

SECURITIES

SEC seeks clarity on EARTH

PATHOM SANGWONGWANICH

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The Securities and Exchange Commission (SEC) has extended the duration for SET-listed Energy Earth Plc (EARTH) to clarify information on the truthfulness and fair value of two coal mines for which it has rights in Indonesia.

The market regulator has ordered Energy Earth to clarify the truthfulness of its two Indonesian coal mines by this month and the company has to report the mine's fair value assessment by December.

The company needs to report the information via the Stock Exchange of Thailand's information disclosure system, said the SEC.

The mandate comes after the Central Bankruptcy Court's ruling to allow Energy Earth's business rehabilitation planner to evaluate the two coal mines' value ended on Oct 9.

As Energy Earth's planner, EY Corporate Advisory Services Co requested the extension to clarify the truthfulness and fair value of the two coal mines with the SEC, arguing the amount of fees to proceed with such findings is considerably lower than the actual cost.

EY Corporate Advisory Services said it takes time to conduct the assessment, including negotiating with other

consultants to allow them to continue working, said the SEC.

The SEC previously asked Energy Earth to conduct a special audit of advance payments of goods and reservation fees for product purchases in June 2017. The company's auditor later submitted a special audit report in November 2017. The report said Energy Earth used advance payment, reservation fees and other assets in exchange for rights in two Indonesian coal mines valued at US\$731 million (24 billion baht).

But the SEC was doubtful about the information and assumptions used as a reference to calculate the fair value of the company's rights in the two coal mines.

Energy Earth failed to redeem two lots of bills of exchange (B/Es) worth 90 million baht that were due in June 2017. It said the firm's cash flow had been squeezed after its overdraft line of credit was halted.

The company's financial problems snowballed when a raft of its B/Es defaulted, triggering cross-default debentures worth 5.5 billion baht.

The problems were compounded by failed efforts to seek fresh funding from financial institutions.

Energy Earth is in a rehabilitation plan after two-thirds of its creditors voted in favour of approving the plan in August.