



บริษัท กักขังคอนกรีต จำกัด (มหาชน)
SOUTHERN CONCRETE PILE PUBLIC CO.,LTD.



WORLDCLASS

PRESTRESSED-PRECAST CONCRETE PRODUCTS



annual **2017**
report
รายงานประจำปี 2560



CONTENT

Policies and the Overview of Business Operation	04
Nature of Business Operation	07
Risk Factors	16
General Data	17
Shareholders	18
Dividend Payment Policy	20
Management Structure	21
The Corporate Governance Policy	39
Corporate Social Responsibilities (CSR)	48

50	Internal Control and Risk Management
51	Related Transactions
52	Financial Ratio 2017
54	Summary the Company Performance in 2017
57	Report of the Audit Committee
58	Report of the Board of Directors' Responsibilities for Financial Reports
59	Independent Auditor's Report
63	Financial Statements



Vision

To be a leading manufacturer of prestressed concrete products, with professional provision of quality products and excellent services to customers.

Missions

- Committed to development of superior and diversified products and services;
 - Promote and develop potentials of personnel resources continuously;
- Create sustainable values for customers, shareholders, employees and all relevant parties;

Ideologies and Values

Moving ahead together and committed to be a sustainable leading manufacturer of prestressed concrete products.

- Adherence to ethical standard, merit and professional principles;
- Commitment to careful development of quality products and services in all processes;
 - Encouraging personnel to believe in their thinking and to making decisions for initiative atmospheres and creation of innovation within the organisation, resulting in strong and sustainable organisational development;

Quality Policies

Qualities beyond standards, excellent services and ideal teams of personnel.



Policies and the Overview of Business Operation

Policies and the Overview of Business Operation

Southern Concrete Pile Public Company Limited (the Company hereafter), incorporated on 28th August 1979, with the registered capital of 1,600,000 Baht. The company's aim is to manufacture prestressed concrete products, transport service and pile driving services in Muang Phuket District of Phuket Province. Shortly, the company has expanded its project developments to other provinces including Ban Nasarn District of Surat Thani Province, Hat Yai District of Songkhla Province, Muang Udon District of Udon Thani Province, Ban Beung District of Chonburi Province, and Sampran District of Nakhon Pathom Province. At present, the Company has totally six factories, one sales office in Surat Thani Province and head office in Bangkok.

Significant Changes and Developments;

Significant historical changes and developments relating to business operation and management of the Company are as follows:

1994

May. Transformed into a Public Company Limited;

1995

Apr. Relocated its Head Office from Phuket to Bangkok;

Jul. Registered the change of its registered capital from 270 million Baht to 300 million Baht;

1999

Sep. Restructured its debts with Industrial Finance Corporation of Thailand (IFCT);

2000

Apr. Entered into a consortium agreement with Eastern Technical Engineering Company Limited;

Sep. Restructured its debts with Credit Agricole Indo Suez Bank; and received partial;

2001

Jan. Accredited under ISO 9002:1994 Standard;

Apr. Shut down the Nakhon Si Thammarat Province factory for more effective control in the cost of production; and expanded the business line in telephone pole base works;

2002

Feb. Restructured its debts with Asia Credit Public Company Limited;

Dec. Accredited under ISO 9001:2000 Standard; Expanded the business line in building contractor sector and housing;

2003

Jun. Restructured its debts with Standard Chartered Nakornthon Bank Public Company Limited; and received partial reduction of principal;

Sep. Restructured its debts with Siam Industrial Credit Public Company Limited;

Nov. Increased concrete slab production capacity in Phuket and Udon Thani factories and concrete pipe production capacity in Surat Thani factory;

2004

Feb. Invested in Phuket Ready Mix Company Limited amounted to 6.75 million Baht, with the shareholding ratio of 45%;

Aug. Restructured its debts with Bangkok Bank Public Company Limited;

2005

Added a new product (prefabricated buildings) in Surat Thani factory;

May Transferred the Debt Restructuring Agreement from IFCT to TMB Bank Public Company Limited since both institutions have been merged;

2006

Aug. Increased concrete pipe production capacity in Hat Yai factory;

Dec. Cancelled the Consortium Agreement with Burapa Technical Engineering Company Limited, since the works have met the objective;

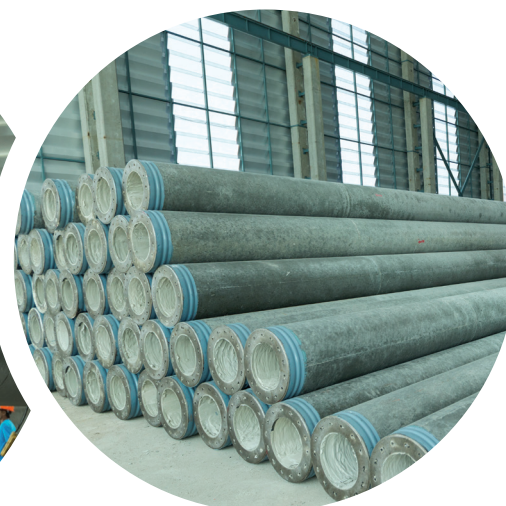
2007

Jan. Increased concrete pipe production capacity in Phuket factory;

