to Baht 21.46 million from the previous year. The increase was mainly due to increased sales and deliveries to contractors for the State Railway of Thailand (SRT). The margin was decreased from 6 percent to 4 percent as a result of increase in oil price. However, we have adjusted the selling price to be in line with that of increased cost.

3. Selling and Administrative Expenses.

The Selling and Administrative expenses decreased by Baht 0.96 million compared to the previous. Meanwhile, the Company continues its stringent expenses control policy.

4. Other(s).

The increase in loss from last year can be attributed to the 83.70 shares of Sea Minerals Limited acquired during 2005 and that has resulted in share of loss being recognized in the consolidated financial statements for the year amounting to Baht 6.93 million.

Please be informed accordingly.

Your faithfully,
TONGKAH HARBOUR PUBLIC COMPANY LIMITED

(Dr. John Peter Mills / Mr.Udom Chirapanathorn)
Director

Date/Time : 01/03/2006 18:12

THL : Progress Report

THL 151-017/03/2006

1 March 2006

Director General
The Stock Exchange of Thailand

Dear Sir:

**SUBJECT: PROGRESS REPORTS ON PROJECTS OF
TONGKAH HARBOUR PUBLIC COMPANY LIMITED**

Tongkah Harbour Public Company Limited (THL) and D.S. Prudential Co., Ltd., THL's Financial Advisor, provide herein up-to-date progress on its various projects and those of its affiliated companies. Essentially, THL continues to focus on its core business which is mineral exploration and mining and property development.

Activities currently in progress include (1) expediting the implementation of the mining program of Tungcum Ltd. (TKL), (2) directing its mining subsidiary, Cholsin Ltd. (as its quarry crushing plant operator), (3) conducting its andesite mining project in Saraburi Province, (4) managing tin mining on its offshore leases at Phuket, and (5) reviewing options and overseeing property development for the Company's land banks in Phuket and Bangkok.

1. EXPLORATION AND MINING

1.1 GOLD MINING

THL has a 98.86% effective working interest in TKL, which has 100% control of the mineral concessions for exploration and mining of gold and related minerals in Loei Province, Northeast Thailand.

MINE DEVELOPMENT

On obtaining formal approval of financing arrangements (USD 13.3 million for plant construction and equipment) with the Board of Directors of Export-Import Bank of Thailand (EXIM) and Bankthai Public Company Limited on 1 March. the Company focused on: 1) completing infrastructure development, 2) sourcing and ordering heavy equipment essential for site construction and mining, 3) finalizing the sourcing of processing plant equipment in Australia, 4) reaching agreement with expert expertise personnel to take up certain key positions in the Project, and 5) completing negotiations with several engineering firms to provide the expertise and coordination to see the development phase through to completion and commissioning.

Site development and construction at the Loei gold project is in full swing with construction progress as follows:

1. Infrastructure

The electric power supply system has been completed. Additional transformers are being installed. The water supply bore holes have been completed and work on the reticulation system is in progress.

2. Earthworks and Civil Engineering

All works including roads and plant site patios have been completed. Various building constructions, embankments, and retaining the wall, have been completed and construction of concrete foundation are in progress.

3. Initial Mining

Whilst completing the above civil works, excavation on target T-1 has commenced to supply ore for the ROM pad (already prepared) stockpile with waste going to the dump site/embankment interface.

4. Crusher and SAG Mill

The Crusher, and SAG mill and its accessories have arrived at the site. The conveyors and other accessories are being installed.

5. Processing plant

5.1. steel Fabrication: The steel fabrication has been completed including steel structures, nine leach tanks, thickener tank, and other re-agent tanks.

5.2. Equipment Installations: The engineering firm of Claymore and Associates, Perth, Australia, well experienced in gold processing plant construction, has been commissioned to be the overall supervisors of the processing plant installations through to commissioning. Currently, the installations are in progress. There is some delay of the shipment of slurry pumps from Australia, and rescheduled arrival on March 25, 2006.

5.3. Piping and electrical installations: Piping and electrical wiring and fixtures are being installed and scheduled to be completed by the end of March.

5.4. Processing Chemicals and supplies: All major chemicals and supplies used in the gold extraction process have been ordered and scheduled to be at the site by the end of March..

6. Commissioning Schedule :

It is likely that the construction and erection of the process plant will be completed by the end of March, about a one month delay from the initial schedule due to the rescheduling of slurry pumps to be shipped from Australia. Plant commissioning should begin around by mid April,

final approvals for commencement from the Department of Primary Industry and Minerals (DPIM). Initial gold production from the Loei Operation is targeted for May 2006.

1.2 ANDESITE MINING

Cholsin Limited (CSL) is under contract to handle the rock crushing operations for THL. As such, CSL operates the rock crushing plant and provides both equipment and experienced manpower.

THL is operating under a ten-year license and will work on another ten-year licensed area, which has been approved recently by the Ministry of Industry. All other permits are kept current as required by Government authorities.

1.3 ANDESITE SALES

Andesite sales for the year 2005 increased from Baht 17.39 million to Baht 21.46 million when compared to the previous year. The increase was mainly due to increased sale and delivery of ballast to the contractors for the State Railway of Thailand.

The Company continues to take steps to diversify its product market so that the Company is not so dependent on railway ballast sales alone to ensure operational success. The diversification includes prospects such as the production of railway sleepers, high strength concrete for the construction industry, and modified asphaltic road surfacing.

1.4 OFFSHORE TIN MINING

There was no income from tin was decreased due to the high royalty rate on tin which caused the Company to temporarily stop the tin mining operation in April 2005. The Company is negotiating for a review of the royalty rate with the Department of Primary Industry and Mining to adopt a more competitive rate.

In connection with tin mining prospects farther offshore, the Company has raised its share holdings in Sea Minerals Limited (SML) to 83.70%. SML controls extensive offshore tin resources estimated to exceed 50,000 tons of tin which far exceeds the world's current stockpiles. At this juncture, the Company has completed the technical feasibility study of mining this deposit and has initiated contact with engineering and resource evaluation firms in Europe and Malaysia experienced in offshore mining and dredging. Upon completing the financial feasibility study (which is very much dependent on the royalty rate) and verification of its reserves and technical study by independent third party, SML will seek listing of its shares for trading on the Alternative Investment Markets (AIM) of the London Stock Exchange.

2. PROPERTY DEVELOPMENT

2.1 PHUKET PROPERTY HOLDINGS

On 5 October 2004, the Siam Commercial Bank Pcl.(SCB) transferred the land at Saphan Hin in Phuket, adjacent to the town center, totaling 6-3-51.3 rai under title deed # 2613, to the Company after receiving the last payment of Baht 10 million. This land transfer consolidates the Company's land holding providing a contiguous area with sea frontage of 24-3-36.4 rai at Phuket Bay. Holding this contiguous land bank provides the Company with much more flexibility in developing the area, particularly in line with the Company's Phuket Bay Rehabilitation and Development Plan proposal, already presented to the Royal Thai Government. The Phuket Government is currently preparing the terms of reference ("TOR") for a bidding process to develop Phuket Bay.

2.2 SKY CLIFF BUILDING (RACHADAPISEK ROAD)

The a 29 story "Le Metro" condominium project is on temporary hold due to the high increase in costs of construction materials following the sharp increase in the price of crude oil. Given that our development is a luxury class development employing very high quality specifications, the increase in construction material costs dramatically impacted our ability to move forward with the project while allowing us to still make a profit. As such, Management determined that it was in the best interest of the Company to keep this project on hold, pending oil price stabilization which would then allow construction materials to settle at more reasonable prices which would in turn increase the project's profit margin.

The building construction permit has been extended by one year by Bangkok Metropolitan Administration (BMA). Currently, the Company is negotiating with an institutional fund to double the equity base and lessen the Company's dependency on bank borrowings.

3. OTHER ACTIVITIES

3.1 AUDIT COMMITTEE ACTIVITIES

The Audit Committee held its quarterly meeting to review the audited financial statement for the year 2005, and other company activities. The committee noted that the accounting policies and principles being used by THL meet with standard accounting practices.

The above constitutes THL's activities for the forth Quarter of 2005 and subsequent significant events.

Sincerely,

TONGKAH HARBOUR PUBLIC COMPANY LIMITED

..... Executive Director

(Dr. J. P. Mills, Mr. Udom Chirapanathorn)

1

Date/Time : 01/03/2006 18:04

THL : Audited Yearly F/S And Consolidated F/S (F45-3)

(Audited Yearly F/S and Consolidated F/S (F45-3))
Reports: Audited yearly and consolidated statements as follows.
Name TONGKAH HARBOUR PUBLIC COMPANY LIMITED

| Year | Audited (In thousands) Ending 31 December For year | |
|-------------------|---|----------|
| | 2005 | 2004 |
| Net profit (loss) | (69,016) | (57,214) |
| EPS (baht) | (0.10) | (0.11) |

Auditors Opinion:

Unqualified Opinion with an emphasis of matters

Comment: 1. Please see details in financial statements, auditor's report and remarks from SET SMART

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (ELCID), and has also submitted the original report to the Securities and Exchange Commission."

Signature _____
(Udom Chirapanathorn / Dr. John Peter Mills)
Position Director

Authorized to sign on behalf of the company

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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

TONGKAH HARBOUR PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATE FINANCIAL STATEMENTS
31st DECEMBER, 2005

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

I have audited the accompanying consolidated balance sheets of Tongkah Harbour Public Company Limited and its subsidiaries as at 31st December, 2005 and 2004 and the related consolidated statements of earnings, change in shareholders' equity and cash flow for the years then ended and the separate financial statements of Tongkah Harbour Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit 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 positions of Tongkah Harbour Public Company Limited and its subsidiaries and of Tongkah Harbour Public Company Limited as at 31 December, 2005 and 2004 and the results of its operation, the changes in shareholders' equity and cash flow for the years then ended in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to the followings:

1) As discussed in Note 2 to the financial statements, the Company and its subsidiary companies have experienced persistent operating losses and have current liabilities substantially in excess of current assets. Nevertheless, the accompanying financial statements have been prepared on the going concern basis, assuming that the realization of assets and settlement of liabilities and obligations will occur in the ordinary course of business of the Company and its subsidiary companies, without any expectation of significant disruption to the ongoing activities.

- 2) As discussed in Note 14 to the financial statements, land awaiting development of a subsidiary company (Sky Cliff Limited) amounting to Baht 409 million, is stated at the fair market value appraised by an independent appraisal company according to his report dated 14th July, 1999. However according to the report of independent appraisal company dated 10th November, 2005, the fair market value of the land was approximately Baht 409 million equal the previous reappraised value.
- 3) As discussed in Note 25 to the financial statements, due to persistent losses generated from operating results, the Company and the subsidiary company (Cholsin Limited) considered whether there had been impairment of the value of its operating equipment, of which the net book value as at 31st December, 2005 was approximately Baht 64.1 million and approximately Baht 46.6 million for the Company only (2004 : Approximately Baht 69.9 million and Baht 49.4 million for the Company only). To this end, cash flows from the quarry were projected, using a discounted rate of 7 percent. These projected cash flows suggested that the future cash flows would be in excess of the net book value of the assets as at the balance sheet date. The Company believes that the future projected cash flows from the quarry would not be significantly different from the projection and will exceed the net book value of the assets as at the balance sheet date.
- 4) As discussed in Note 3 to the financial statements, according to the SET decision to allow the trading of the Company's securities since 25th March, 2003, the Company has to submit the progress report on the Company's operation of each business to the SET every 3 months. On 14th November, 2005 the SET had announce to post "SP" (Suspension) signs to suspend trading of securities until the Company are able to improve the qualification and reinstated back to their normal sector.

Mr. Boonsri Techavarutama
Certified Public Accountant (Thailand) No. 3336
BDO Richfield Limited

Bangkok : 15th February, 2006

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31st DECEMBER, 2005 AND 2004

| | | <i>(Unit : Thousand Baht)</i> | | | |
|---|-------------|-------------------------------|------------------|-------------------------|------------------|
| | | <u>Consolidated</u> | | <u>The Company Only</u> | |
| | <u>Note</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 31,836 | 142,354 | 222 | 13,277 |
| Current investment - fixed deposits | | 602 | 2 | 1 | 1 |
| Trade accounts receivable - net | 9 | 6,242 | 3,159 | 6,242 | 3,159 |
| Short-term advances to related parties | 7 | 3,347 | 4,638 | 2,005 | 1,383 |
| Short-term loans to related parties | 7 | - | - | 82,893 | 66,970 |
| Inventories - net | | 10,484 | 12,853 | 9,880 | 11,704 |
| Other current assets | | | | | |
| Cash advance - general | | 1,171 | 1,080 | 1,063 | 825 |
| Input tax refundable | | 10,248 | 4,216 | 2,690 | 2,674 |
| Others | | 6,166 | 4,691 | 2,590 | 2,211 |
| Total other current assets | | 17,585 | 9,987 | 6,343 | 5,710 |
| Total current assets | | 70,096 | 172,993 | 107,586 | 102,204 |
| Non-current assets | | | | | |
| Long-term investments | | | | | |
| Investments accounted for under equity method | 10.1 | - | 827 | 671,123 | 706,059 |
| Long-term investment in other projects | | | | | |
| Tin mining | 11 | - | 731 | - | 731 |
| Andesite mining | 12 | 42,148 | 42,244 | 42,148 | 42,244 |
| Gold mining | 13 | 403,942 | 368,315 | - | - |
| Phuket project | | 7,000 | 7,000 | 7,000 | 7,000 |
| Le Metro Condominium project | 14 | 469,365 | 471,284 | - | - |
| Other receivable - related parties | 7 | 124 | 64 | 17,364 | 18,179 |
| Long-term loans to related parties | 7 | - | - | 321,549 | 174,057 |
| Property, plant and equipment - net | 15 | 381,828 | 187,809 | 120,780 | 120,611 |
| Goodwill | | 2,543 | 801 | - | - |
| Other non-current assets | 16 | 10,877 | 573 | 519 | 275 |
| Total non-current assets | | 1,317,827 | 1,079,648 | 1,180,483 | 1,069,156 |
| Total assets | | 1,387,923 | 1,252,641 | 1,288,069 | 1,171,360 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|--------|------------------|------------------|------------------|------------------|
| | | 2005 | 2004 | 2005 | 2004 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts | | 3,193 | 322 | 3,193 | 322 |
| Trade account payable - related party | 7 | - | - | 16,978 | 17,129 |
| Trade account payable - others | 17 | 6,363 | 11,582 | 484 | 1,581 |
| Current portion of long-term loans | 18 | 21,111 | 20,711 | 19,520 | 19,120 |
| Short-term advances from related parties | 7 | 4,195 | 1,447 | 972 | 1,255 |
| Short-term loans from related parties | 7 | 3,164 | 78,146 | 6,908 | 80,520 |
| Current portion of hire purchase creditors | 20 | 12,365 | 5,976 | 440 | 1,248 |
| Other current liabilities | | | | | |
| Accrued expenses | | 13,126 | 12,971 | 6,718 | 6,852 |
| Others | | 17,532 | 12,293 | 6,711 | 1,449 |
| | | 30,658 | 25,264 | 13,429 | 8,301 |
| Total current liabilities | | 81,049 | 143,448 | 61,924 | 129,476 |
| Non-current liabilities | | | | | |
| Long-term loans from related party | 7 | - | - | 7,455 | 7,815 |
| Long-term loans - net | 18 | 55,983 | 76,489 | 53,597 | 72,512 |
| Hire purchase creditors - net | 20 | 26,355 | 11,824 | 334 | 536 |
| Provision for loss from investments accounted for under equity method | 10.2 | 7,200 | - | 52,485 | 38,854 |
| Provision for environmental restoration expenses | 21 | 10,560 | - | 250 | - |
| Total non-current liabilities | | 100,098 | 88,313 | 114,121 | 119,717 |
| Total liabilities | | 181,147 | 231,761 | 176,045 | 249,193 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 756,939,463 ordinary shares of Baht 1 each | | | | | |
| (2004 : 605,551,570 ordinary shares of Baht 1 each) | 3, 22 | 756,940 | 605,552 | 756,940 | 605,552 |
| Issued and fully paid-up | | | | | |
| 756,939,463 ordinary shares of Baht 1 each | | | | | |
| (2004 : 605,551,570 ordinary shares of Baht 1 each) | 3, 22 | 756,940 | 605,552 | 756,940 | 605,552 |
| Share premium - net | 22, 23 | 487,700 | 380,215 | 487,700 | 380,215 |
| Revaluation surplus (decrease) on land | | (4,903) | (4,903) | - | - |
| Retained earnings (deficit) | | | | | |
| Unappropriated | | (132,616) | (63,600) | (132,616) | (63,600) |
| Equity attributable to the Company's shareholders | | 1,107,121 | 917,264 | 1,112,024 | 922,167 |
| Minority interests - equity attributable to minority shareholders of subsidiaries | | 99,655 | 103,616 | - | - |
| Total shareholders' equity | | 1,206,776 | 1,020,880 | 1,112,024 | 922,167 |
| Total liabilities and shareholders' equity | | 1,387,923 | 1,252,641 | 1,288,069 | 1,171,360 |

The accompanying notes are an integral part of the financial statements.