May Opened a new factory for distribution of ready-mixed concrete in Hat Yai District of Songkhla Province;

Nov. Sold all of its shares invested in Phuket Ready Mix Company Limited, to the existing shareholders who were not the related parties;





The company was awarded the “Best Company Performance Awards” and “Outstanding Company Performance Awards” in the fourth group of SET market capitalization of THB 10 billion or less from SET Awards 2012, held by The Stock Exchange of Thailand and Money and Banking Magazine.

2008

Added a new product (concrete blocks for pavements) in Surat Thani factory;

Shut down a concrete slab factory in Phuket and merged the concrete slab production line to the existing factory to reduce the costs; and maximized the efficiency of the factory;

2010

Jan. Accredited under ISO 9001:2008 Standard;

2011

Feb. Shut down a factory for distribution of ready-mixed concrete in Hat Yai District of Songkhla Province to reduce the costs;

2012

Nov. Installed roofs covering the production platforms to increase the production capacity;

2013

Jul.

Adjusted the par value of common stocks from 10 Baht per share, totally 30 million shares to 1 Baht per share, totally 300 million shares, amounted to 300 million Baht and fully repaid loans under the Debt Restructuring Agreement with TMB Bank Public Company Limited;

Oct.

Increased a concrete pile production line in Surat Thani factory to increase the production capacity;

Nov.

The Company was awarded the “Best Company Performance Awards” and “Outstanding Company Performance Awards” in the SET market capitalization of less than THB 2 billion category from SET Awards 2013, held by The Stock Exchange of Thailand and Money and Banking Magazine.

2014

Oct.

Sold all of its shares invested in Surat Ready Mixed Company Limited, and in Panyawaj Company Limited to unrelated parties;

Nov. The Company was awarded the “Outstanding Company Performance Awards” in the SET market capitalization of THB 2 billion-THB 10 billion category from SET Awards 2014, held by The Stock Exchange of Thailand and Money and Banking Magazine.

Dec. The Company was awarded the Forbes Asia “Best Under a Billion”, was one in two hundred companies in Asia or one in nine companies in Thailand which were carefully selected for this award by Forbes Asia.

2015

Oct. Expanded the concrete blocks for pavements in Udon Thani factory.

Added more Hydraulic Static Pile Driver machines.

2016

Jul. Accepted the ESG100 Company Certificate for the year 2016 from Thaipat Institute.

Sep Accredited under ISO 9001:2015 Standard;

2017 Invested the Spun Pile production line in Ban Beung factory



Juristic person of which at least 10% of its shares are held by the Company:

No.	Name	Address	Business Type	Issued and Paid-up Common Stocks (M Baht)	Shareholding Ratio (%)
1	Related Company: Thai Wire Products PCL .	99/2 Moo 8 Zeer Rangsit Building, 7 th Floor, Paholyothin Road, Lamlukka District, Pathum Thani Province 21130; Tel : 0-2992-6867 Fax : 0-2992-6871	Manufacturing and distribution of high pressure steel wires	270	9.99%