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|-----------------|-----------------|------------------|-----------------|
| | | 2005 | 2004 | 2005 | 2004 |
| Revenues | | | | | |
| Sales | | | | | |
| Tin ore sales | | 2,352 | 39,769 | 2,352 | 39,769 |
| Andesite sales | | 21,461 | 17,388 | 21,461 | 17,388 |
| Other income | | | | | |
| Interest income | 7 | 925 | 36 | 13,519 | 9,488 |
| Amortization of excess of net book value over cost of investments accounted for under equity method | | - | 22 | - | - |
| Others | 7 | 2,875 | 2,472 | 5,214 | 14,363 |
| Total revenues | | 27,613 | 59,687 | 42,546 | 81,008 |
| Expenses | | | | | |
| Cost of sales | | | | | |
| Cost of tin ore sales | | 2,271 | 37,056 | 2,271 | 37,056 |
| Cost of andesite sales | 7 | 20,706 | 16,330 | 19,440 | 17,801 |
| Selling and administrative expenses | 7 | 63,392 | 64,351 | 27,060 | 28,604 |
| Loss from diminution in value of inventories | | 1,982 | 799 | 1,982 | 799 |
| Directors' remuneration | 24 | 243 | 303 | 243 | 303 |
| Share of loss from investments accounted for under equity method | | - | 311 | 52,489 | 46,280 |
| Share of loss before purchase of shares - Sea Minerals Limited | | 6,933 | - | - | - |
| Goodwill amortization | | 188 | - | - | - |
| Total expenses | | 95,715 | 119,150 | 103,485 | 130,843 |
| Loss before interest expenses | | (68,102) | (59,463) | (60,939) | (49,835) |
| Interest expenses | 7 | (5,215) | (5,268) | (8,077) | (7,379) |
| Loss before minority interest | | (73,317) | (64,731) | (69,016) | (57,214) |
| Minority interest in (earnings) loss of subsidiaries | | 4,301 | 7,517 | - | - |
| Net earnings (loss) | | (69,016) | (57,214) | (69,016) | (57,214) |
| Basic earnings (loss) per share (Baht per share) | | | | | |
| Net earnings (loss) | | (0.10) | (0.11) | (0.10) | (0.11) |
| Weighted average numbers of ordinary share (Thousand shares) | | 715,048 | 537,122 | 715,048 | 537,122 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Consolidated | | | | | |
|---|--|------------------------|---|--------------------------------|----------------------|-----------|
| | Issued and paid-up share capital | Share premium - net | Revaluation surplus (decrease) on land | Retained earnings (deficit) | Minority interest | Total |
| <u>Note</u> | | | | | | |
| (Restated) | | | | | | |
| Balance as at beginning of period 2004 | 483,649 | 221,256 | (4,903) | (6,386) | 111,133 | 804,749 |
| Ordinary shares issued and paid-up | 121,903 | 158,959 | - | - | - | 280,862 |
| Net earnings (loss) | - | - | - | (57,214) | - | (57,214) |
| Minority interest in earnings (loss) of subsidiaries | - | - | - | - | (7,517) | (7,517) |
| Balance as at end of period 2004 | 605,552 | 380,215 | (4,903) | (63,600) | 103,616 | 1,020,880 |
| Ordinary shares issued and paid-up | 151,388 | 107,485 | - | - | - | 258,873 |
| Net earnings (loss) | - | - | - | (69,016) | - | (69,016) |
| Minority interest in earnings (loss) of subsidiaries | - | - | - | - | (4,301) | (4,301) |
| Adjust minority interest from investment accounted for under equity method | - | - | - | - | 340 | 340 |
| Balance as at end of period 2005 | 756,940 | 487,700 | (4,903) | (132,616) | 99,655 | 1,206,776 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | The Company Only | | | |
|---|------|----------------------------------|---------------------|-----------------------------|------------------|
| | | Issued and paid-up share capital | Share premium - net | Retained earnings (deficit) | Total |
| Balance as at beginning of period 2004 | | 483,649 | 221,256 | (6,386) | 698,519 |
| Ordinary shares issued and paid-up | 22.1 | 121,903 | 158,959 | - | 280,862 |
| Net earnings (loss) | | - | - | (57,214) | (57,214) |
| Balance as at end of period 2004 | | <u>605,552</u> | <u>380,215</u> | <u>(63,600)</u> | <u>922,167</u> |
| Ordinary shares issued and paid-up | 22.2 | 151,388 | 107,485 | - | 258,873 |
| Net earnings (loss) | | - | - | (69,016) | (69,016) |
| Balance as at end of period 2005 | | <u>756,940</u> | <u>487,700</u> | <u>(132,616)</u> | <u>1,112,024</u> |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|-----------------|------------------|------------------|-----------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cash flows from operating activities | | | | |
| Net earnings (loss) | (69,016) | (57,214) | (69,016) | (57,214) |
| Adjustment to reconcile net earnings (loss) to net cash provided by (used in) operating activities :- | | | | |
| Depreciation | 24,068 | 17,130 | 7,387 | 6,928 |
| Loss from diminution in value of inventories | 1,982 | - | 1,982 | - |
| Amortization - investment in andesite mining | 863 | 863 | 863 | 863 |
| Amortization - investment in tin mining | 731 | 972 | 731 | 972 |
| Share of (earnings) loss of from investments accounted for under equity method | - | 311 | 51,533 | 46,280 |
| Share of loss before purchase of shares - Sea Minerals Limited | 6,933 | - | - | - |
| Minority interest in earnings (loss) of subsidiaries | (4,301) | (7,517) | - | - |
| Goodwill amortization | 188 | - | - | - |
| Amortization of excess of net book value over cost of investments accounted for under equity method | - | (315) | - | - |
| Provision for environmental restoration expenses | 10,560 | - | 250 | - |
| | <u>(27,992)</u> | <u>(45,770)</u> | <u>(6,270)</u> | <u>(2,171)</u> |
| <u>(Increase) decrease in operating assets:-</u> | | | | |
| Trade accounts receivable | (3,083) | (1,249) | (3,083) | (1,249) |
| Short-term advances to related parties | 1,291 | 9,232 | (622) | 9,232 |
| Inventories | 387 | (6,650) | (158) | (6,277) |
| Other current assets | (7,598) | (257) | (633) | (815) |
| Other receivable - related parties | (60) | (64) | 815 | (9,915) |
| Other non-current assets | (10,304) | 415 | (244) | 1 |
| <u>Increase (decrease) in operating liabilities:-</u> | | | | |
| Trade accounts payable - related party | - | - | (151) | 3,103 |
| Trade accounts payable - others | (5,219) | (33,088) | (1,097) | (587) |
| Short-term advances from related parties | 2,748 | (5,753) | (283) | (5,314) |
| Other payable - related parties | - | - | - | (45) |
| Other payable - purchase of office building and land | - | (70,127) | - | (70,127) |
| Other current liabilities | 5,394 | 8,031 | 5,128 | 401 |
| Net cash provided by (used) from operating activities | <u>(44,436)</u> | <u>(145,280)</u> | <u>(6,598)</u> | <u>(83,763)</u> |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW (Continued)

FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|------------------|-----------------|------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cash flows from investing activities | | | | |
| (Increase) decrease in short-term loans to related parties | (600) | 1,722 | (15,923) | (54,637) |
| (Increase) decrease in investments accounted for under equity method | 1,094 | (1,138) | (2,966) | (154,184) |
| Goodwill from purchase of shares | (1,930) | - | - | - |
| Adjust minority interest from investment accounted for under equity method | 340 | - | - | - |
| (Increase) decrease in investments in andesite mining | (767) | (1,291) | (767) | (1,291) |
| (Increase) decrease in investment in gold mining | (35,627) | (9,545) | - | - |
| (Increase) decrease in investments in Phuket project | - | (7,000) | - | (7,000) |
| (Increase) decrease in Le Metro Condominium project | 1,919 | (1,525) | - | - |
| (Increase) decrease in long-term loans to related parties | - | - | (147,492) | (60,316) |
| (Increase) decrease in property, plant and equipment | (230,672) | (25,917) | (7,556) | (2,073) |
| Proceed from disposals of fixed assets | 12,585 | - | - | - |
| Net cash provided by (used) from investing activities | (253,658) | (44,694) | (174,704) | (279,501) |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts | 2,871 | (3,884) | 2,871 | (3,884) |
| Increase (decrease) in loans from financial institution | - | (50,000) | - | - |
| Increase (decrease) in short-term loans from related parties | (74,982) | 75,624 | (73,612) | 75,624 |
| Increase (decrease) in long-term loans from related parties | - | - | (360) | (4,875) |
| Increase (decrease) in long-term loans | (20,106) | 29,122 | (18,515) | 30,714 |
| Increase (decrease) in hire purchase creditors | 20,920 | (1,985) | (1,010) | (3,012) |
| Proceed from the share capital increased | 258,873 | 280,862 | 258,873 | 280,862 |
| Net cash provided by (used) from financing activities | 187,576 | 329,739 | 168,247 | 375,429 |
| Net increase (decrease) in cash and cash equivalents | (110,518) | 139,765 | (13,055) | 12,165 |
| Cash and cash equivalents at beginning of year | 142,354 | 2,589 | 13,277 | 1,112 |
| Cash and cash equivalents at end of year | 31,836 | 142,354 | 222 | 13,277 |
| Supplemental cash flow information :- | | | | |
| <u>Cash paid during the year for</u> | | | | |
| Interest expenses | 6,982 | 7,866 | 5,449 | 5,921 |
| Income tax | 249 | 210 | 18 | 94 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

1. GENERAL INFORMATION

Tongkah Harbour Public Company Limited was incorporated as a limited company under the Thai Civil and Commercial Code on 7th January, 1976 and become a public limited company on 6th June, 1994. The Company is engaged in the core business of offshore tin mining, gold exploration and mining, igneous rock quarrying, and property development and management. Its registered office is located at No. 252/11 7th Floor, Muangthai Phathara Office Tower I, Ratchadapisek Road, Huaykwang, Bangkok. The Company has two branches. The first branch is located at 12 Soi Sapanhin, Amphur Muang, Phuket and the second branch is located at 68/6 Moo 4, Tambol Thatom, Amphur Kaengkhoi, Saraburi.

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|--|---------------------|-------------|-------------------------|-------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Number of employees at the end of year (Persons) | 82 | 84 | 30 | 28 |
| Employee expenses (Thousand Baht) | 26,439 | 27,502 | 11,172 | 11,025 |

The operational progress of its subsidiary companies

Tungkum Limited (a subsidiary company) was incorporated to operate a gold mining in Loei Province. The first three mining licenses and the remaining three licenses were officially approved by the Ministry of Industry on 25th October, 2002 and 23rd January, 2003 respectively. Regarding the approval of six licenses, the fee amounting to Baht 6.5 million was paid to the Department of Mineral Resources (DMR) on 13th March, 2003. In addition, Tungkum Limited received Investment Promotion Certificate No. 1108/2546 dated 25th February, 2003 from the Board of Investment. On 26th December, 2005, Tungkum Limited has signed credit facility contract by two local banks. Currently, Tungkum Limited is in the process to construct the infrastructure and processing plant for the due production.

Sky Cliff Limited (a subsidiary company) intended to develop a serviced residential building - Le Metro Condominium on the plots of its own land. The project construction commenced on September, 2003 with the estimated cost (excluding cost of land) of Baht 905 million. The piling work process has been completed. The progress report dated 14th November, 2005 of Tongkah Harbour Public Company Limited as submitted to the Stock Exchange of Thailand reported that Sky Cliff Limited is temporary suspended due to uncertainty in pricing materials for construction. The management is currently appraising the situations of material prices and market. Once the favorable suppliers are obtained, business will continue as usual. Human Resources are transferred to Tungkum Limited to assist its due production phase.

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2. ASSUMPTION OF PREPARATION OF THE FINANCIAL STATEMENTS

As shown in the financial statements, the Company and its subsidiary companies have experienced continuous operating losses and had current liabilities substantially in excess of current assets. Nevertheless, the accompanying financial statements have been prepared on the going concern basis, assuming that the realization of assets and settlement of liabilities and obligations will occur in the ordinary course of business of the Company and its subsidiary companies, without any expectation of significant disruption to the ongoing activities.

3. THE PROGRESS REPORT ON THE COMPANY'S OPERATION

According to the SET decision to allow the trading of the Company's securities since 25th March, 2003, the Company has to submit the progress report on the Company's operation of each business to the SET every 3 months. On 14th November, 2005 the SET had announce to post "SP" (Suspension) signs to suspend trading of securities until the Company are able to improve the qualification and reinstated back to their normal sector.

4. TIN MINING OPERATIONS

On 12 December 1997, the Company entered into a tin mining agreement with a contractor to operate an offshore tin mining concession under the Company's technical and engineering supervision and control in the Company's lease areas. Under the agreement, the Company receives a monthly fixed income. Such agreement has been renewed several times and recently expired in December 2002. The latest agreement permits the new contractor to operate tin mining until 31 January 2005, with the Company to receive monthly payments which vary in line with the market price of tin, together with all proceeds from sales of tantalum and tin smelting by-products.

On 21st May, 2004, the Company entered into a tin mining agreement with another contractor for tin production capacity expansion.

By June, 2005, the Company temporarily suspended its offshore tin mining operation due to the cost burden of royalty fees on the contractors rendering it unprofitable to continue until the rate are revised. Negotiations are ongoing to reduce current royalty rates with government.

Tin ore production and stock for the year are shown below:

| | <i>(Unit : Kilograms)</i> | |
|-----------------------------------|---------------------------|------------------|
| | <u>2005</u> | <u>2004</u> |
| <u>Production</u> | | |
| Tin ore stock - beginning of year | 6,060 | 11,220 |
| Production during year | 4,020 | 147,420 |
| Sold during year | <u>(10,080)</u> | <u>(152,580)</u> |
| Tin ore stock - end of year | <u>-</u> | <u>6,060</u> |

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5. BASIS OF THE CONSOLIDATION AND THE COMPANY'S FINANCIAL STATEMENTS

5.1 The consolidated and the Company's financial statements have been prepared in accordance with accounting standard pronounced by the Institute of Certified Accountants and Auditors of Thailand (ICAAT) and the Announcement of the Commercial Registration Department dated 14th September, 2001 issued under the Accounting Act B.E. 2543.

5.2 The consolidated financial statements include the financial statements of Tongkah Harbour Public Company Limited (hereinafter called "the Company") and the following subsidiaries:

(Unit : Percent)

| | Percent owned by the Company as at 31st December | | Nature of business | Percentage of | | | |
|--|--|-------|---|---|------|--|------|
| | | | | Total assets included in the consolidated total assets as at 31st December | | Total revenues included in the consolidated total revenues for the year ended 31st December | |
| | 2005 | 2004 | | 2005 | 2004 | 2005 | 2004 |
| Sky Cliff Limited | 75.00 | 75.00 | Developing service apartment | 35 | 39 | - | - |
| Tungkum Limited (95.91 percent held directly by the Company and 2.95 percent held through Cholsin Limited (2004 : 95.91% and 2.95%, respectively)) | 98.86 | 98.86 | Gold exploration and gold mining development | 50 | 43 | - | - |
| Cholsin Limited | 72.10 | 72.10 | Crushing contractor of the Company's andesite mining | 5 | 6 | - | - |
| Sea Minerals Limited | 83.70 | 36.00 | Offshore tin exploration | - | - | - | - |
| Master Mariners Service Company Limited (held through Tungkum Limited) | - | 90.48 | Registered liquidation on 18th October, 2005 | - | - | - | - |
| Mining and General Management Company Limited | - | 64.93 | Registered liquidation on 18th October, 2005 | - | - | - | - |

Outstanding balances between the Company and its subsidiaries, significant intercompany transactions, investments in subsidiaries in the Company's records, and its subsidiaries' share capital and revaluation surplus of land awaiting development have been eliminated from the consolidated financial statements.

The goodwill and the excess of the net book value of its subsidiaries over cost of investments at the acquisition date is presented in the balance sheets and will be amortized over a period of ten years.

6. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company and its subsidiaries are summarized below.

6.1 Sales

Revenues from sales of tin ore and andesite are recognized when the goods produced are sold and delivered, after excluding value added tax.

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6.2 Allowance for doubtful accounts

Allowance for doubtful accounts is provided for the estimated collection losses that may be incurred in collection of receivables. The allowance is based on collection experience and the current status of receivables outstanding at the balance sheet date.

6.3 Inventories

Inventories are valued at the lower of cost (average method) and net realizable value.

6.4 Amortization

Investments in andesite mining (excluded cost of land purchased and cost of land improvement) and tin mining rights are amortized by equal annual installments over the period of 25 years.

6.5 Investments accounted for under equity method

Investments in subsidiaries (only in the financial statements of the Company) are stated under the equity method. Loss of subsidiaries in excess of cost of investments in subsidiaries is presented as a liability under the caption of "Provision for loss from investments accounted for under equity method".

6.6 Other investments

Long-term investments in non-marketable equity securities, which the Company holds as other investments, are valued at cost. The Company recognizes loss on impairment of other investments in the earnings statements when the fair value of the investments is lower than the cost.

6.7 Fixed assets and depreciation

Fixed assets are stated at cost less related accumulated depreciation.

Depreciation of fixed assets, less approximate salvage value, is provided on the straight-line method, over the following estimated useful lives:

| | |
|---|------------------------|
| Land improvement | - 10 years |
| Buildings, temporary buildings and dry dock | - 5 years and 20 years |
| Motor vehicles | - 5 years |
| Furniture and office equipment | - 10 years |
| Machinery and equipment | - 10 years |
| Others | - 5 years and 10 years |

No depreciation is provided for land and work in progress.

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6.8 Land awaiting development

Land awaiting development, which is a fixed asset of a subsidiary company, was initially recorded at cost. However, the land was subsequently revalued by an independent appraiser and was therefore recorded by its reappraised value. Revaluations are to be made with sufficient regularity to ensure that the carrying amount of assets does not materially differ from their fair value at the balance sheet date.

The differences arising from revaluation are dealt in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to equity under the heading of "Revaluation surplus". However, a revaluation increase will be recognized as income to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense.
- When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognized as an expense. However, a revaluation decrease will be charged directly against the related "Revaluation surplus" to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any excess amount is to be recognized as an expense in the earnings statements.

6.9 Exploration expenditures and development costs

Exploration expenditures and development costs incurred before the date of issuance of mining rights are deferred as assets in the balance sheets to await amortization once the concession begins to earn operating income.

6.10 Environmental restoration expenses

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.

6.11 Interest capitalization

The interest cost of the borrowings related to mine exploration and development has been capitalized and has recorded them under exploration expenditures and development costs, until the mine is ready for its intended use.

6.12 Foreign currency

Exchange rates adopted :-

- | | | |
|---|---|--|
| Foreign currency transactions during the period | - | at the rates ruling on the transaction dates. |
| Assets and liabilities in foreign currency outstanding on the balance sheet date | - | at the rates ruling on the balance sheet date. |

Exchange gains and losses are included in determining earnings.

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6.13 Buffer stock contributions

Believing that the buffer stock contributions will not be recoverable, the Company has adopted a policy of expending buffer stock contributions to earnings instead of recognizing them as an asset in the balance sheets.

6.14 Impairment of assets

The Company will reduce the carrying amount of the Company's asset to its recoverable amount if, and only if, the recoverable amount of an asset is less than its carrying amount. That reduction is an impairment loss.

6.15 Basic loss per share

Basic loss per share as presented in the earnings statements is determined by dividing net loss for the year by the weighted average number of ordinary shares in issued during the year.

6.16 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.

7. RELATED PARTY TRANSACTIONS

The Company has certain transactions with its related parties. A portion of the Company's assets, liabilities, revenue and expenses arose from transactions with certain related parties. These related parties are related through investment, common shareholdings and/or directorships. The effects of these transactions are reflected in the financial statement on the basis determined by the Company and the related parties.

The Company has transactions and balances with its related parties as follow:

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|--|---------------------|--------------|-------------------------|---------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Short-term advance to related parties | | | | |
| Mr. Ronald Ng Wai Choi | 2,407 | 4,010 | 1,034 | 755 |
| Sintana Holding Limited | - | 408 | 648 | 408 |
| Sea Minerals Limited | - | 80 | 33 | 80 |
| Other Companies | <u>940</u> | <u>140</u> | <u>290</u> | <u>140</u> |
| | <u>3,347</u> | <u>4,638</u> | <u>2,005</u> | <u>1,383</u> |
| Short-term loans to related parties | | | | |
| Sky Cliff Limited | <u>-</u> | <u>-</u> | <u>82,893</u> | <u>66,970</u> |

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(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|---|---------------------|--------------|-------------------------|----------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Other receivable - related parties | | | | |
| Tungkum Limited | - | - | 5,400 | 5,400 |
| Sky Cliff Limited | - | - | 11,200 | 11,200 |
| Cholsin Limited | - | - | 640 | 640 |
| Mining and General Management Company Limited | - | - | - | 631 |
| Master Mariners Service Limited | - | - | - | 244 |
| Aspac Construction Limited | <u>124</u> | <u>64</u> | <u>124</u> | <u>64</u> |
| | <u>124</u> | <u>64</u> | <u>17,364</u> | <u>18,179</u> |
| Long-term loans to related parties | | | | |
| Cholsin Limited | | | | |
| Principal | - | - | 70,780 | 66,310 |
| Accrued interest receivable | <u>-</u> | <u>-</u> | <u>36,619</u> | <u>31,784</u> |
| | <u>-</u> | <u>-</u> | <u>107,399</u> | <u>98,094</u> |
| Tungkum Limited | | | | |
| Principal | - | - | 197,066 | 63,406 |
| Accrued interest receivable | <u>-</u> | <u>-</u> | <u>17,084</u> | <u>12,557</u> |
| | <u>-</u> | <u>-</u> | <u>214,150</u> | <u>75,963</u> |
| | <u>-</u> | <u>-</u> | <u>321,549</u> | <u>174,057</u> |
| Trade account payable - related party | | | | |
| Cholsin Limited | <u>-</u> | <u>-</u> | <u>16,978</u> | <u>17,129</u> |
| Short-term advances from related parties | | | | |
| Mr. Ronald Ng Wai Choi | 972 | - | - | - |
| Sintana Holding Limited | 3,220 | 440 | - | - |
| Mining and General Management Company Limited | - | - | - | 253 |
| Mr. John Peter Mills | - | 972 | 972 | 972 |
| Sino Pac Development (Thailand) Company Limited | - | 32 | - | 30 |
| Other companies | <u>3</u> | <u>3</u> | <u>-</u> | <u>-</u> |
| | <u>4,195</u> | <u>1,447</u> | <u>972</u> | <u>1,255</u> |

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(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|--|---------------------|---------------|-------------------------|---------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Short-term loans from related parties | | | | |
| Sky Cliff Limited | | | | |
| Principal | - | - | - | - |
| Accrued interest payable | - | - | <u>2,375</u> | <u>2,375</u> |
| | - | - | <u>2,375</u> | <u>2,375</u> |
| Sea Minerals Limited | | | | |
| Principal | - | - | 1,353 | - |
| Accrued interest payable | - | - | <u>16</u> | - |
| | - | - | <u>1,369</u> | - |
| Aspac Construction Limited | | | | |
| Principal | 1,077 | 3,077 | 1,077 | 3,077 |
| Accrued interest payable | <u>861</u> | <u>605</u> | <u>861</u> | <u>605</u> |
| | <u>1,938</u> | <u>3,682</u> | <u>1,938</u> | <u>3,682</u> |
| Sintana Holding Limited | | | | |
| Principal | 1,220 | 73,830 | 1,220 | 73,830 |
| Accrued interest payable | <u>6</u> | <u>634</u> | <u>6</u> | <u>633</u> |
| | <u>1,226</u> | <u>74,464</u> | <u>1,226</u> | <u>74,463</u> |
| | <u>3,164</u> | <u>78,146</u> | <u>6,908</u> | <u>80,520</u> |
| Long-term loans from related party | | | | |
| Cholsin Limited | | | | |
| Principal | - | - | - | 352 |
| Accrued interest payable | - | - | <u>7,455</u> | <u>7,463</u> |
| | - | - | <u>7,455</u> | <u>7,815</u> |

Loans to Tunglum Limited have been made for the purpose of gold exploration and mining. The Company's management believe that these loans will be fully recoverable after gold mining operations commence.

Since 1998, loans have been made to Cholsin Limited for crushing in the Company's andesite mining in Saraburi Province. The Company's management believes that these loans will be fully recoverable. The loans are secured by the pledge of share certificates of Tunglum Limited held by Cholsin Limited, and most of the equipment of Cholsin Limited.

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(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | | <u>Pricing policies</u> |
|---|---------------------|-------------|-------------------------|-------------|---|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | |
| Transactions with subsidiaries | | | | | |
| (eliminated from the consolidated financial statements) | | | | | |
| Interest income | - | - | 13,345 | 9,459 | - Average actual cost of the source of funds provided |
| Rental income | - | - | 2,460 | 12,180 | } - At cost, price comparable to the market prices |
| Management fee | - | - | 200 | 61 | |
| Interest expenses | - | - | 52 | 271 | - Average actual cost of the source of funds provided |
| Crushing cost | - | - | 8,640 | 12,093 | - Baht 45 per ton |
| Electricity | - | - | 534 | 703 | } - At cost, price comparable to the market prices |
| Office rental | - | - | - | - | |
| Transactions with related companies | | | | | |
| Interest income | - | 40 | - | 40 | - Average actual cost of the source of funds provided |
| Rental income | 715 | 660 | 715 | 660 | } - At cost, price comparable to the market prices |
| Management fee | 1,224 | 1,225 | - | - | |
| Interest expenses | 2,441 | 885 | 2,441 | 885 | - Actual cost charged by the bank, Minimum Overdraft Rate of a local bank |

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8. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|------------------|----------------------|-----------------------|-------------------|----------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Petty cash | 223 | 172 | 121 | 102 |
| Cheque on hand | 5,950 | - | - | - |
| Cash at banks | | | | |
| Current accounts | 10,705 | 12,243 | 84 | 12,062 |
| Saving accounts | <u>14,958</u> | <u>129,939</u> | <u>17</u> | <u>1,113</u> |
| Total | <u><u>31,836</u></u> | <u><u>142,354</u></u> | <u><u>222</u></u> | <u><u>13,277</u></u> |

9. TRADE ACCOUNTS RECEIVABLE

An aging analysis of the trade accounts receivable as at 31 December is set forth below.

(Unit : Thousand Baht)

| | Accounts receivable - Tin ore sales | | Accounts receivable - andesite sales | | Total | |
|---------------------------------------|--|-----------------|---|---------------------|---------------------|---------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| | Not yet due | - | - | 120 | 600 | 120 |
| Past due for under 3 months | - | - | 5,076 | 1,696 | 5,076 | 1,696 |
| Past due for 3 - 6 months | - | - | 178 | 39 | 178 | 39 |
| Past due for 6 - 12 months | - | - | 8 | 79 | 8 | 79 |
| Past due for over 12 months | <u>1,890</u> | <u>1,890</u> | <u>860</u> | <u>745</u> | <u>2,750</u> | <u>2,635</u> |
| Total trade accounts receivable | 1,890 | 1,890 | 6,242 | 3,159 | 8,132 | 5,049 |
| Less: Allowance for doubtful accounts | <u>(1,890)</u> | <u>(1,890)</u> | <u>-</u> | <u>-</u> | <u>(1,890)</u> | <u>(1,890)</u> |
| Trade accounts receivable - net | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>6,242</u></u> | <u><u>3,159</u></u> | <u><u>6,242</u></u> | <u><u>3,159</u></u> |

The Company believes that the amount of allowance for doubtful accounts is adequate in the present situation.

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**10. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD / PROVISION FOR LOSS FROM INVESTMENTS
ACCOUNTED FOR UNDER EQUITY METHOD**

10.1 Investments accounted for under equity method as at 31 December are presented below:

(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|--|---------------------|----------------|-------------------------|-----------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Sky Cliff Limited | | | | |
| Paid up capital | <u>41,927</u> | <u>41,927</u> | <u>41,927</u> | <u>41,927</u> |
| Acquisition cost | - | - | 321,709 | 321,709 |
| Less : Share of loss - accumulated | <u>-</u> | <u>-</u> | <u>(37,569)</u> | <u>(25,812)</u> |
| | <u>-</u> | <u>-</u> | <u>284,140</u> | <u>295,897</u> |
| Tungkum Limited | | | | |
| Paid up capital | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> |
| Acquisition cost | - | - | 469,306 | 469,306 |
| Less : Share of loss - accumulated | <u>-</u> | <u>-</u> | <u>(82,323)</u> | <u>(59,971)</u> |
| | <u>-</u> | <u>-</u> | <u>386,983</u> | <u>409,335</u> |
| Sea Minerals Limited | | | | |
| Paid up capital | <u>-</u> | <u>72,000</u> | <u>-</u> | <u>72,000</u> |
| Acquisition cost | - | 8,338 | - | 8,338 |
| Less : Share of loss - accumulated | <u>-</u> | <u>(7,511)</u> | <u>-</u> | <u>(7,511)</u> |
| | <u>-</u> | <u>827</u> | <u>-</u> | <u>827</u> |
| <i>Investments accounted for under equity method</i> | <u>-</u> | <u>827</u> | <u>671,123</u> | <u>706,059</u> |

During the year 2004, the Company additionally made an investment in the ordinary shares of Sea Minerals Limited for 187,200 shares at Baht 6 each (par value at Baht 100 each) amounting to a total cost of Baht 1.14 million. As a result, the Company now holds 259,200 ordinary shares in Sea Minerals Limited, representing 36% and the status of Sea Minerals Limited is changed to a associated company.

So, the Company recognized its share of profit (loss) from the investment in the ordinary shares of Sea Minerals Limited, by using the latter's financial statements for the year ended 30th September, 2004, as audited by another auditor, and did not take into account any adjustment from the different accounting year end between the Company and the latter, since the related monetary value was insignificant.

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10.2 Provision for loss from investments accounted for under equity method as at 31 December consists of the followings:

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|----------------|----------------|------------------|-----------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cholsin Limited | | | | |
| Paid up capital | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> |
| Acquisition cost | - | - | 62,001 | 62,001 |
| Less : Share of loss - accumulated | <u>-</u> | <u>-</u> | <u>(110,179)</u> | <u>(99,899)</u> |
| | <u>-</u> | <u>-</u> | <u>(48,178)</u> | <u>(37,898)</u> |
| Master Mariners Service Company Limited | | | | |
| Paid up capital | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> |
| Acquisition cost | - | - | - | - |
| Less : Share of loss - accumulated | <u>-</u> | <u>-</u> | <u>-</u> | <u>(118)</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>(118)</u> |
| Mining and General Management Company Limited | | | | |
| Paid up capital | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |
| Acquisition cost | - | - | - | 362 |
| Less : Share of loss - accumulated | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,200)</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>(838)</u> |
| Sea Minerals Limited | | | | |
| Paid up capital | <u>72,000</u> | <u>72,000</u> | <u>72,000</u> | <u>72,000</u> |
| Acquisition cost | - | - | 11,303 | - |
| Less : Share of loss - accumulated | - | - | (8,410) | - |
| Provision for impairment | <u>(7,200)</u> | <u>-</u> | <u>(7,200)</u> | <u>-</u> |
| | <u>(7,200)</u> | <u>-</u> | <u>(4,307)</u> | <u>-</u> |
| Total | <u>(7,200)</u> | <u>-</u> | <u>(52,485)</u> | <u>(38,854)</u> |

In January, 2005, the Company made an additional investment in the ordinary shares of Sea Minerals Limited for 226,075 shares at Baht 10 each (par value at Baht 100 each) amounting to a total cost of Baht 2.26 million. As a result, the Company now holds 485,275 ordinary shares in Sea Minerals Limited, representing 67.40% and the status of Sea Minerals Limited is changed from an associated company to a subsidiary company.

In April, 2005, the Company made an additional investment in the ordinary shares of Sea Minerals Limited for 117,360 shares at Baht 6 each (par value at Baht 100 each) amounting to a total cost of Baht 0.70 million. As a result, the Company now holds 602,635 ordinary shares in Sea Minerals Limited, representing 83.70%.

Since such change has no significant effect to the financial statement of the year 2004, the Company had not retrospectively adjusted the comparative financial statement for the year 2004.

Summary of Sea Minerals Limited's share capital, 720,000 ordinary shares of Baht 100 each, held by Tongkah Harbour Public Company Limited as follow :

| | <u>No. of share</u> | <u>Percentage of holding</u> | <u>Status</u> |
|------------------|---------------------|------------------------------|--------------------|
| Before year 2004 | 72,000 | 10.0% | Investment |
| Year 2004 | 259,200 | 36.0% | Associate company |
| Year 2005 | 602,635 | 83.7% | Subsidiary company |

At the Extraordinary Shareholders' Meeting No. 1/2005 on 20th May, 2005 and No. 2/2005 on 10th June, 2005, the shareholders of Master Mariners Service Company Limited had a special resolution to dissolve its operation. The subsidiary company registered the dissolution with the Ministry of Commerce on 24th June, 2005, and registered liquidation on 18th October, 2005.

At the Extraordinary Shareholders' Meeting No. 1/2005 on 20th May, 2005 and No. 2/2005 on 10th June, 2005, the shareholders of Mining and General Management Company Limited had a special resolution to dissolve its operation. The subsidiary company registered the dissolution with the Ministry of Commerce on 24th June, 2005, and registered liquidation on 18th October, 2005.

11. LONG-TERM INVESTMENT IN TIN MINING

| | <i>(Unit : Thousand Baht)</i> | |
|--------------------------------|-------------------------------|-----------------|
| | <u>2005</u> | <u>2004</u> |
| Cost of tin mining rights | 24,319 | 24,319 |
| Less: Accumulated amortization | <u>(24,319)</u> | <u>(23,588)</u> |
| Tin mining rights-net | <u>-</u> | <u>731</u> |
| Amortization for the year | <u>731</u> | <u>972</u> |

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

| <u>Mining right no.</u> | <u>Area</u> | | | <u>Expiry date</u> |
|-------------------------|-------------|-------------|----------------|--------------------|
| | <u>Rai</u> | <u>Ngan</u> | <u>Sq. Wah</u> | |
| 18066/13050 | 5,626 | 1 | 77 | 19th May, 2006 |
| 18071/13369 | 2,362 | 1 | 39 | 28th March, 2008 |
| 18064/13448 | 3,883 | 3 | 73 | 28th July, 2008 |
| 18065/13449 | 2,901 | 0 | 68 | 28th July, 2008 |

12. INVESTMENT IN ANDESITE MINING

The balance of investment in andesite mining in Saraburi Province as at 31 December consists of the following:

| | <i>(Unit : Thousand Baht)</i> | |
|--------------------------------------|-------------------------------|----------------|
| | <u>2005</u> | <u>2004</u> |
| Land and land improvements | 27,470 | 26,703 |
| Other development expenses | <u>23,653</u> | <u>23,653</u> |
| Total investments in andesite mining | 51,123 | 50,356 |
| Less: Accumulated amortization | <u>(8,975)</u> | <u>(8,112)</u> |
| Investments in andesite mining - net | <u>42,148</u> | <u>42,244</u> |
| Amortization for the year | <u>863</u> | <u>863</u> |

DIRECTOR

DIRECTOR

Other development expenses are mainly expenses for filing applications for mining licenses, consultants' fees and exploration and development expenses.

The cost of land and land improvements is the cost of land 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.

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

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

| Mining right no. | Area | | | Expiry date |
|------------------|------|------|---------|---------------|
| | Rai | Ngan | Sq. Wah | |
| 28676/15268 | 88 | 3 | 81 | May, 2009 |
| 28675/15632 | 154 | 2 | 67 | January, 2007 |

13. LONG-TERM INVESTMENT IN GOLD MINING

As at 31 December long-term investment in gold mining represented the exploration expenditures and development costs for the gold mining project of Tungkhum Limited (a subsidiary) and consists of the following:

| | (Unit : Thousand Baht) | |
|---|------------------------|----------------|
| | 2005 | 2004 |
| Exploration expenditures | | |
| Balance as at beginning of period | 230,323 | 225,637 |
| Expenditure incurred during the period | - | 4,686 |
| Balance as at end of period | <u>230,323</u> | <u>230,323</u> |
| Development costs | | |
| Professional consultant service | 8,319 | - |
| Mine development cost | 9,980 | - |
| Other capitalized expenditures | <u>6,299</u> | <u>-</u> |
| | <u>24,598</u> | <u>-</u> |
| Land purchase | 42,118 | 35,605 |
| 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 | <u>82,832</u> | <u>78,316</u> |
| | <u>403,942</u> | <u>368,315</u> |

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Please refer to the operational progress on Tungkom Limited as appeared on Note 1 of these notes to financial statement.

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

| <u>Mining right no.</u> | <u>Area</u> | | | <u>Expiry date</u> |
|-------------------------|-------------|-------------|----------------|--------------------|
| | <u>Rai</u> | <u>Ngan</u> | <u>Sq. Wah</u> | |
| 26968/15574 | 130 | 3 | 66 | January, 2028 |
| 26969/15575 | 241 | 1 | 96 | January, 2028 |
| 26970/15576 | 220 | 1 | 70 | January, 2028 |
| 26971/15558 | 281 | 2 | 20 | September, 2027 |
| 26972/15559 | 205 | 3 | 4 | September, 2027 |
| 26973/15560 | 211 | - | 8 | September, 2027 |

During 2005, the interest cost of borrowing from the Company and a financial institution relating to exploration and development amounted to Baht 4.5 million (2004 : Baht 4.8 million). This was capitalized and included in the exploration expenditures and development costs.

14. LONG-TERM INVESTMENT IN LE METRO CONDOMINIUM PROJECT

| | <i>(Unit : Thousand Baht)</i> | |
|--------------------------------------|-------------------------------|----------------|
| | <u>2005</u> | <u>2004</u> |
| Cost of land | 78,996 | 78,996 |
| Revaluation surplus recorded in 1995 | 334,477 | 334,477 |
| Devaluation in 1999 | (4,903) | (4,903) |
| Bored piles work | 40,475 | 40,475 |
| Architectural design service | 12,376 | 14,295 |
| Others | <u>7,944</u> | <u>7,944</u> |
| | <u>469,365</u> | <u>471,284</u> |

Land awaiting development represents the land of a subsidiary company, on which that subsidiary company intended to develop a serviced residential building - Le Metro Condominium.

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According to the report of this independent appraisal company dated 14 July 1999, the fair market value of the land is approximately Baht 409 million. The subsidiary company therefore reflected the newly reappraised value in its accounts. During the year 2003 a company offered to purchase such land at the price of Baht 422 million. And at the end of the year 2004, the Company drafted a letter of intent to enter a joint venture to develop a serviced residential building on the said land with a joint investor, whereby the Company can bring in the said land as its investment, at book value. In addition, end of year 2005, the Company has the land reappraised by an independent appraisal company. According to the report of this independent appraisal company dated 10th November, 2005, the fair market value of the land was approximately Baht 409 million equal the previous reappraised value. As at the balance sheet date, the Company and the subsidiary company believe that the current fair market value of the land was not significantly different from the previously reappraised value.

The plot of land awaiting development was mortgaged for credit facility of related company.

The progress report dated 4th March, 2003 of the Company as submitted to the Stock Exchange of Thailand reported that the subsidiary company land, situated on the Ratchadapisek Road, Bangkok, had a permit to build an office and residential tower, which was expired on 3rd November, 2004. Currently District office has extended the timeline to be till 4th November, 2006.

The project construction started in September, 2003 with the estimated cost (excluding cost of land) of Baht 905 million. In regard to the project progress, the piling work process was completed. Please also refer to the operational progress section of Sky Cliff Limited as appeared on Note 1 of these notes to financial statement.

15. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit: Thousand Baht)

| | Consolidated | | | | | | | | | |
|---------------------------------|--------------|----------------------|---|----------|--------------------------------|-------------------------|-------------------------|--------|------------------|----------|
| | Land | Land and improvement | Building, temporary building and dry dock | Vehicles | Furniture and office equipment | Machinery and equipment | Dredge major components | Others | Work in progress | Total |
| At cost | | | | | | | | | | |
| As at 1st January, 2005 | 61,740 | 991 | 71,450 | 43,348 | 13,018 | 49,422 | 1,229 | 4,184 | 10,787 | 256,169 |
| Purchase | - | - | - | 77,874 | 1,947 | 12,285 | - | 709 | 137,865 | 230,680 |
| Disposal | - | - | - | (13,971) | - | - | (1,229) | - | - | (15,200) |
| Transfer in (out) | - | - | - | - | - | (1,885) | - | - | 1,885 | - |
| As at 31st December, 2005 | 61,740 | 991 | 71,450 | 107,251 | 14,965 | 59,822 | - | 4,893 | 150,537 | 471,649 |
| Accumulated depreciation | | | | | | | | | | |
| As at 1st January, 2005 | - | 842 | 8,497 | 20,077 | 8,952 | 27,141 | 1,229 | 1,622 | - | 68,360 |
| Depreciation for the year | - | 99 | 4,699 | 12,666 | 1,765 | 4,748 | - | 91 | - | 24,068 |
| Disposal | - | - | - | (1,378) | - | - | (1,229) | - | - | (2,607) |
| As at 31st December, 2005 | - | 941 | 13,196 | 31,365 | 10,717 | 31,889 | - | 1,713 | - | 89,821 |
| Net book value | | | | | | | | | | |
| As at 31st December, 2005 | 61,740 | 50 | 58,254 | 75,886 | 4,248 | 27,933 | - | 3,180 | 150,537 | 381,828 |
| As at 31st December, 2004 | 61,740 | 149 | 62,953 | 23,271 | 4,066 | 22,281 | - | 2,562 | 10,787 | 187,809 |

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Depreciation included in the earnings statements for the year was as follow:

(Unit : Thousand Baht)

| | <u>Consolidated</u> | |
|--|----------------------|----------------------|
| | <u>2005</u> | <u>2004</u> |
| Included in production costs | 6,223 | 6,228 |
| Included in selling and administrative expenses | 17,378 | 10,902 |
| Included in exploration expenditures and development costs | <u>467</u> | <u>-</u> |
| | <u><u>24,068</u></u> | <u><u>17,130</u></u> |

The gross carrying amount of the fully depreciated of plant and equipment that are still in use are Baht 18,033,901 (2004 : Baht 20,730,963).

Details of property, plant and equipment for 2005 financial statements of the Company only are as follows:

(Unit : Thousand Baht)

| | <u>The Company Only</u> | | | | | | | <u>Total</u> |
|----------------------------------|-------------------------|-----------------------------|--|-----------------------|---------------------------------------|--------------------------------|---------------|----------------|
| | <u>Land</u> | <u>Land and improvement</u> | <u>Building, temporary building and dry dock</u> | <u>Motor Vehicles</u> | <u>Furniture and office equipment</u> | <u>Machinery and equipment</u> | <u>Others</u> | |
| At cost: | | | | | | | | |
| As at 1st January, 2005 | 53,066 | 991 | 63,995 | 16,409 | 6,192 | 6,164 | 1,516 | 148,333 |
| Purchase | - | - | - | 6,475 | 1,054 | 16 | 11 | 7,556 |
| As at 31st December, 2005 | <u>53,066</u> | <u>991</u> | <u>63,995</u> | <u>22,884</u> | <u>7,246</u> | <u>6,180</u> | <u>1,527</u> | <u>155,889</u> |
| Accumulated depreciation: | | | | | | | | |
| As at 1st January, 2005 | - | 842 | 7,001 | 10,443 | 4,455 | 3,937 | 1,044 | 27,722 |
| Depreciation for the year | - | 99 | 3,208 | 3,116 | 380 | 493 | 91 | 7,387 |
| As at 31st December, 2005 | <u>-</u> | <u>941</u> | <u>10,209</u> | <u>13,559</u> | <u>4,835</u> | <u>4,430</u> | <u>1,135</u> | <u>35,109</u> |
| Net book value: | | | | | | | | |
| As at 31st December, 2005 | <u>53,066</u> | <u>50</u> | <u>53,786</u> | <u>9,325</u> | <u>2,411</u> | <u>1,750</u> | <u>392</u> | <u>120,780</u> |
| As at 31st December, 2004 | <u>53,066</u> | <u>149</u> | <u>56,994</u> | <u>5,966</u> | <u>1,737</u> | <u>2,227</u> | <u>472</u> | <u>120,611</u> |

Depreciation included in the earnings statements for the year was as follow:

(Unit : Thousand Baht)

| | <u>The Company Only</u> | |
|---|-------------------------|---------------------|
| | <u>2005</u> | <u>2004</u> |
| Included in production costs | 2,435 | 2,440 |
| Included in selling and administrative expenses | <u>4,952</u> | <u>4,488</u> |
| | <u><u>7,387</u></u> | <u><u>6,928</u></u> |

The gross carrying amount of the fully depreciated of plant and equipment that are still in use are Baht 10,901,031 (2004 : Baht 9,845,872).

DIRECTOR

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16. OTHER NON-CURRENT ASSETS

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.

17. TRADE ACCOUNT PAYABLE - OTHERS

(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|--|---------------------|---------------|-------------------------|--------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Trade account payable - construction cost of | | | | |
| Le Metro Condominium Project | 5,879 | 10,002 | - | - |
| Trade account payable - andesite mining operations | 238 | 407 | 238 | 407 |
| Trade account payable - tin mining operations | <u>246</u> | <u>1,173</u> | <u>246</u> | <u>1,174</u> |
| | <u>6,363</u> | <u>11,582</u> | <u>484</u> | <u>1,581</u> |

18. LONG-TERM LOANS

On 29 March 2001, the Company entered into a debt restructuring agreement with a local bank to restructure overdrafts of approximately Baht 5 million and long-term loans of approximately Baht 5 million, totaling approximately Baht 10 million. The bank allows the Company to repay the loan on a quarterly basis at the times and amounts stipulated in the agreement commencing in March 2003 and within March 2011. The loan carries interest at MLR per annum.

On 11 April 2001, the Company entered into a debt restructuring agreement with another local bank to restructure overdrafts and related accrued interest, totaling Baht 35 million. The bank allows the Company to repay the loan in 60 monthly installments of Baht 0.6 million each, commencing in April 2003. The loan carries interest at MLR per annum. The Company also raised an additional loan of Baht 6 million from the bank in order to settle all the outstanding balance of loans from a finance company. Such additional loan carries interest at MLR per annum, and is to be repaid in 60 monthly installments of Baht 0.1 million each, commencing in April 2003. In order to supplement its collateral to the bank, the Company redeemed the land mortgaged with the finance company and pledged it to the bank instead.

On 29 June 2001, one of its subsidiary companies entered into a debt restructuring agreement with a local bank to restructure overdrafts and related accrued interest, totaling approximately Baht 8 million. The bank allows the subsidiary company to repay the loan in 60 monthly installments of Baht 0.13 million each, commencing in July 2003. The loan carries interest at MLR per annum.

On 16 July 2001, the Company entered into a debt restructuring agreement with another local bank to restructure overdrafts and related accrued interest totaling approximately Baht 17 million. The bank allows the Company to repay the loan in 96 monthly installments at the times and amounts stipulated in the agreement commencing in July 2003 and within June 2011. The loan carries interest at MLR plus 1% per annum.

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On 25th February, 2004, the Company entered into loan agreements of Baht 48 million for settled the amount of other payable - purchase of new office building with a local bank. This loan bears interest at the rate of MLR plus 1% per annum and is due for monthly repayment of Baht 572,000 each, commencing in March, 2004.

As at 31st December, the outstanding loans can be summarized as follows:

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|---|--------------|----------|------------------|----------|
| | 2005 | 2004 | 2005 | 2004 |
| Long-term loans | 77,094 | 97,200 | 73,117 | 91,632 |
| Less : Current portion of long-term loans | (21,111) | (20,711) | (19,520) | (19,120) |
| Long-term loans - net | 55,983 | 76,489 | 53,597 | 72,512 |

19. CREDIT FACILITIES

Credit facilities of the Company and its subsidiary companies granted by local financial institutions are secured by the mortgages/pledges listed below.

1. Certain plots of land and construction thereon of the Company.
2. Certain plots of land awaiting development and construction thereon of a subsidiary company.
3. Some of land possessory rights (Nor. Sor. 3 and Nor. Sor. 3 Kor).
4. Machinery and equipment of its subsidiary company.
5. New office building

20. HIRE PURCHASE CREDITORS - NET

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|--------------|---------|------------------|---------|
| | 2005 | 2004 | 2005 | 2004 |
| Hire purchase creditor | 44,026 | 18,677 | 862 | 2,013 |
| Less : Deferred interest | (3,496) | (877) | (88) | (229) |
| Deferred input VAT | (1,810) | - | - | - |
| | 38,720 | 17,800 | 774 | 1,784 |
| Less : Current portion of hire purchase creditor | (12,365) | (5,976) | (440) | (1,248) |
| Hire purchase creditor - net | 26,355 | 11,824 | 334 | 536 |

Hire purchase creditor incurred from the purchase of vehicle.

DIRECTOR

DIRECTOR

21. PROVISION FOR ENVIRONMENTAL RESTORATION EXPENSES

(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|---|---------------------|-------------|-------------------------|-------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Provision for mine restoration | 2,403 | - | 250 | - |
| Less : Charged to the statement of income | <u>(157)</u> | <u>-</u> | <u>(63)</u> | <u>-</u> |
| Balance as at end of period | <u>2,246</u> | <u>-</u> | <u>187</u> | <u>-</u> |
| | | | | |
| Provision for forest restoration | 8,157 | - | - | - |
| Less : Charged to the statement of income | <u>(1,360)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance as at end of period | <u>6,797</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The quarrying operations of the Company and the gold mining operations of a subsidiary company 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.

And the subsidiary company is committed to pay fees for 10 - years' land use, started on 31st August, 2000 which is to be paid within 10 years.

22. SHARE CAPITAL

22.1 At the Ordinary Shareholders' Meeting No. 10/2004 on 26th April, 2004, had resolved to decrease the Company's registered share capital from Baht 599.92 million (599.92 million shares of Baht 1 each) to Baht 505.55 million (505.55 million shares of Baht 1 each). At the same time it had also resolved to increase the Company's registered share capital from Baht 505.55 million to Baht 605.55 million by issuing 100 million shares of Baht 1 each.

The Company registered the decrease and increase in shares capital with the Ministry of Commerce on 6th and 10th May, 2004 respectively.

Private Placement (PP)

On 23rd June, 2004, the Company issued the ordinary shares (PP) and received the share settlement of 49,285,700 shares at Baht 2.8 per share in the total amount of Baht 137,999,960.

On 30th September, 2004 the Company issued the ordinary shares (PP) and received the share settlement of 50,714,300 shares at Baht 2.5 per share in the total amount of Baht 126,785,750.

DIRECTOR

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Employee Stock Option (ESOP) Implementation

On 16th April, 2004, the Company issued the ordinary shares in respect of Employee Stock Option Implementation Plan and received the share settlement of 21,903,000 shares at Baht 0.734 per share in the total amount of Baht 16,076,802.

The above PP and ESOP can be summarized as follows:

| <u>Issue date</u> | <u>No. of shares</u> | <u>Baht per share</u> | <u>Amount</u> | Share premium <u>(Share discount)</u> |
|-------------------|----------------------|-----------------------|--------------------|--|
| April, 2004 | 21,903,000 | 0.734 | 16,076,802 | (5,826,198) |
| June, 2004 | 49,285,700 | 2.8 | 137,999,960 | 88,714,260 |
| September, 2004 | <u>50,714,300</u> | 2.5 | <u>126,785,750</u> | <u>76,071,450</u> |
| | <u>121,903,000</u> | | <u>280,862,512</u> | <u>158,959,512</u> |

- 22.2 At the Ordinary Shareholders' Meeting No. 11/2005 on 4th March, 2005, the Company's shareholders had resolved to increase the Company's registered share capital from Baht 605.55 million (605.55 million shares of Baht 1 each) to Baht 756.94 million (756.94 million shares of Baht 1 each) by issuing the additional 151.39 million ordinary shares of Baht 1 each.

The Company issued the above ordinary shares to the Company's former shareholders and received the share subscription of 151.39 million shares at Baht 1.71 per share in the total amount of Baht 258.87 million.

| <u>Issue date</u> | <u>No. of shares</u> | <u>Baht per share</u> | <u>Amount</u> | Share premium <u>(Share discount)</u> |
|-------------------|----------------------|-----------------------|---------------|--|
| April, 2005 | 151,387,893 | 1.71 | 258,873,297 | 107,485,404 |

The Company registered the above change of share structure with the Ministry of Commerce on 16th March, 2005 and on 12th April, 2005, respectively.

23. SHARE PREMIUM - NET

| | <i>(Unit : Thousand Baht)</i> | |
|---------------------|-------------------------------|-----------------|
| | <u>2005</u> | <u>2004</u> |
| Share premium | 550,626 | 443,141 |
| Share discount | <u>(62,926)</u> | <u>(62,926)</u> |
| Share premium - net | <u>487,700</u> | <u>380,215</u> |

24. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act.

DIRECTOR

DIRECTOR

25. IMPAIRMENT OF ASSETS RELATING TO OPERATIONS OF ANDESITE QUARRY

The operations of the andesite quarry of the Company and its subsidiary company has suffered persistent losses. Given this, the Company and its subsidiary company considered whether there had been impairment of the value of their property, plant and equipment, and investment relating to the operations of the quarry, of which the net book value as at the balance sheet date was approximately Baht 64.1 million and approximately Baht 46.6 million for the Company only (2004 : approximately Baht 69.9 million and Baht 49.4 million for the Company only). To this end, cash flows from the quarry were projected, using a discounted rate of 7 percent. These projected cash flows suggested 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 and the subsidiary company believe that the future projected cash flows from the quarry would not be significantly different from the projection and will exceed the net book value of the assets as at the balance sheet date.

26. FINANCIAL INFORMATION BY SEGMENT

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 exploration and development in Loei Province. The Company also has an investment in a subsidiary, Sky Cliff Limited, whose main asset is a plot of land in Bangkok. Plans to develop a serviced apartment building on the land which has been started in September, 2003, please refer to Note 1 of the financial statements for further information on the status of the project.

Sales and cost of sales broken down by segment for the years were presented in the earnings statements for the periods. A breakdown of the assets of the Company and its subsidiary by segment as at the balance sheet date is presented below

(Unit: Million Baht)

| | Mining Business | | | | | | | | | | Total | |
|-------------------------------------|-----------------|----------------|---|--------------|-----------------|--------------|-------------------|--------------|------------------|------------------|----------------|----------------|
| | Tin Mining | | Gold exploration and development of gold mining project | | Andesite Mining | | Property Business | | Eliminated | | | |
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Investment in other projects | | | | | | | | | | | | |
| Tin mining | - | 0.7 | - | - | - | - | - | - | - | - | - | 0.7 |
| Andesite mining | - | - | - | - | 42.1 | 42.2 | - | - | - | - | 42.1 | 42.2 |
| Gold mining | - | - | 391.6 | 368.3 | - | - | - | - | - | - | 391.6 | 368.3 |
| Phuket project | - | - | - | - | - | - | 7.0 | 7.0 | - | - | 7.0 | 7.0 |
| Le Metro Condominium project | - | - | - | - | - | - | 469.4 | 471.3 | - | - | 469.4 | 471.3 |
| Property, plant and equipment - net | 116.3 | 113.4 | 233.8 | 33.9 | 22.0 | 27.7 | 9.7 | 12.8 | - | - | 381.8 | 187.8 |
| Other assets | 1,123.7 | 1,007.3 | 64.5 | 131.9 | 48.7 | 49.3 | - | - | (1,140.9) | (1,013.2) | 96.0 | 175.3 |
| Total assets | <u>1,240.0</u> | <u>1,121.4</u> | <u>689.9</u> | <u>534.1</u> | <u>112.8</u> | <u>119.2</u> | <u>486.1</u> | <u>491.1</u> | <u>(1,140.9)</u> | <u>(1,013.2)</u> | <u>1,387.9</u> | <u>1,252.6</u> |

DIRECTOR

DIRECTOR

27. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Board of Investment Promotion Act, B.E. 2520, Tungcum Limited (a subsidiary company) was granted certain promotional privileges in respect of gold mining and production under the promotion certificate No. 1108/2546 dated February 25, 2003. Under these privileges, the subsidiary company has received exemption from certain taxes and duties as detailed in the certificate, including exemption from corporate income tax from the date of commencement of earnings revenue for the period of 8 years. In addition, Tungcum Limited was awarded the privileges to pay only 50 percent of income tax on net taxable income of promoted business for the period of 5 years after the expiration of corporate income tax exemption.

As a promoted industry, the subsidiary company is required to comply with certain terms and conditions as specified in the promotion certificate.

28. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantee

28.1 As at 31st December, 2005, the Group has an outstanding bank guarantees amounting to approximately Baht 3.6 million (2004 : Baht 3.06 million) and for the Company only had outstanding guarantees amounting to approximately Baht 0.9 million (2004 : Baht 0.6 million). The guarantees were issued by banks on behalf of the Company and its subsidiary companies in respect of certain performance bonds as required in the ordinary course of the businesses of the Company and its subsidiary companies.

Litigation

28.2 Certain companies initiated legal action against the Company and its contractor, claiming compensation of approximately Baht 299 million, in connection with tin dredging conducted by the Company and its contractor in the Bangtao Bay concession area. This activity purportedly caused land erosion in the area where those companies are situated.

On 7th December, 1999, the Civil Court ruled that the lawsuit against the Company and its contractor was dismissed, and they would not have to make payment of the above compensation. In March, 2000, the plaintiff lodged an appeal with the Appeal Court, claiming compensation of approximately Baht 175 million, and the Company filed a statement to defend the appeal on 24th April, 2000.

On 29th March, 2002, the Appeal Court judged to stand firm with the Civil Court's ruling to dismiss the case. However, the plaintiff lodged an appeal to the Supreme Court on 26th April, 2002. The Company has counter appealed and was accepted by the Supreme Court on 2nd July, 2002.

On 20th December, 2005, the Supreme Court judged to stand firm with the civil court's ruling to dismiss the case.

DIRECTOR

DIRECTOR

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

28.3 A subsidiary company 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.

28.4 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 company has to pay the land usage fee at rate of 2.5% of gold production to the Agricultural Land Reform Office (ALRO). The subsidiary company is appealing to the Ombudsman of Thailand to rule against this levy as this is double charged with the fee charged by the DMR in Note 28.5. In addition the ALRO fee was not mentioned in the concession agreement.

The Ombudsman of Thailand had informed on 17th February, 2004, judged to pay above fee to ALRO.

The subsidiary company 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. There were outstanding bank guarantees issued by a bank on behalf of the Company.

28.5 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 company 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, and pay the royalty to DMR at the rate of 2.5 percent, and distribute 1.5 percent of gold ore production to DMR.

Construction and other services agreements

28.6 As at 31st December, 2004, 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 3.3 million.

28.7 As at 16th December, 2003, a subsidiary company entered into security access system supply contract with a company amounting to USD 0.51 million.

DIRECTOR

DIRECTOR

Others

28.8 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.

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

29. FINANCIAL INSTRUMENTS

Financial risk management and policies

The Company and its subsidiaries are exposed to risks from changes in market interest rates and from nonperformance of contractual obligations by counterparties. The Company and its subsidiaries do not use derivative instruments to manage such risks.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company and its subsidiaries' operations and their cash flows. The Company and its subsidiaries exposure to interest rate risk relate primarily to lending and borrowings. The Company and its subsidiaries do not use derivative financial instruments to hedge such risk.

Foreign currency risk

The Company and its subsidiaries are not exposed to foreign currency risk because the Company and its subsidiaries have no material transactions denominated in foreign currencies.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts since the majority of sales are supplied to a limited number of customers. However, due to those customers' creditworthiness, the Company does not anticipate material losses from its debt collection.

Fair value

The management believe that the fair value of the Company and its subsidiaries financial assets and liabilities does not materially differ from their carrying value.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors.

DIRECTOR

DIRECTOR

RECEIVED

2006 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 30/01/2006 08:02

THL : Report on utilization of increased capital

Translation

THL 151-002/1/2549

26 January 2006

President
The Stock Exchange of Thailand

Re: Report on utilization of increased capital

The Company completed the allocation of 151,387,893 shares to the existing shareholders in April 2005 in accordance with the approval of Annual General Meeting of Shareholders No. 11/2548. The paid-up capital was then increased from Baht 605,551,570 to Baht 756,939,463. The Company received a net fund of Baht 258,788,097 in the exercise. The purpose of this capital increase is to utilized fund in the Company's Gold Mine project. The Company has reported the first fund usage on 29 July 2005 with the balance of fund as at 30 June 2005 of Baht 114.10 million.

The Company has now completely utilized the rest of the fund of Baht 114.10 million and therefore would like to report the capital increase fund utilization as follows:-

| | |
|---------------------------------------|---------------------|
| Balance of fund as at 30 June 2005 | 114.10 million Baht |
| Invest in the gold mine project * | 72.88 million Baht |
| Use as working capital of the Company | 41.22 million Baht |
| Balance of fund ** | 0.00 Baht |

Note:

* The fund was mainly used for purchasing mining equipments, developing the infrastructure and being consulting and engineering fee.

** The Company will receive repayment of the investment in gold mine project for the amount of Baht 99 million from Tungkom Limited on January 31, 2006.

Please be notified accordingly.

Sign _____ Director
(Dr. J. Peter Mills)

Sign _____ Director
(Mr. Udom Chirapanathorn)

RECEIVED

2006 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 06/01/2006 08:54

THL : Resignation of Company's Director

THL598-001/01/06

5th January, 2006

Director General
The Stock Exchange of Thailand

Dear Sir,

Re: Resignation of Company's Director

The Company would like to hereby inform the Stock Exchange of Thailand (SET), Shareholders and investors as follows:-

The Company has received notification from Mr. Tiwa Sukumoljantra, Independent Director and Audit Committee Member, That he intends to resign as the Independent Director and Audit Committee Member due to he has proposed to be the candidate of the position of the Senator's affair which has confidential regulation for individual being unheld in any other position therefore, effective from now.

Yours faithfully,

Mr. Chalermchai Martmuang
Secretary to the Executive Board of Directors

RECEIVED

2006 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

TONGKAH HARBOUR PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATE FINANCIAL STATEMENTS
31st DECEMBER, 2005

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

I have audited the accompanying consolidated balance sheets of Tongkah Harbour Public Company Limited and its subsidiaries as at 31st December, 2005 and 2004 and the related consolidated statements of earnings, change in shareholders' equity and cash flow for the years then ended and the separate financial statements of Tongkah Harbour Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit 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 positions of Tongkah Harbour Public Company Limited and its subsidiaries and of Tongkah Harbour Public Company Limited as at 31 December, 2005 and 2004 and the results of its operation, the changes in shareholders' equity and cash flow for the years then ended in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to the followings:

1) As discussed in Note 2 to the financial statements, the Company and its subsidiary companies have experienced persistent operating losses and have current liabilities substantially in excess of current assets. Nevertheless, the accompanying financial statements have been prepared on the going concern basis, assuming that the realization of assets and settlement of liabilities and obligations will occur in the ordinary course of business of the Company and its subsidiary companies, without any expectation of significant disruption to the ongoing activities.

2) As discussed in Note 14 to the financial statements, land awaiting development of a subsidiary company (Sky Cliff Limited) amounting to Baht 409 million, is stated at the fair market value appraised by an independent appraisal company according to his report dated 14th July, 1999. However according to the report of independent appraisal company dated 10th November, 2005, the fair market value of the land was approximately Baht 409 million equal the previous reappraised value.

3) As discussed in Note 25 to the financial statements, due to persistent losses generated from operating results, the Company and the subsidiary company (Cholsin Limited) considered whether there had been impairment of the value of its operating equipment, of which the net book value as at 31st December, 2005 was approximately Baht 64.1 million and approximately Baht 46.6 million for the Company only (2004 : Approximately Baht 69.9 million and Baht 49.4 million for the Company only). To this end, cash flows from the quarry were projected, using a discounted rate of 7 percent. These projected cash flows suggested that the future cash flows would be in excess of the net book value of the assets as at the balance sheet date. The Company believes that the future projected cash flows from the quarry would not be significantly different from the projection and will exceed the net book value of the assets as at the balance sheet date.

4) As discussed in Note 3 to the financial statements, according to the SET decision to allow the trading of the Company's securities since 25th March, 2003, the Company has to submit the progress report on the Company's operation of each business to the SET every 3 months. On 14th November, 2005 the SET had announce to post "SP" (Suspension) signs to suspend trading of securities until the Company are able to improve the qualification and reinstated back to their normal sector.

Mr. Boonsri Techavarutama
Certified Public Accountant (Thailand) No. 3336
BDO Richfield Limited

Bangkok : 15th February, 2006

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2005 | 2004 | 2005 | 2004 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 31,836 | 142,354 | 222 | 13,277 |
| Current investment - fixed deposits | | 602 | 2 | 1 | 1 |
| Trade accounts receivable - net | 9 | 6,242 | 3,159 | 6,242 | 3,159 |
| Short-term advances to related parties | 7 | 3,347 | 4,638 | 2,005 | 1,383 |
| Short-term loans to related parties | 7 | - | - | 82,893 | 66,970 |
| Inventories - net | | 10,484 | 12,853 | 9,880 | 11,704 |
| Other current assets | | | | | |
| Cash advance - general | | 1,171 | 1,080 | 1,063 | 825 |
| Input tax refundable | | 10,248 | 4,216 | 2,690 | 2,674 |
| Others | | 6,166 | 4,691 | 2,590 | 2,211 |
| Total other current assets | | 17,585 | 9,987 | 6,343 | 5,710 |
| Total current assets | | 70,096 | 172,993 | 107,586 | 102,204 |
| Non-current assets | | | | | |
| Long-term investments | | | | | |
| Investments accounted for under equity method | 10.1 | - | 827 | 671,123 | 706,059 |
| Long-term investment in other projects | | | | | |
| Tin mining | 11 | - | 731 | - | 731 |
| Andesite mining | 12 | 42,148 | 42,244 | 42,148 | 42,244 |
| Gold mining | 13 | 403,942 | 368,315 | - | - |
| Phuket project | | 7,000 | 7,000 | 7,000 | 7,000 |
| Le Metro Condominium project | 14 | 469,365 | 471,284 | - | - |
| Other receivable - related parties | 7 | 124 | 64 | 17,364 | 18,179 |
| Long-term loans to related parties | 7 | - | - | 321,549 | 174,057 |
| Property, plant and equipment - net | 15 | 381,828 | 187,809 | 120,780 | 120,611 |
| Goodwill | | 2,543 | 801 | - | - |
| Other non-current assets | 16 | 10,877 | 573 | 519 | 275 |
| Total non-current assets | | 1,317,827 | 1,079,648 | 1,180,483 | 1,069,156 |
| Total assets | | 1,387,923 | 1,252,641 | 1,288,069 | 1,171,360 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|--------|------------------|------------------|------------------|------------------|
| | | 2005 | 2004 | 2005 | 2004 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts | | 3,193 | 322 | 3,193 | 322 |
| Trade account payable - related party | 7 | - | - | 16,978 | 17,129 |
| Trade account payable - others | 17 | 6,363 | 11,582 | 484 | 1,581 |
| Current portion of long-term loans | 18 | 21,111 | 20,711 | 19,520 | 19,120 |
| Short-term advances from related parties | 7 | 4,195 | 1,447 | 972 | 1,255 |
| Short-term loans from related parties | 7 | 3,164 | 78,146 | 6,908 | 80,520 |
| Current portion of hire purchase creditors | 20 | 12,365 | 5,976 | 440 | 1,248 |
| Other current liabilities | | | | | |
| Accrued expenses | | 13,126 | 12,971 | 6,718 | 6,852 |
| Others | | 17,532 | 12,293 | 6,711 | 1,449 |
| | | 30,658 | 25,264 | 13,429 | 8,301 |
| Total current liabilities | | 81,049 | 143,448 | 61,924 | 129,476 |
| Non-current liabilities | | | | | |
| Long-term loans from related party | 7 | - | - | 7,455 | 7,815 |
| Long-term loans - net | 18 | 55,983 | 76,489 | 53,597 | 72,512 |
| Hire purchase creditors - net | 20 | 26,355 | 11,824 | 334 | 536 |
| Provision for loss from investments accounted for under equity method | 10.2 | 7,200 | - | 52,485 | 38,854 |
| Provision for environmental restoration expenses | 21 | 10,560 | - | 250 | - |
| Total non-current liabilities | | 100,098 | 88,313 | 114,121 | 119,717 |
| Total liabilities | | 181,147 | 231,761 | 176,045 | 249,193 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 756,939,463 ordinary shares of Baht 1 each | | | | | |
| (2004 : 605,551,570 ordinary shares of Baht 1 each) | 3, 22 | 756,940 | 605,552 | 756,940 | 605,552 |
| Issued and fully paid-up | | | | | |
| 756,939,463 ordinary shares of Baht 1 each | | | | | |
| (2004 : 605,551,570 ordinary shares of Baht 1 each) | 3, 22 | 756,940 | 605,552 | 756,940 | 605,552 |
| Share premium - net | 22, 23 | 487,700 | 380,215 | 487,700 | 380,215 |
| Revaluation surplus (decrease) on land | | (4,903) | (4,903) | - | - |
| Retained earnings (deficit) | | | | | |
| Unappropriated | | | | | |
| | | (132,616) | (63,600) | (132,616) | (63,600) |
| Equity attributable to the Company's shareholders | | 1,107,121 | 917,264 | 1,112,024 | 922,167 |
| Minority interests - equity attributable to minority shareholders of subsidiaries | | 99,655 | 103,616 | - | - |
| Total shareholders' equity | | 1,206,776 | 1,020,880 | 1,112,024 | 922,167 |
| Total liabilities and shareholders' equity | | 1,387,923 | 1,252,641 | 1,288,069 | 1,171,360 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|-----------------|-----------------|------------------|-----------------|
| | | 2005 | 2004 | 2005 | 2004 |
| Revenues | | | | | |
| Sales | | | | | |
| Tin ore sales | | 2,352 | 39,769 | 2,352 | 39,769 |
| Andesite sales | | 21,461 | 17,388 | 21,461 | 17,388 |
| Other income | | | | | |
| Interest income | 7 | 925 | 36 | 13,519 | 9,488 |
| Amortization of excess of net book value over cost of investments accounted for under equity method | | - | 22 | - | - |
| Others | 7 | 2,875 | 2,472 | 5,214 | 14,363 |
| Total revenues | | 27,613 | 59,687 | 42,546 | 81,008 |
| Expenses | | | | | |
| Cost of sales | | | | | |
| Cost of tin ore sales | | 2,271 | 37,056 | 2,271 | 37,056 |
| Cost of andesite sales | 7 | 20,706 | 16,330 | 19,440 | 17,801 |
| Selling and administrative expenses | 7 | 63,392 | 64,351 | 27,060 | 28,604 |
| Loss from diminution in value of inventories | | 1,982 | 799 | 1,982 | 799 |
| Directors' remuneration | 24 | 243 | 303 | 243 | 303 |
| Share of loss from investments accounted for under equity method | | - | 311 | 52,489 | 46,280 |
| Share of loss before purchase of shares - Sea Minerals Limited | | 6,933 | - | - | - |
| Goodwill amortization | | 188 | - | - | - |
| Total expenses | | 95,715 | 119,150 | 103,485 | 130,843 |
| Loss before interest expenses | | (68,102) | (59,463) | (60,939) | (49,835) |
| Interest expenses | 7 | (5,215) | (5,268) | (8,077) | (7,379) |
| Loss before minority interest | | (73,317) | (64,731) | (69,016) | (57,214) |
| Minority interest in (earnings) loss of subsidiaries | | 4,301 | 7,517 | - | - |
| Net earnings (loss) | | (69,016) | (57,214) | (69,016) | (57,214) |
| Basic earnings (loss) per share (Baht per share) | | | | | |
| Net earnings (loss) | | (0.10) | (0.11) | (0.10) | (0.11) |
| Weighted average numbers of ordinary share (Thousand shares) | | | | | |
| | | 715,048 | 537,122 | 715,048 | 537,122 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Consolidated | | | | | |
|---|--|------------------------|---|--------------------------------|----------------------|-----------|
| | Issued and paid-up share capital | Share premium - net | Revaluation surplus (decrease) on land | Retained earnings (deficit) | Minority interest | Total |
| <u>(Restated)</u> | | | | | | |
| Balance as at beginning of period 2004 | 483,649 | 221,256 | (4,903) | (6,386) | 111,133 | 804,749 |
| Ordinary shares issued and paid-up | 121,903 | 158,959 | - | - | - | 280,862 |
| Net earnings (loss) | - | - | - | (57,214) | - | (57,214) |
| Minority interest in earnings (loss) of subsidiaries | - | - | - | - | (7,517) | (7,517) |
| Balance as at end of period 2004 | 605,552 | 380,215 | (4,903) | (63,600) | 103,616 | 1,020,880 |
| Ordinary shares issued and paid-up | 151,388 | 107,485 | - | - | - | 258,873 |
| Net earnings (loss) | - | - | - | (69,016) | - | (69,016) |
| Minority interest in earnings (loss) of subsidiaries | - | - | - | - | (4,301) | (4,301) |
| Adjust minority interest from investment accounted for under equity method | - | - | - | - | 340 | 340 |
| Balance as at end of period 2005 | 756,940 | 487,700 | (4,903) | (132,616) | 99,655 | 1,206,776 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | The Company Only | | | Total |
|---|------|--|------------------------|--------------------------------|-----------|
| | | Issued and paid-up share capital | Share premium - net | Retained earnings (deficit) | |
| (Restated) | | | | | |
| Balance as at beginning of period 2004 | | 483,649 | 221,256 | (6,386) | 698,519 |
| Ordinary shares issued and paid-up | 22.1 | 121,903 | 158,959 | - | 280,862 |
| Net earnings (loss) | | - | - | (57,214) | (57,214) |
| Balance as at end of period 2004 | | 605,552 | 380,215 | (63,600) | 922,167 |
| Ordinary shares issued and paid-up | 22.2 | 151,388 | 107,485 | - | 258,873 |
| Net earnings (loss) | | - | - | (69,016) | (69,016) |
| Balance as at end of period 2005 | | 756,940 | 487,700 | (132,616) | 1,112,024 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|-----------------|------------------|------------------|-----------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cash flows from operating activities | | | | |
| Net earnings (loss) | (69,016) | (57,214) | (69,016) | (57,214) |
| Adjustment to reconcile net earnings (loss) to net cash provided by (used in) operating activities :- | | | | |
| Depreciation | 24,068 | 17,130 | 7,387 | 6,928 |
| Loss from diminution in value of inventories | 1,982 | - | 1,982 | - |
| Amortization - investment in andesite mining | 863 | 863 | 863 | 863 |
| Amortization - investment in tin mining | 731 | 972 | 731 | 972 |
| Share of (earnings) loss of from investments accounted for under equity method | - | 311 | 51,533 | 46,280 |
| Share of loss before purchase of shares - Sea Minerals Limited | 6,933 | - | - | - |
| Minority interest in earnings (loss) of subsidiaries | (4,301) | (7,517) | - | - |
| Goodwill amortization | 188 | - | - | - |
| Amortization of excess of net book value over cost of investments accounted for under equity method | - | (315) | - | - |
| Provision for environmental restoration expenses | 10,560 | - | 250 | - |
| | <u>(27,992)</u> | <u>(45,770)</u> | <u>(6,270)</u> | <u>(2,171)</u> |
| <u>(Increase) decrease in operating assets:-</u> | | | | |
| Trade accounts receivable | (3,083) | (1,249) | (3,083) | (1,249) |
| Short-term advances to related parties | 1,291 | 9,232 | (622) | 9,232 |
| Inventories | 387 | (6,650) | (158) | (6,277) |
| Other current assets | (7,598) | (257) | (633) | (815) |
| Other receivable - related parties | (60) | (64) | 815 | (9,915) |
| Other non-current assets | (10,304) | 415 | (244) | 1 |
| <u>Increase (decrease) in operating liabilities:-</u> | | | | |
| Trade accounts payable - related party | - | - | (151) | 3,103 |
| Trade accounts payable - others | (5,219) | (33,088) | (1,097) | (587) |
| Short-term advances from related parties | 2,748 | (5,753) | (283) | (5,314) |
| Other payable - related parties | - | - | - | (45) |
| Other payable - purchase of office building and land | - | (70,127) | - | (70,127) |
| Other current liabilities | 5,394 | 8,031 | 5,128 | 401 |
| Net cash provided by (used) from operating activities | <u>(44,436)</u> | <u>(145,280)</u> | <u>(6,598)</u> | <u>(83,763)</u> |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW (Continued)

FOR THE YEARS ENDED 31st DECEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|------------------|-----------------|------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cash flows from investing activities | | | | |
| (Increase) decrease in short-term loans to related parties | (600) | 1,722 | (15,923) | (54,637) |
| (Increase) decrease in investments accounted for under equity method | 1,094 | (1,138) | (2,966) | (154,184) |
| Goodwill from purchase of shares | (1,930) | - | - | - |
| Adjust minority interest from investment accounted for under equity method | 340 | - | - | - |
| (Increase) decrease in investments in andesite mining | (767) | (1,291) | (767) | (1,291) |
| (Increase) decrease in investment in gold mining | (35,627) | (9,545) | - | - |
| (Increase) decrease in investments in Phuket project | - | (7,000) | - | (7,000) |
| (Increase) decrease in Le Metro Condominium project | 1,919 | (1,525) | - | - |
| (Increase) decrease in long-term loans to related parties | - | - | (147,492) | (60,316) |
| (Increase) decrease in property, plant and equipment | (230,672) | (25,917) | (7,556) | (2,073) |
| Proceed from disposals of fixed assets | 12,585 | - | - | - |
| Net cash provided by (used) from investing activities | (253,658) | (44,694) | (174,704) | (279,501) |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts | 2,871 | (3,884) | 2,871 | (3,884) |
| Increase (decrease) in loans from financial institution | - | (50,000) | - | - |
| Increase (decrease) in short-term loans from related parties | (74,982) | 75,624 | (73,612) | 75,624 |
| Increase (decrease) in long-term loans from related parties | - | - | (360) | (4,875) |
| Increase (decrease) in long-term loans | (20,106) | 29,122 | (18,515) | 30,714 |
| Increase (decrease) in hire purchase creditors | 20,920 | (1,985) | (1,010) | (3,012) |
| Proceed from the share capital increased | 258,873 | 280,862 | 258,873 | 280,862 |
| Net cash provided by (used) from financing activities | 187,576 | 329,739 | 168,247 | 375,429 |
| Net increase (decrease) in cash and cash equivalents | (110,518) | 139,765 | (13,055) | 12,165 |
| Cash and cash equivalents at beginning of year | 142,354 | 2,589 | 13,277 | 1,112 |
| Cash and cash equivalents at end of year | 31,836 | 142,354 | 222 | 13,277 |
| Supplemental cash flow information :- | | | | |
| <u>Cash paid during the year for</u> | | | | |
| Interest expenses | 6,982 | 7,866 | 5,449 | 5,921 |
| Income tax | 249 | 210 | 18 | 94 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

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2006 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 22/12/2005 08:56

THL : Progress on Bang Tao Case

THL 151-142/12/2005

21 December 2005

Director General
The Stock Exchange of Thailand

Dear Sir,

Re: Bangtao Bay Case : The Civil Red Case No. 17081-4/2542 of
The Civil Court

The Company is pleased to hereby inform the Stock Exchange of Thailand (SET), shareholders and investors regarding the Company's Bangtao Bay legal case as follows:

Certain companies initiated legal action against the Company and its former contractor, claiming compensation of approximately Baht 299 million in connection with tin dredging conducted by the Company and its contractor in the Bangtao Bay concession area. This activity purportedly caused land erosion in the area where those companies are situated.

On 7 December 1999, the Civil Court issued a ruling dismissing the lawsuit against the Company and its contractor, and the Company was informed that it would not have to make payment of the above compensation. However, 4 of the 6 plaintiffs lodged an appeal with the Appellate Court in March 2000, claiming total compensation of approximately Baht 175 million, and the company filed a statement to defend the appeal on 24 April 2000.

On 29 March 2002, the Appellate Court judged to stand firm with the Civil Court's ruling to dismiss the case and that the Company and Seatran Mining Co Ltd are not therefore, deemed responsible for the damages claimed by the plaintiff. The four plaintiffs are to pay legal fee to the Company and its former contractor at Baht 50,000 each. The Plaintiffs lodged an appeal with the Supreme Court in April 2002.

On 20 December 2005, the Supreme Court judged to stand firm with the Appellate Court ruling to dismiss the case and order the four plaintiffs are to pay legal fee in the Supreme Court to the Company at Baht 50,000 each.

Please be advised accordingly.

Yours sincerely,

Chalermchai Martmuang
Secretary to the Executive Board of Directors

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2005 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 14/11/2005 13:36

THL : Progress report on projects of 3rd Quarter 2005

THL 151-127/11/2005

14 November 2005

Director General
The Stock Exchange of Thailand

Dear Sir:

SUBJECT: PROGRESS REPORTS ON PROJECTS OF
TONGKAH HARBOUR PUBLIC COMPANY LIMITED

Tongkah Harbour Public Company Limited (THL) and D.S. Prudential Co., Ltd., THL's Financial Advisor, provide herein up-to-date progress on its various projects and those of its affiliated companies. Essentially, THL continues to focus on its core business which is mineral exploration and mining and property development.

Activities currently in progress include (1) expediting the implementation of the mining program of Tungkhum Ltd. (TKL), (2) directing its mining subsidiary, Cholsin Ltd. (as its quarry crushing plant operator), (3) conducting its andesite mining project in Saraburi Province, (4) managing tin mining on its offshore leases at Phuket, and (5) reviewing options and overseeing property development for the Company's land banks in Phuket and Bangkok.

1. EXPLORATION AND MINING

1.1 GOLD MINING

THL has a 98.86% effective working interest in TKL, which has 100% control of the mineral concessions for exploration and mining of gold and related minerals in Loei Province, Northeast Thailand.

MINE DEVELOPMENT

On obtaining formal approval of financing arrangements (USD 13 million for plant construction and equipment) with the Board of Directors of Export-Import Bank of Thailand (EXIM) and Bankthai Public Company Limited on 1 March, the Company focused on: 1) completing infrastructure development, 2) sourcing and ordering heavy equipment essential for site construction and mining, 3) finalizing the sourcing of processing plant equipment in Australia, 4) reaching agreement with expat expertise personnel to take up certain key positions in the Project, and 5) completing negotiations with several engineering firms to provide the expertise and coordination to see the development phase through to completion and commissioning.

Site development and construction at the Loei gold project is in full swing with civil and infrastructure development nearing completion. Concentration is now on foundation construction for plant installations, steel tank construction, and site clearing for ore zone excavation. Local labor and technical expertise are being employed as much as possible. Details are as follows:

1. Earthworks and Civil Engineering: All works including roads and plant site patios have been completed. Various building construction have commenced. The concrete foundations for the water tanks are nearing completion. Construction of the final embankment and retaining wall are now in progress. Foundation works for processing plant are in full progress.

2. Initial Mining: Whilst completing the above civil works, excavation on target T-1 has commenced to supply ore for the ROM pad (already prepared) stockpile with waste going to the dump site/embankment interface.

3. SAG Mill Transport : The SAG mill has been shipped from Freemantle, Western Australia on 11 November and scheduled to arrive mid-December. Other auxiliary equipment for the plant and various pumps are now waiting for shipping arrangements.

4. Crusher Shipment : The Crusher from Finland has been scheduled for shipment on 15th November 2005.

5. Steel Fabrication and Design :The design for steel fabrication has been completed and construction has commenced. The 9 (nine) leach tanks are half-completed.

6. Electricity and Water : The electric power supply system has been completed and now already drawn down for use. Additional transformers are being awaited for installation. The water supply bore holes have been completed and work on the reticulation system will soon be started using locally made pipes and fittings.

7. Explosive Storage Magazines : Construction of the magazines has been completed in accordance with environment regulations and storage requirements.

8. Processing Chemicals : Pursuant to negotiations with experienced Thai and Foreign companies, orders are now being placed for the various chemicals used in the gold extraction process.

9. Installation Supervision : The engineering firm of Claymore and Associates, Perth, Australia, well experienced in gold processing plant construction, has been commissioned to be the overall supervisors of the processing plant installations through to commissioning. Currently,

Claymore has been supervising the acquisition and preparation of equipment purchased in Australia.

10. Construction Schedule : It is likely that the construction and erection of the process plant will commence in late November 2005 pursuant to the arrival in Thailand of the plant and equipment and transshipment to Loei. Given no serious delays in the planned construction schedule, construction will be completed, and the plant commissioned, in late January 2006, subject to obtaining final approvals for commencement from the Department of Primary Industry and Minerals (DPIM). Initial gold production from the Loei Operation is targeted for the first quarter of 2006.

11. All expenditures incurred for the above are currently well within the budgets allocated.

1.2 ANDESITE MINING

Cholsin Limited (CSL) is under contract to handle the rock crushing operations for THL. As such, CSL operates the rock crushing plant and provides both equipment and experienced manpower.

THL is operating under a ten-year license and will work on another ten-year licensed area, which has been approved recently by the Ministry of Industry. All other permits are kept current as required by Government authorities.

ANDESITE SALE

Andesite sales for the Third Quarter of year 2005 increased from Baht 2.11 million to Baht 6.81 million when compared to the corresponding period for the previous year. The sale and delivery has not been in line with forecast due to the delay of ballast delivery by contractors to the State Railway of Thailand's. The sale for this quarter is mainly for the aggregate. This by-product which commands much lower price is also impacted from the increase in diesel price.

The Company continues to take steps to diversify its product market so that the Company is not so dependent on railway ballast sales alone to ensure operational success. The diversification includes prospects such as track laying, the production of railway sleepers, and high strength concrete for the construction industry.

1.3 OFFSHORE TIN MINING

Income from tin was decreased due to the high royalty rate on tin which caused the Company to cease the tin mining operation in April 2005.

THL utilizes contractors under its direct supervision to operate its offshore tin mining on leases 18066/13050, 18064/13448 and 18065/13499. However, as of April 2005, operations have been on hold as the contractor sold his dredge to a tin operator in Indonesia. This action was due to high operating costs including tin royalty which is over 20 percent of income (whereas royalty on tin mining in Indonesia

is only 3% of revenue). The Company is negotiating for a review of the royalty rate with the Department of Primary Industry and Mining to adopt a more competitive rate.

In connection with tin mining prospects farther offshore, the Company has raised its share holdings in Sea Minerals Limited (SML) to 83.70%. SML controls extensive offshore tin resources estimated to exceed 50,000 tons of tin which far exceeds the world's current stockpiles. At this juncture, the Company has completed the technical feasibility study of mining this deposit and has initiated contact with engineering and resource evaluation firms in Europe and Malaysia experienced in offshore mining and dredging. Upon completing the financial feasibility study (which is very much dependent on the royalty rate) and verification of its reserves and technical study by independent third party, SML will seek listing of its shares for trading on the Alternative Investment Markets (AIM) of the London Stock Exchange.

2. PROPERTY DEVELOPMENT

2.1 PHUKET PROPERTY HOLDINGS

On 5 October 2004, the Siam Commercial Bank Pcl.(SCB) transferred the land at Saphan Hin in Phuket, adjacent to the town center, totaling 6-3-51.3 rai under title deed # 2613, to the Company after receiving the last payment of Baht 10 million. This land transfer consolidates the Company's land holding providing a contiguous area with sea frontage of 24-3-36.4 rai at Phuket Bay. Holding this contiguous land bank provides the Company with much more flexibility in developing the area, particularly in line with the Company's Phuket Bay Rehabilitation and Development Plan Proposal already presented to the Royal Thai Government. The Phuket Government is currently preparing the terms of reference ("TOR") for a bidding process to develop Phuket Bay.

2.2 SKY CLIFF BUILDING (RACHADAPISEK ROAD)

The a 29 story "Le Metro" condominium project is on temporary hold due to the high increase in costs of construction materials following the sharp increase in the price of crude oil. Given that our development is a luxury class development employing very high quality specifications, the increase in construction material costs dramatically impacted our ability to move forward with the project while allowing us to still make a profit. As such, Management determined that it was in the best interest of the Company to keep this project in temporary abeyance, pending oil price stabilization which in turn would allow construction material to settle at more reasonable prices which would in turn increase the project's profit margin. The building construction permit has been extended by one year by Bangkok Metropolitan Administration (BMA).

At this current time, the Company is negotiating with an institutional fund to double the equity base and lessen the Company's dependency on bank borrowings.

3. OTHER ACTIVITIES

3.1 AUDIT COMMITTEE ACTIVITIES

The Audit Committee held its quarterly meeting to review the audited financial statement for the third quarter of 2005, and other company activities. The committee noted that the accounting policies and principles being used by THL meet with standard accounting practices.

3.2 The Board of Directors have approved of the financial statements for the third quarter of 2005.

The above constitutes THL's activities for the third Quarter of 2005 and subsequent significant events.

Sincerely,

TONGKAH HARBOUR PUBLIC COMPANY LIMITED

Managing Director
(Mr. Ronald Ng Wai Choi)

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2006 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 14/11/2005 13:36

THL : Reviewed Quarter 3 and Consolidated F/S (F45-3)

(Reviewed Quarter-3 and Consolidated F/S (F45-3))
Report: Reviewed Quarterly Financial Statements
Name TONGKAH HARBOUR PUBLIC COMPANY LIMITED

| Year | Reviewed Ending 30 September (In thousands) | | | |
|-------------------|--|----------|----------------------|----------|
| | Quarter 3 2005 | 2004 | For 9 Months 2005 | 2004 |
| Net profit (loss) | (14,994) | (17,023) | (53,617) | (45,602) |
| EPS (baht) | (0.02) | (0.03) | (0.08) | (0.09) |

Type of report:

Unqualified Opinion with an emphasis of matters

Comment: Please see details in financial statements, auditor's report and remarks from SET SMART

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (ELCID), and has also submitted the original report to the Securities and Exchange Commission."

Signature _____
(Mr.Ronald Ng Wai Choi)
Position Managing Director

Authorized to sign on behalf of the company

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2006 JUL 18 P 2:00
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

TONGKAH HARBOUR PUBLIC COMPANY LIMITED

AND ITS SUBSIDIARIES

Report and Consolidated Financial Statements

30th September, 2005

Report of Independent Certified Public Accountants

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

I have reviewed the accompanying consolidated balance sheet of Tongkah Harbour Public Company Limited and its subsidiaries as at 30th September, 2005, the related consolidated statements of earnings for the three-month and nine-month periods then ended, and the statements of change in shareholders' equity and cash flow for the nine-month period then ended and the separate financial statements of Tongkah Harbour Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying my review report on the aforementioned financial statements, I draw attention to the followings:

losses. Nevertheless, the accompanying financial statements have been prepared on the going concern basis, assuming that the realization of assets and settlement of liabilities and obligations will occur in the ordinary course of business of the Company and its subsidiary companies, without any expectation of significant disruption to the ongoing activities.

2) Land awaiting development of a subsidiary company (Sky Cliff Limited) amounting to Baht 409 million, is stated at the fair market value appraised by an independent appraisal company according to his report dated 14th July, 1999. However during the year 2003, a company offered to purchase such land at the price of Baht 422 million which is over the appraisal value. Furthermore, towards the end of the year 2004, the Company drafted a letter of intent to enter a joint venture to develop a serviced residential building on the said land with a joint investor, whereby the Company can bring in the said land as its investment, at book value. As a result of the appraised value by the independent company in 1999 together with the offered price by a company in 2003, and the draft letter of intent to jointly invest with another investor at the end of year 2004, the Company and its subsidiary company believe that the carrying amount of this land does not materially differ from the fair market value at the balance sheet date.

3) Due to persistent losses generated from operating results, the Company and the subsidiary company (Cholsin Limited) considered whether there had been impairment of the value of its operating equipment, of which the net book value as at 30th September, 2005 was approximately Baht 65.8 million (approximately Baht 47.3 million for the Company only). To this end, cash flows from the quarry were projected, using a discounted rate of 7 percent. These projected cash flows suggested that the future cash flows would be in excess of the net book value of the assets as at the balance sheet date. The Company believes that the future projected cash flows from the quarry would not be significantly different from the projection and will exceed the net book value of the assets as at the balance sheet date. However, given the adverse effects of the uncertainty of the Company's bidding result to get the order from a client and andesite selling capability, there may be the impairment in the stated value of the related assets.

4) According to the SET decision to allow the trading of the Company's securities since 25th March, 2003, the Company has to submit the progress report on the Company's operation of each business to the SET every 3 months.

I have previously audited the consolidated financial statements of Tongkah Harbour Public Company Limited and its subsidiaries and the separate financial statements of Tongkah Harbour Public Company Limited for the year ended 31st December, 2004 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 26th January, 2005. However, I drew attention to the persistent operating losses, the impairment in the stated values of land awaiting development and assets relating to the andesite operations and getting the approval from the SET for trading the Company's securities. The consolidated balance sheet of Tongkah Harbour Public Company Limited and its subsidiaries and the separate balance sheet of the Company as at the same date, as presented herein for comparative purposes, formed a part of the financial statements which I audited and reported on. I have not performed any other review procedures subsequent to the date of that report.

I have previously reviewed the consolidated financial statements of Tongkah Harbour Public Company Limited and its subsidiaries and the separate financial statements of Tongkah Harbour Public Company Limited for the three-month and nine-month periods ended 30th September, 2004 in accordance with the auditing standards applicable to review engagements, and drew a conclusion from the review under my report dated 4th November, 2004, that none of material modification should be made to financial statements in order for them to be in conformity with generally accepted accounting principles. However, I drew attention to the persistent operating losses, the impairment in the stated values of land awaiting development and assets relating to the andesite operations. The consolidated statements of earnings for the three-month and nine-month periods then ended, and the statements of change in shareholders' equity and cash flow for the nine-month period then ended of the Company and its subsidiaries and the separate financial statements of the Company for the same period, as presented herein for comparative purpose formed as a part of the financial statements which I reviewed and reported on. I have not performed any other review procedures subsequent to the date of that report.

Mr. Boonsri Techavarutama

Certified Public Accountant (Thailand) No. 3336

BDO Richfield Limited

Bangkok : 4th November, 2005

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 30th SEPTEMBER, 2005 AND AS AT 31st DECEMBER, 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|---------------------------------------|-------------------|---------------------------------------|-------------------|
| | | 2005 (Unaudited / but reviewed) | 2004 (Audited) | 2005 (Unaudited / but reviewed) | 2004 (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 137,927 | 142,354 | 10,107 | 13,277 |
| Current investments | | 2 | 2 | 1 | 1 |
| Trade accounts receivable - net | 6 | 4,393 | 3,159 | 4,393 | 3,159 |
| Short-term advances to related parties | 4 | 4,843 | 4,638 | 1,592 | 1,383 |
| Short-term loans to related parties | 4 | 280 | - | 82,210 | 66,970 |
| Inventories - net | | 7,117 | 12,853 | 6,328 | 11,704 |
| Other current assets | | | | | |
| Cash advance - general | | 1,137 | 1,080 | 1,018 | 825 |
| Input tax refundable | | 8,437 | 4,216 | 2,563 | 2,674 |
| Others | | 6,119 | 4,691 | 2,110 | 2,211 |
| Total other current assets | | 15,693 | 9,987 | 5,691 | 5,710 |
| Total current assets | | 170,255 | 172,993 | 110,322 | 102,204 |
| Non-current assets | | | | | |
| Long-term investments | | | | | |
| Investments accounted for under equity method | | - | 827 | 681,696 | 706,059 |
| Goodwill | | 2,633 | 801 | - | - |
| Long-term investment in other projects | | | | | |
| Tin mining | | - | 731 | - | 731 |
| Andesite mining | | 42,128 | 42,244 | 42,128 | 42,244 |
| Gold mining | | 392,032 | 368,315 | - | - |
| Phuket project | | 7,000 | 7,000 | 7,000 | 7,000 |
| Le Metro Condominium project | | 471,284 | 471,284 | - | - |
| Long-term loans to related parties | 4 | - | - | 321,547 | 174,057 |
| Property, plant and equipment - net | | 299,763 | 187,809 | 123,337 | 120,611 |
| Other receivable - related parties | 4 | 109 | 64 | 18,272 | 18,179 |
| Other non-current assets | | 395 | 573 | 53 | 275 |
| Total non-current assets | | 1,215,344 | 1,079,648 | 1,194,033 | 1,069,156 |
| Total assets | | 1,385,599 | 1,252,641 | 1,304,355 | 1,171,360 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

AS AT 30th SEPTEMBER, 2005 AND AS AT 31st DECEMBER, 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|---------------------------------------|-------------------|---------------------------------------|-------------------|
| | | 2005 (Unaudited / but reviewed) | 2004 (Audited) | 2005 (Unaudited / but reviewed) | 2004 (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts | | 3,211 | 322 | 3,211 | 322 |
| Trade account payable - related party | 4 | - | - | 17,436 | 17,129 |
| Trade account payable - others | | 8,109 | 11,582 | 311 | 1,581 |
| Current portion of long-term loans | | 21,111 | 20,711 | 19,520 | 19,120 |
| Current portion of hire purchase creditors | | 9,803 | 5,976 | 497 | 1,248 |
| Short-term advances from related parties | 4 | 4,268 | 1,447 | 1,174 | 1,255 |
| Short-term loans from related parties | 4 | 1,943 | 78,146 | 4,318 | 80,520 |
| Other current liabilities | | | | | |
| Accrued expenses | | 11,608 | 12,971 | 6,493 | 6,852 |
| Others | | 13,189 | 12,293 | 7,314 | 1,449 |
| Total other current liabilities | | 24,797 | 25,264 | 13,807 | 8,301 |
| Total current liabilities | | 73,242 | 143,448 | 60,274 | 129,476 |
| Non-current liabilities | | | | | |
| Long-term loans from related party | 4 | - | - | 7,462 | 7,815 |
| Long-term loans - net | | 61,006 | 76,489 | 58,225 | 72,512 |
| Hire purchase creditors - net | | 20,903 | 11,824 | 469 | 536 |
| Provision for loss from investments accounted for under equity method | 7 | 7,200 | - | 50,502 | 38,854 |
| Total non-current liabilities | | 89,109 | 88,313 | 116,658 | 119,717 |
| Total liabilities | | 162,351 | 231,761 | 176,932 | 249,193 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Authorized, issued and fully paid-up | | | | | |
| 756,939,463 ordinary shares of Baht 1 each | | | | | |
| (31st December, 2004 : 605,551,570 ordinary shares | | | | | |
| of Baht 1 each) | | | | | |
| | 8 | 756,940 | 605,552 | 756,940 | 605,552 |
| Share premium - net | | 487,700 | 380,215 | 487,700 | 380,215 |
| Revaluation surplus (deficit) on land | | (4,903) | (4,903) | - | - |
| Retained earnings (deficit) | | | | | |
| Unappropriated | | (117,217) | (63,600) | (117,217) | (63,600) |
| Equity attributable to the Company's shareholders | | 1,122,520 | 917,264 | 1,127,423 | 922,167 |
| Minority interests - equity attributable to minority shareholders of subsidiaries | | 100,728 | 103,616 | - | - |
| Total shareholders' equity | | 1,223,248 | 1,020,880 | 1,127,423 | 922,167 |
| Total liabilities and shareholders' equity | | 1,385,599 | 1,252,641 | 1,304,355 | 1,171,360 |
| | | 0 | 0 | 0 | 0 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE THREE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|-----------------|-----------------|------------------|-----------------|
| | | 2005 | 2004 | 2005 | 2004 |
| Revenues | | | | | |
| Sales | | | | | |
| Tin ore sales | | - | 8,904 | - | 8,904 |
| Andesite sales | | 6,811 | 2,113 | 6,811 | 2,113 |
| Other income | | | | | |
| Interest income | 4 | 7 | 1 | 3,438 | 3,166 |
| Amortization of excess of net book value over cost of investments accounted for under equity method | | - | 5 | - | - |
| Others | 4 | 166 | 430 | 850 | 3,467 |
| Total revenues | | 6,984 | 11,453 | 11,099 | 17,650 |
| Expenses | | | | | |
| Cost of sales | | | | | |
| Cost of tin ore sales | | 35 | 7,970 | 35 | 7,970 |
| Cost of andesite sales | 4 | 5,963 | 3,540 | 5,716 | 2,278 |
| Selling and administrative expenses | 4 | 15,646 | 18,604 | 7,101 | 8,509 |
| Loss from diminution in value of inventories | | 621 | - | 621 | - |
| Directors' remuneration | | 62 | 53 | 62 | 53 |
| Share of loss from investments accounted for under equity method | | - | - | 11,153 | 14,104 |
| Goodwill amortization | | 49 | - | - | - |
| Total expenses | | 22,376 | 30,167 | 24,688 | 32,914 |
| Earnings (loss) before interest expenses | | (15,392) | (18,714) | (13,589) | (15,264) |
| Interest expenses | 4 | (653) | (737) | (1,405) | (1,759) |
| Earnings (loss) before minority interest | | (16,045) | (19,451) | (14,994) | (17,023) |
| Minority interest in (earnings) loss of subsidiaries | | 1,051 | 2,428 | - | - |
| Net earnings (loss) | | (14,994) | (17,023) | (14,994) | (17,023) |
| Basic earnings (loss) per share (Baht per share) | | | | | |
| Net earnings (loss) | | (0.02) | (0.03) | (0.02) | (0.03) |
| Weighted average number of ordinary shares (Thousand shares) | | 756,940 | 555,388 | 756,940 | 555,388 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF EARNINGS
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Note | Consolidated | | The Company Only | |
|---|------|-----------------|-----------------|------------------|-----------------|
| | | 2005 | 2004 | 2005 | 2004 |
| Revenues | | | | | |
| Sales | | | | | |
| Tin ore sales | | 2,352 | 26,461 | 2,352 | 26,461 |
| Andesite sales | | 18,398 | 12,938 | 18,398 | 12,938 |
| Other income: | | | | | |
| Interest income | 4 | 160 | 27 | 9,843 | 6,208 |
| Amortization of excess of net book value over cost of investments accounted for under equity method | | - | 15 | - | - |
| Others | 4 | 1,623 | 1,704 | 3,183 | 10,846 |
| Total revenues | | 22,533 | 41,145 | 33,776 | 56,453 |
| Expenses | | | | | |
| Cost of sales | | | | | |
| Cost of tin ore sales | | 2,236 | 24,461 | 2,236 | 24,461 |
| Cost of andesite sales | 4 | 17,806 | 13,790 | 16,566 | 13,905 |
| Selling and administrative expenses | 4 | 45,171 | 50,206 | 20,262 | 22,940 |
| Loss from diminution in value of inventories | | 2,489 | - | 2,489 | - |
| Directors' remuneration | | 182 | 152 | 182 | 152 |
| Share of loss from investments accounted for under equity method | | 6,933 | - | 38,976 | 35,362 |
| Goodwill amortization | | 139 | - | - | - |
| Total expenses | | 74,956 | 88,609 | 80,711 | 96,820 |
| Earnings (loss) before interest expenses | | (52,423) | (47,464) | (46,935) | (40,367) |
| Interest expenses | 4 | (4,426) | (4,138) | (6,682) | (5,235) |
| Earnings (loss) before minority interest | | (56,849) | (51,602) | (53,617) | (45,602) |
| Minority interest in (earnings) loss of subsidiaries | | 3,232 | 6,000 | - | - |
| Net earnings (loss) | | (53,617) | (45,602) | (53,617) | (45,602) |
| Basic earnings (loss) per share (Baht per share) | | | | | |
| Net earnings (loss) | | (0.08) | (0.09) | (0.08) | (0.09) |
| Weighted average number of ordinary shares (Thousand shares) | | 700,931 | 514,331 | 700,931 | 514,331 |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

| | Consolidated | | | | | | (Unit : Thousand Baht) | |
|---|--------------|--|---|------------------------|---|-----------------------------------|------------------------|----------------------|
| | Note | Issued and fully paid-up share capital | Share subscription received in advance | Share premium - net | Revaluation surplus (decrease) on land | Retained earnings (deficit) | | Minority interest |
| Balance as at beginning of period 2004 | | 483,649 | - | 221,256 | (4,903) | (6,386) | 111,133 | 804,749 |
| Ordinary shares issued and paid-up | | 121,903 | - | 158,959 | - | - | - | 280,862 |
| Net earnings (loss) | | - | - | - | - | (45,602) | - | (45,602) |
| Minority interest in earnings (loss) of subsidiaries | | - | - | - | - | - | (6,001) | (6,001) |
| Balance as at end of period 2004 | | <u>605,552</u> | <u>-</u> | <u>380,215</u> | <u>(4,903)</u> | <u>(51,988)</u> | <u>105,132</u> | <u>1,034,008</u> |
| Balance as at beginning of period 2005 | | 605,552 | | 380,215 | (4,903) | (63,600) | 103,616 | 1,020,880 |
| Increase in share subscription received in advance | | - | 258,873 | - | - | - | - | 258,873 |
| Ordinary shares issued and paid-up | 8 | 151,388 | (258,873) | 107,485 | - | - | - | - |
| Net earnings (loss) | | - | - | - | - | (53,617) | - | (53,617) |
| Minority interest in earnings (loss) of subsidiaries | | - | - | - | - | - | (3,232) | (3,232) |
| Adjusted minority interest from investment accounted for under equity method | | - | - | - | - | - | 344 | 344 |
| Balance as at end of period 2005 | | <u>756,940</u> | <u>-</u> | <u>487,700</u> | <u>(4,903)</u> | <u>(117,217)</u> | <u>100,728</u> | <u>1,223,248</u> |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | The Company Only | | | | | Total |
|--|--|---|------------------------|-----------------------------------|------------------|-------|
| | Issued and fully paid-up share capital | Share subscription received in advance | Share premium - net | Retained earnings (deficit) | Total | |
| Balance as at beginning of period 2004 | 483,649 | - | 221,256 | (6,386) | 698,519 | |
| Ordinary shares issued and paid-up | 121,903 | - | 158,959 | - | 280,862 | |
| Net earnings (loss) | - | - | - | (45,602) | (45,602) | |
| Balance as at end of period 2004 | <u>605,552</u> | <u>-</u> | <u>380,215</u> | <u>(51,988)</u> | <u>933,779</u> | |
| Balance as at beginning of period 2005 | 605,552 | - | 380,215 | (63,600) | 922,167 | |
| Increase in share subscription received in advance | - | 258,873 | - | - | 258,873 | |
| Ordinary shares issued and paid-up | 151,388 | (258,873) | 107,485 | - | - | |
| Net earnings (loss) | - | - | - | (53,617) | (53,617) | |
| Balance as at end of period 2005 | <u>756,940</u> | <u>-</u> | <u>487,700</u> | <u>(117,217)</u> | <u>1,127,423</u> | |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

DIRECTOR

TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOW
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

| | <i>(Unit : Thousand Baht)</i> | | | |
|--|-------------------------------|------------------|-------------------------|-----------------|
| | <u>Consolidated</u> | | <u>The Company Only</u> | |
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Cash flows from operating activities | | | | |
| Net earnings (loss) | (53,617) | (45,602) | (53,617) | (45,602) |
| Adjustment to reconcile net earnings (loss) to net cash provided | | | | |
| (used) from operating activities :- | | | | |
| Depreciation | 16,611 | 12,688 | 5,338 | 5,188 |
| Loss from diminution in value of inventories | 2,489 | - | 2,489 | - |
| Amortization - investment in andesite mining | 647 | 647 | 647 | 647 |
| Amortization - tin mining right | 731 | 729 | 731 | 729 |
| Share of (earnings) loss from investments accounted for under equity method | 6,933 | - | 38,977 | 35,363 |
| Minority interest in earnings (loss) of subsidiaries | (3,232) | (6,001) | - | - |
| Goodwill amortization | 139 | - | - | - |
| Amortization of excess of net book value over cost of investment accounted for under equity method | - | (14) | - | - |
| | <u>(29,299)</u> | <u>(37,553)</u> | <u>(5,435)</u> | <u>(3,675)</u> |
| (Increase) decrease in operating assets:- | | | | |
| Trade accounts receivable | (1,234) | (383) | (1,234) | (383) |
| Short-term advances to related parties | (205) | 9,322 | (209) | 9,322 |
| Inventories | 3,247 | (4,299) | 2,887 | (3,832) |
| Other current assets | (5,706) | 531 | 19 | (314) |
| Other receivable - related parties | (45) | (49) | (93) | (7,432) |
| Other non-current assets | 178 | 419 | 222 | 1 |
| Increase (decrease) in operating liabilities:- | | | | |
| Trade accounts payable - related party | - | - | 307 | 1,356 |
| Trade accounts payable - others | (3,473) | (32,746) | (1,270) | 816 |
| Short-term advances from related parties | 2,821 | 4,302 | (81) | 3,421 |
| Other payable - related parties | - | - | - | (45) |
| Other payable - purchase of office building and land | - | (60,127) | - | (60,127) |
| Other current liabilities | (467) | 14,175 | 5,506 | 808 |
| Net cash provided (used) from operating activities | <u>(34,183)</u> | <u>(106,408)</u> | <u>619</u> | <u>(60,084)</u> |

The accompanying notes are an integral part of the financial statements.

DIRECTOR

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TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOW (Continued)
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|------------------|-----------------|------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cash flows from investing activities | | | | |
| (Increase) decrease in short-term loans to related parties | (280) | 1,442 | (15,240) | (43,860) |
| (Increase) decrease in investments accounted for under equity method | 1,094 | (1,139) | (2,966) | (1,139) |
| Goodwill from purchase of shares | (1,971) | - | - | - |
| Adjust minority interest from investment accounted for under equity method | 344 | - | - | - |
| (Increase) decrease in investments in andesite mining | (531) | (645) | (531) | (645) |
| (Increase) decrease in investments in gold mining | (23,717) | (6,875) | - | - |
| (Increase) decrease in investments in Phuket project | - | (7,000) | - | (7,000) |
| (Increase) decrease in investments in Le Metro condominium project | - | 528 | - | - |
| (Increase) decrease in long-term loans to related parties | - | - | (147,490) | (76,549) |
| (Increase) decrease in property, plant and equipment | (128,565) | (22,612) | (8,064) | (314) |
| Proceed from disposals of fixed assets | - | 12 | - | - |
| Net cash provided (used) from investing activities | (153,626) | (36,289) | (174,291) | (129,507) |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts | 2,889 | (4,206) | 2,889 | (4,206) |
| Increase (decrease) in short-term loan from financial institution | - | (50,000) | - | - |
| Increase (decrease) in short-term loans from related parties | (76,203) | 995 | (76,202) | 996 |
| Increase (decrease) in long-term loans from related parties | - | - | (353) | (1,109) |
| Increase (decrease) in long-term loans | (15,083) | 37,255 | (13,887) | 35,319 |
| Increase (decrease) in hire purchase creditors | 12,906 | (3,319) | (818) | (2,287) |
| Proceed from the share capital increased | 258,873 | 280,862 | 258,873 | 280,862 |
| Net cash provided (used) from financing activities | 183,382 | 261,587 | 170,502 | 309,575 |
| Net increase (decrease) in cash and cash equivalents | (4,427) | 118,890 | (3,170) | 119,984 |
| Cash and cash equivalents at beginning of period | 142,354 | 2,589 | 13,277 | 1,112 |
| Cash and cash equivalents at end of period | 137,927 | 121,479 | 10,107 | 121,096 |
| Supplemental cash flow information :- | | | | |
| Cash paid during the period for | | | | |
| Interest expenses | 4,287 | 6,279 | 4,097 | 4,406 |
| Income tax | 233 | 180 | 5 | 2 |

The accompanying notes are an integral part of the financial statements.

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TONGKAH HARBOUR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT 30th SEPTEMBER, 2005 AND AS AT 31st DECEMBER, 2004

AND FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

1. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Thai Accounting Standards No. 41 "Interim financial statements", and are intended to provide information additional to that included in the latest annual financial statements. Therefore, the users of the financial statements shall read these financial statements in conjunction with the latest annual financial statements.

2. ASSUMPTION OF PREPARATION OF THE FINANCIAL STATEMENTS

As shown in the financial statements, the Company and its subsidiary companies have experienced continuous operating losses. Nevertheless, the accompanying financial statements have been prepared on the going concern basis, assuming that the realization of assets and settlement of liabilities and obligations will occur in the ordinary course of business of the Company and its subsidiary companies, without any expectation of significant disruption to the ongoing activities.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the same accounting policies and methods of computation as the ones applied for the preparation of the financial statements for the year 2004.

4. RELATED PARTY TRANSACTIONS

The Company has certain transactions with its related parties. A portion of the Company's assets, liabilities, revenue and expenses arose from transactions with certain related parties. These related parties are related through investment, common shareholdings and/or directorships. The effects of these transactions are reflected in the financial statement on the basis determined by the Company and the related parties.

The Company has transactions and balances with its related companies as follow:

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|--|---------------------|--------------|-------------------------|--------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Short-term advance to related parties | | | | |
| Mr. Ronald Ng Wai Choi | 4,010 | 4,010 | 755 | 755 |
| Sintana Holdings Limited | 588 | 408 | 588 | 408 |
| Sea Minerals Limited | - | 80 | 4 | 80 |
| Other Companies | <u>245</u> | <u>140</u> | <u>245</u> | <u>140</u> |
| | <u>4,843</u> | <u>4,638</u> | <u>1,592</u> | <u>1,383</u> |

DIRECTOR

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(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|---|---------------------|--------------|-------------------------|----------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Short-term loans to related party | | | | |
| Sintana Holdings Limited | 280 | - | 280 | - |
| Sky Cliff Limited | - | - | 81,930 | 66,970 |
| | <u>280</u> | <u>-</u> | <u>82,210</u> | <u>66,970</u> |
| Long-term loans to related parties | | | | |
| Cholsin Limited | | | | |
| Principal | - | - | 70,796 | 66,310 |
| Accrued interest receivable | - | - | 34,914 | 31,784 |
| | - | - | <u>105,710</u> | <u>98,094</u> |
| Tungkum Limited | | | | |
| Principal | - | - | 199,969 | 63,406 |
| Accrued interest receivable | - | - | 15,868 | 12,557 |
| | - | - | <u>215,837</u> | <u>75,963</u> |
| | <u>-</u> | <u>-</u> | <u>321,547</u> | <u>174,057</u> |
| Other receivable - related parties | | | | |
| Sky Cliff Limited | - | - | 11,200 | 11,200 |
| Tungkum Limited | - | - | 5,400 | 5,400 |
| Cholsin Limited | - | - | 640 | 640 |
| Mining and General Management Company Limited | - | - | 631 | 631 |
| Master Mariners Service Limited | - | - | 292 | 244 |
| Aspac Construction Limited | 109 | 64 | 109 | 64 |
| | <u>109</u> | <u>64</u> | <u>18,272</u> | <u>18,179</u> |
| Trade account payable - related party | | | | |
| Cholsin Limited | - | - | 17,436 | 17,129 |
| Short-term advances from related parties | | | | |
| Sintana Holdings Limited | 3,293 | 440 | - | - |
| Mining and General Management Company Limited | - | - | 202 | 253 |
| Mr. John Peter Mills | 972 | 972 | 972 | 972 |
| Sino Pac Development (Thailand) Company Limited | 2 | 32 | - | 30 |
| Other companies | 1 | 3 | - | - |
| | <u>4,268</u> | <u>1,447</u> | <u>1,174</u> | <u>1,255</u> |

DIRECTOR

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(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|--|---------------------|---------------|-------------------------|---------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Short-term loans from related parties | | | | |
| Sky Cliff Limited | | | | |
| Principal | - | - | - | - |
| Accrued interest payable | - | - | <u>2,375</u> | <u>2,375</u> |
| | - | - | <u>2,375</u> | <u>2,375</u> |
| Aspac Construction Limited | | | | |
| Principal | 1,077 | 3,077 | 1,077 | 3,077 |
| Accrued interest payable | <u>860</u> | <u>605</u> | <u>860</u> | <u>605</u> |
| | <u>1,937</u> | <u>3,682</u> | <u>1,937</u> | <u>3,682</u> |
| Sintana Holdings Limited | | | | |
| Principal | - | 73,830 | - | 73,830 |
| Accrued interest payable | <u>6</u> | <u>634</u> | <u>6</u> | <u>633</u> |
| | <u>6</u> | <u>74,464</u> | <u>6</u> | <u>74,463</u> |
| | <u>1,943</u> | <u>78,146</u> | <u>4,318</u> | <u>80,520</u> |
| Long-term loans from related party | | | | |
| Cholsin Limited | | | | |
| Principal | - | - | - | 352 |
| Accrued interest payable | - | - | <u>7,462</u> | <u>7,463</u> |
| | - | - | <u>7,462</u> | <u>7,815</u> |

Loans to Tungkom Limited have been made for the purpose of gold exploration and mining. The Company's management believes that these loans will be fully recoverable after gold mining operations commence.

Since 1998, loans have been made to Cholsin Limited for crushing in the Company's andesite mining in Saraburi Province. The Company's management believes that these loans will be fully recoverable. The loans are secured by the pledge of share certificates of Tungkom Limited held by Cholsin Limited, and most of the equipment of Cholsin Limited.

DIRECTOR

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(Unit : Thousand Baht)

| | <u>For the nine-month periods</u> | | | | <u>Pricing policies</u> |
|---|-----------------------------------|-------------|-------------------------|-------------|---|
| | <u>Consolidated</u> | | <u>The Company Only</u> | | |
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | |
| Transactions with subsidiaries | | | | | |
| (eliminated from the consolidated financial statements) | | | | | |
| Interest income | - | - | 9,721 | 6,181 | - Average actual cost of the source of funds provided |
| Rental income | - | - | 1,845 | 9,135 | } - At cost, price comparable to the market prices |
| Management income | - | - | - | 46 | |
| Interest expenses | - | - | - | 244 | - Average actual cost of the source of funds provided |
| Crushing cost | - | - | 5,683 | 7,599 | - Baht 45 per ton |
| Electricity | - | - | 399 | 490 | } - At cost, price comparable to the market prices |
| Management fee | - | - | 140 | - | |
| Transactions with related companies | | | | | |
| Interest income | - | 23 | - | 23 | - Average actual cost of the source of funds provided |
| Rental income | 495 | 495 | 495 | 495 | } - At cost, price comparable to the market prices |
| Management fee | 918 | 918 | - | - | |
| Interest expenses | 2,441 | 369 | 2,441 | 369 | - Actual cost charged by the bank, Minimum Overdraft Rate of a local bank |

DIRECTOR

DIRECTOR

5. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

| | <u>Consolidated</u> | | <u>The Company Only</u> | |
|------------------|---------------------|----------------|-------------------------|---------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Petty cash | 174 | 172 | 72 | 102 |
| Cash at banks | | | | |
| Current accounts | 1,416 | 12,243 | 18 | 12,062 |
| Saving accounts | <u>136,337</u> | <u>129,939</u> | <u>10,017</u> | <u>1,113</u> |
| Total | <u>137,927</u> | <u>142,354</u> | <u>10,107</u> | <u>13,277</u> |

6. TRADE ACCOUNTS RECEIVABLE - NET

An aging analysis of the trade accounts receivable is set forth below.

(Unit : Thousand Baht)

| | <u>Accounts receivable - Tin ore sales</u> | | <u>Accounts receivable - andesite sales</u> | | <u>Total</u> | |
|---------------------------------------|--|----------------|---|--------------|----------------|----------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Not yet due | - | - | 2,365 | 600 | 2,365 | 600 |
| Past due for under 3 months | - | - | 854 | 1,696 | 854 | 1,696 |
| Past due for 3 - 6 months | - | - | 273 | 39 | 273 | 39 |
| Past due for 6 - 12 months | - | - | 96 | 79 | 96 | 79 |
| Past due for over 12 months | <u>1,890</u> | <u>1,890</u> | <u>805</u> | <u>745</u> | <u>2,695</u> | <u>2,635</u> |
| Total trade accounts receivable | 1,890 | 1,890 | 4,393 | 3,159 | 6,283 | 5,049 |
| Less: Allowance for doubtful accounts | <u>(1,890)</u> | <u>(1,890)</u> | <u>-</u> | <u>-</u> | <u>(1,890)</u> | <u>(1,890)</u> |
| Trade accounts receivable - net | <u>-</u> | <u>-</u> | <u>4,393</u> | <u>3,159</u> | <u>4,393</u> | <u>3,159</u> |

The Company believes that the amount of allowance for doubtful accounts is adequate in the present situation.

DIRECTOR

DIRECTOR

7. PROVISION FOR LOSS FROM INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

Provision for loss from investments accounted for under equity method consists of the followings:

(Unit : Thousand Baht)

| | Consolidated | | The Company Only | |
|--|----------------|----------------|------------------|-----------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cholsin Limited | | | | |
| Paid up capital | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> |
| Acquisition cost | - | - | 62,001 | 62,001 |
| Less : Share of loss - accumulated | - | - | <u>(107,900)</u> | <u>(99,899)</u> |
| | - | - | <u>(45,899)</u> | <u>(37,898)</u> |
| Master Mariners Service Company Limited | | | | |
| Paid up capital | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> |
| Acquisition cost | - | - | - | - |
| Less : Share of loss - accumulated | - | - | <u>(118)</u> | <u>(118)</u> |
| | - | - | <u>(118)</u> | <u>(118)</u> |
| Mining and General Management Company Limited | | | | |
| Paid up capital | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |
| Acquisition cost | - | - | 362 | 362 |
| Less : Share of loss - accumulated | - | - | <u>(1,239)</u> | <u>(1,200)</u> |
| | - | - | <u>(877)</u> | <u>(838)</u> |
| Sea Minerals Limited | | | | |
| Paid up capital | <u>72,000</u> | <u>72,000</u> | <u>72,000</u> | <u>72,000</u> |
| Acquisition cost | - | - | 11,303 | - |
| Less : Share of loss - accumulated | - | - | (7,711) | - |
| Provision for impairment | <u>(7,200)</u> | - | <u>(7,200)</u> | - |
| | <u>(7,200)</u> | - | <u>(3,608)</u> | - |
| Total | <u>(7,200)</u> | <u>-</u> | <u>(50,502)</u> | <u>(38,854)</u> |

In January, 2005, the Company made an additional investment in the ordinary shares of Sea Minerals Limited for 226,075 shares at Baht 10 each (par value at Baht 100 each) amounting to a total cost of Baht 2.26 million. As a result, the Company now holds 485,275 ordinary shares in Sea Minerals Limited, representing 67.40% and the status of Sea Minerals Limited is changed from an associated company to a subsidiary company.

In April, 2005, the Company made an additional investment in the ordinary shares of Sea Minerals Limited for 117,360 shares at Baht 6 each (par value at Baht 100 each) amounting to a total cost of Baht 0.70 million. As a result, the Company now holds 602,635 ordinary shares in Sea Minerals Limited, representing 83.70%.

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Since such change has no significant effect to the financial statement of the year 2004, the Company had not retrospectively adjusted the comparative financial statement for the year 2004.

At the Extraordinary Shareholders' Meeting No. 1/2005 on 20th May, 2005 and No. 2/2005 on 10th June, 2005, the shareholders of Master Mariners Service Company Limited had a special resolution to dissolve its operation. The subsidiary company registered the dissolution with the Ministry of Commerce on 24th June, 2005, and is in the process of liquidation.

At the Extraordinary Shareholders' Meeting No. 1/2005 on 20th May, 2005 and No. 2/2005 on 10th June, 2005, the shareholders of Mining and General Management Company Limited had a special resolution to dissolve its operation. The subsidiary company registered the dissolution with the Ministry of Commerce on 24th June, 2005, and is in the process of liquidation.

8. SHARE CAPITAL

At the Ordinary Shareholders' Meeting No. 11/2005 on 4th March, 2005, the Company's shareholders had resolved to increase the Company's registered share capital from Baht 605.55 million (605.55 million shares of Baht 1 each) to Baht 756.94 million (756.94 million shares of Baht 1 each) by issuing the additional 151.39 million ordinary shares of Baht 1 each.

The Company issued the above ordinary shares to the Company's former shareholders and received the share subscription of 151.39 million shares at Baht 1.71 per share in the total amount of Baht 258.87 million.

| <u>Issuance date</u> | <u>Number of shares</u> | <u>Baht per share</u> | <u>Baht</u> | <u>Share premium (Share discount)</u> |
|----------------------|-----------------------------|-----------------------|-------------|---|
| April, 2005 | 151,387,893 | 1.71 | 258,873,297 | 107,485,404 |

The Company registered the above change of share structure with the Ministry of Commerce on 16th March, 2005 and on 12th April, 2005, respectively.

9. FINANCIAL INFORMATION BY SEGMENT

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 exploration and development in Loei Province. The Company also has an investment in a subsidiary, Sky Cliff Limited, whose main asset is a plot of land in Bangkok, plans to develop a serviced apartment building on the land which has been started in September, 2003.

Sales and cost of sales classified by segment for the years were presented in the earnings statements for the periods. The classification of the assets of the Company and its subsidiaries by segment as at the balance sheet date is presented as follows:

DIRECTOR

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| | Mining Business | | | | | | | | | | | |
|-------------------------------------|--|-----------|----------------|-----------|-----------------|-----------|-------------------|-----------|------------|-----------|---------|---------|
| | Gold exploration and development of gold | | | | | | | | | | | |
| | Tin Mining | | mining project | | Andesite Mining | | Property Business | | Eliminated | | Total | |
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| (Audited) | | (Audited) | | (Audited) | | (Audited) | | (Audited) | | (Audited) | | |
| Investment in other projects | | | | | | | | | | | | |
| Tin mining | - | 0.7 | - | - | - | - | - | - | - | - | - | 0.7 |
| Andesite mining | - | - | - | - | 42.1 | 42.2 | - | - | - | - | 42.1 | 42.2 |
| Gold mining | - | - | 392.0 | 368.3 | - | - | - | - | - | - | 392.0 | 368.3 |
| Phuket project | - | - | - | - | - | - | 7.0 | 7.0 | - | - | 7.0 | 7.0 |
| Le Metro Condominium project | - | - | - | - | - | - | 471.3 | 471.3 | - | - | 471.3 | 471.3 |
| Property, plant and equipment - net | 118.1 | 113.4 | 147.5 | 33.9 | 23.7 | 27.7 | 10.5 | 12.8 | - | - | 299.8 | 187.8 |
| Other assets | 1,140.4 | 1,007.3 | 134.0 | 131.9 | 49.2 | 49.3 | - | - | (1,150.10) | (1,013.2) | 173.5 | 175.3 |
| Total assets | 1,258.5 | 1,121.4 | 673.5 | 534.1 | 115.0 | 119.2 | 488.8 | 491.1 | (1,150.10) | (1,013.2) | 1,385.7 | 1,252.6 |

10. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantee

10.1 As at 30th September, 2005, there were outstanding bank guarantees amounting to approximately Baht 3.06 million (31st December, 2004 : Baht 3.06 million) with the Company only having outstanding guarantees amounting to approximately Baht 0.6 million (31st December, 2004 : Baht 0.6 million). The guarantees were issued by banks on behalf of the Company and its subsidiary companies in respect of certain performance bonds as required in the ordinary course of the businesses of the Company and its subsidiary companies.

Litigation

10.2 Certain companies initiated legal action against the Company and its contractor, claiming compensation of approximately Baht 299 million, in connection with tin dredging conducted by the Company and its contractor in the Bangtao Bay concession area. This activity purportedly caused land erosion in the area where those companies are situated.

On 7th December, 1999, the Civil Court ruled that the lawsuit against the Company and its contractor was dismissed, and they would not have to make payment of the above compensation. In March, 2000, the plaintiff lodged an appeal with the Appeal Court, claiming compensation of approximately Baht 175 million, and the Company filed a statement to defend the appeal on 24th April, 2000.

On 29th March, 2002, the Appeal Court judged to stand firm with the Civil Court's ruling to dismiss the case. However, the plaintiff lodged an appeal to the Supreme Court on 26th April, 2002. The Company has counter appealed and was accepted by the Supreme Court on 2nd July, 2002. The case is therefore pending the consideration of the Supreme Court.

DIRECTOR

DIRECTOR

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

- 10.3 The quarrying operations of the Company and the gold mining operations of a subsidiary company 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.
- 10.4 A subsidiary company 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.
- 10.5 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 company is committed to pay fees for 10 - year land use, replantation and maintenance in forestry areas of Baht 8.2 million, which is to be paid within 10 years.

The subsidiary company has to pay the land usage fee at rate of 2.5% of gold production to the Agricultural Land Reform Office (ALRO). The subsidiary company is appealing to the Ombudsman of Thailand to rule against this levy as this is duplicate with the fee charged by the DMR in Note 10.6. In addition the ALRO fee was not mentioned in the concession agreement.

The subsidiary company 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.

- 10.6 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 company 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, and pay the royalty to DMR at the rate of 2.5 percent, and distribute 1.5 percent of gold ore production to DMR.
- 10.7 As at 30th September, 2005, the Company had capital commitments in respect of the fees for filing mining lease applications, airborne geophysical surveys, and compensation for the issuance of mining leases, totaling approximately Baht 4.5 million (31st December, 2004 : Baht 4.5 million).

DIRECTOR

DIRECTOR

Construction and other services agreements

- 10.8 A subsidiary company entered into road and bridge construction agreement with a company. The future minimum cash payments under construction agreement is Baht 0.84 million.
- 10.9 As at 30th September, 2005, 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 5.2 million.
- 10.10 As at 16th December, 2003, a subsidiary company entered into security access system supply contract with a company amounting to USD 0.51 million.

Others

- 10.11 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.
- 10.12 A subsidiary company 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.

11. FINANCIAL INSTRUMENTS

The Company and its subsidiaries have financial risk management policies, interest rate risk, credit risk, foreign currency risk and the estimation of the fair value of financial assets and liabilities as the same as those presented in the financial statements for the year 2004.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's audit committee.

DIRECTOR

DIRECTOR

RECEIVED

2006 JUL 18 P 2:00

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 14/11/2005 09:53

THL : Board of Director's Resolution on "THL" share

THL151-128/11/2005

14 November 2005

Director General,
The Stock Exchange of Thailand,

Dear Sir,

Re: Board of Director's (BoD) Resolution Concerning Shareholders.

Persuant to the BoD Meeting No.6/2005 held on 11 November 2005, Tongkah Harbour Public Company Limited (THL) hereby informs the Stock Exchange of Thailand (SET), Shareholders and Investors regarding its Board's Resolution as follows:

- 1) The Board of directors (BoD) approved the audited account for the third quarter ending 30 September 2005 which was reviewed and recommended by Audit Committee.
- 2) THL's BoD has agreed to the Management's proposal that, in order to alleviate the uncertainty concerning the listing status of THL shares on the SET, the Shareholders of THL be given the alternative to trade THL shares through the introduction of THL shares to the Alternative Investment Market (AIM), which is a multi-billion pound sterling capital market of the London Stock Exchange.
- 3) The proposed introduction to trade on the AIM is subject to tabling of the matters mentioned below to the BOD for its consideration and recommendation to the Shareholders for approval at an EGM:
 - a) The costs and fees.
 - b) Legal and nominated financial advisors ("Nomad") opinion.
 - c) The Admission Document and relevant filings.
 - d) Timetable of the listing procedures.

4) It is acknowledged that:

1. The report by Management that the introduction to trade THL shares on AIM is not envisaged to be a difficult exercise given that: a) the Company has a 99 year history directed by an experienced team of competent directors and advisors, a) committed team of experienced managers, b) a major gold mining project now in full progress toward production, c) a widespread share holding of more than 4,000 shareholders many of whom are international institutions, investment funds and companies, and , d) no new capital share issue for funds is currently involved and, therefore, no necessity of underwriters nor prospectus except an Admission Document.

2. There will be requirements for a sponsoring broker , legal advisors and ("Nomad").

3. Concerning progress of the gold project: a) all infra structures and earth works are mostly completed, b) construction of buildings is in progress, c) four of the nine leaching tanks are completed, d) the ball mill was shipped on 11 November 2005 from Freemantle, Western Australia, e) the crusher is ready for shipment from Finland on 15 November 2005, and, f) and all other equipment and machinery are scheduled to be on site before the end of the year. All mining machinery and equipment are already on site. Gold production will begin during the first quarter of 2006. Also, a second mill (ball mill) with all attachments has been acquired for fabrication for the planned second stage of production involving the primary ore processing. All the above have been established within the allocated budget.

4. THL's management and engineering advisors now consider that it is technically viable to mine the offshore tin deposit of some 50,000 tons of tin (at 30 to 70 meters depth) about 30 kilometers off the coast of Takuapa in Southern Thailand. Mining plans have been filed by Sea Minerals Limited (SML) in which the Company holds 83.6% of the total shares. Negotiations are ongoing to reduce current royalty rates of over 20% (ironically due to substantial tin price increases) to internationally competitive rates (for example: Indonesia- 3.0%, Australia- 2.5%). Upon a competitive rate being finalized, SML will take steps to be listed on the AIM.

5. The corporate management plans to list Tungkam Ltd (TKL) on AIM. The Company holds an effective 98% share holding on TKL.

Pleased be informed accordingly.

Yours faithfully,

(Mr. Ronald Ng Wai Choi)
Managing Director

RECEIVED

2005 JUL 18 P 2:01

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Date/Time : 28/10/2005 08:34

THL : Report on progress of the Company's performance

Translation

THL 151-118/10/05

26 October 2005

Re : Report on progress of the Company's performance

To : Director General
The Stock Exchange of Thailand

Dear Sir,

According to the above mentioned SET's letter, the Company in REHABCO Sector is required to report the progress of its performance every 6 month as of 31 March and 30 September of each year.

The Company, therefore, would like to report the financial and operational performances as of 30 September 2005 as follows:-

1) Operation of Andesite, Gold and Tin Mining

1.1 Andesite Quarry

Andesite performance during the first 6 months ended June 2005 is as follows:-

Unit : million Baht

| Year | 2004 | 2005 |
|---------------------|-------|---------|
| Sales | 10.83 | 11.59 |
| % increase/decrease | - | 7.02% |
| Production cost | 10.25 | 11.84 |
| % increase/decrease | - | 15.51% |
| Gross Margin | 5.36% | (2.16%) |

Andesite sales in the first half of 2005 was Baht 11.59 million, an increased of 7.02% from Baht 10.83 million of the same period in the previous year. Operational costs increased 15.51% from Baht 10.25 million in the first half of 2004 to Baht 11.84 million in the same period of 2005. The higher increase in operational cost was due mainly to the delay of ballast delivery by the State Railway of Thailand's contractor. The sale for the period is mainly the aggregate, the by-product which commands much lower price. It is also impacted by the increase in diesel price.

1.2 Gold mining (Tungkum Limited (TKL))

On obtaining formal approval of USD 13 million loan for plant construction and equipment on March 1, 2005, the Company focused on the following:-

- 1) Completing infrastructure development
- 2) Sourcing and ordering heavy equipment essential for site construction and mining
- 3) Finalizing the sourcing of processing plant equipment in Australia
- 4) Reaching agreement with expat expertise personnel to take up certain key positions in the Project
- 5) Completing negotiations with several engineering firms to provide the expertise and coordination to see the development phase through to completion and commissioning.

The Company has already completed the infrastructure construction and is now constructing the plant foundation. Claymore Associates, mechanical engineers, Perth, Australia, who is experienced in constructing and managing gold

processing plant both in Australia and Canada, have been commissioned to prepare plant fabrication and is now in the process of arranging to transport to Thailand. Claymore will be assisted by the metallurgical firm of Salmat Consulting Services, Perth, and metallurgist L. Chong, working for Tungkom directly. Planning & Research Consultant Co., Ltd. (PRC) will be supervising engineering and foundation installations in cooperation with Claymore Associates concentrating on the mill and plant setup.

The plant construction and equipments installation are scheduled to be completed by this December and will be able to commence the commercial operation in the first quarter of 2006.

1.3 Tin Mining

Tin performance during the first 6 months ended June 2005 is as follows:-

| Year | Unit : million Baht | |
|---------------------|---------------------|----------|
| | 2004 | 2005 |
| Sales | 17.56 | 2.35 |
| % increase/decrease | - | (86.62%) |
| Production cost | 16.49 | 2.20 |
| % increase/decrease | - | (86.66%) |
| Gross Margin | 6.09% | 6.38% |

In the first half of 2005, the Company's tin ore sales was Baht 2.35 million, a decrease of 86.62% when compared to Baht 17.56 million in the corresponding period of the previous year. The decrease was due to the high royalty rate on tin and this caused the Company to cease the tin mining operations in April 2005. Currently, the Company is awaiting review of tin royalty by the Government.

In connection with tin mining prospects farther offshore, the Company has raised its share holdings in Sea Minerals Limited (SML) to 83.70%. Currently, the Company has embarked on the technical and financial feasibility of mining this deposit and has initiated contact with engineering and resource evaluation firms experienced in offshore mining and dredging.

2) Property development

As previously informed that the Company is developing its Ratchadapisek land to be a 29-storey condominium and the Company has already completed the construction of the sales office, mock-up rooms and piling works.

The project is on temporary hold due to the high increase in costs of construction materials following the sharp increase in the price of crude oil. Thus, Management determined that it was in the best interest of the Company to keep this project in temporary abeyance. At this current time, the Company is negotiating with an institutional fund to double the equity base and lessen the Company's dependency on bank borrowings.

3) The Company's debt restructuring

In Debt Restructuring, THL has completed restructuring by converting its short term liabilities into long term liabilities to suit the Company's financial situation since July 2001. Since then, the Company has always repaid the principal and outstanding interest according to the payment conditions. The restructuring debt balance as at the end of September 2005 are as follows:-

| Banks | Principal/ Balance (Baht) | Outstanding Interest/ Balance (Baht) | Total/ Balance (Baht) | Terms (years) | Grace Period (years) | Payment Condition |
|----------------------------|---------------------------------|---|-----------------------------|------------------|----------------------------|--|
| Financial Institution1 | 31,281,736/ 18,533,506 | 3,998,107/ 2,065,689 | 35,279,843/ 20,599,195 | 7 | 2 | Monthly, Baht0.60 million each. Starting April 2003 |
| *Financial Institution2 | 6,832,633/ 3,757,948 | 1,121,537/ 616,845 | 7,954,170/ 4,374,793 | 7 | 2 | Monthly, Baht 0.13 million each. Starting June2003 |
| Financial Institution3 | 15,502,687/ 13,604,260 | 1,384,520/ 0 | 16,887,207/ 13,604,260 | 10 | 2 | Monthly, Baht0.25 million each in Year3-7, and Baht 0.28 million each in year 8-10, starting July 2003 |
| Financial Institution4 | 10,000,000/ 6,409,127 | - | 10,000,000/ 6,409,127 | 10 | 2 | Quarterly, Baht 0.25 million each in Year3-5, and Baht0.35 million each in year6-10, Starting March 2003 |
| Total | 63,617,056/ 42,304,841 | 6,504,164/ 2,682,534 | 70,121,220/ 44,987,375 | | | |

Note : * Under Cholsin Limited, THL's subsidiary.

As of June 2005, the Company has a loss of Baht 38.62 million or Baht 0.06 per share being a net loss of Baht 23.41 million in the first quarter 2005 of and a net loss of Baht 15.22 million in the second quarter of 2005 of. The high loss in the first quarter is a result of the share of loss from investment in Sea Minerals Limited which the Company has raised its share holdings to 83.70%.

The Company, therefore, reports the progress in the Company's financial and operational performances in accordance with its Rehabilitation Plan (or Operational Plan) as of September 2005 for your consideration.

Sincerely yours,

(Dr. J. Peter Mills) (Mr. Udom Chirapanathorn)
Director Director