Relationship with the Business Group

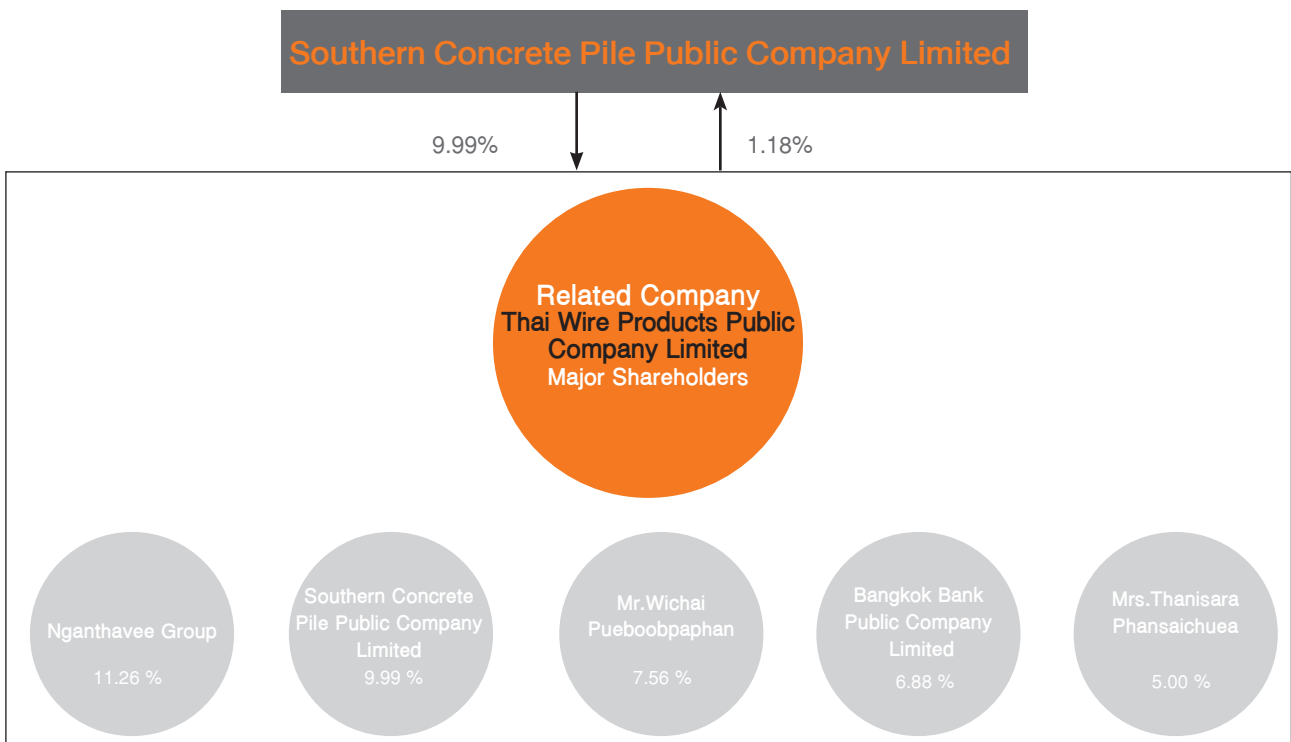
Main business operations of the Company is related to Thai Wire Products Public Company Limited, regarding to the purchase and sale of raw materials, which are in accordance with normal trading conditions.

Nature of Business Operation

The Company's businesses consist of products and services, as follows:

1. Pre-stressed concrete products such as poles, piles, centrifugal-force spun piles, planks, bridge girders, plank girders and other concrete products;
2. Transport and pile installing services;

Shareholding Structure of the Group Companies;





Structure of Total Incomes of Southern Concrete Pile Public Company Limited

No.	Products/Services	Operated By	% of shareholding of the Company	2017		2016		2015	
				M Baht	%	M Baht	%	M Baht	%
1	Pre-stressed concrete poles	-	-	148.84	9.35	138.81	8.77	144.70	8.40
2	Concrete products of the Electricity Authority	-	-	18.99	1.19	15.04	0.95	14.61	0.85
3	Piles/pre-stressed concrete spun piles	-	-	961.83	60.39	912.45	57.66	1,069.12	62.05
4	Planks	-	-	16.16	1.01	18.81	1.19	21.40	1.24
5	Bridge girders, plank girders	-	-	46.98	2.95	63.02	3.98	24.34	1.41
6	Other concrete products	-	-	30.72	1.93	33.74	2.13	49.92	2.90
7	Service works	-	-	369.17	23.18	400.69	25.32	399.04	23.16
	Total value of domestic distribution:			1,592.69	100	1,582.56	100	1,723.13	100
	Increase (decrease) rate of distribution value			0.64		(8.16)		(1.10)	

8

Nature of Products or Services

Types of Products

1. Prestressed concrete poles and concrete products of the Electricity Authority:

- Prestressed concrete poles, with the length of 6.00-22.00 meters; Produced under the standards of PEA, EGAT and MEA;
- Prestressed spun cross arms produced under the standard of PEA, with the length of 1.50-3.20 meters;
- Stubs and piles of PEA (all sizes of cross-sections and lengths);
- All sizes of Scaffold beams for transformers, all sizes of anchor;
- All types of PEA pole foundations have been tested for quality and accreditation under the standard requirements of such units.

2. Square piles and prestressed concrete I-shape piles

- Square piles, with the sizes of 15-65 centimeters;
- I-shape piles, with the sizes of 18-45 centimeters;
- The length of piles range between 3-35 meters; in case, longer piles are needed; or there are limitations of areas, connected piles can be the option. The connection joints shall be safely designed with strength of not less than the requirements under the TIS Standards of piles;
- Piles and all production processes of piles are designed and controlled by expert engineers;

- Piles can be produced under any standards requirement such as TIS, DOH, OARD or others;
- Piles can be installed with pure-driving or pre-bored methods by drop hammers, hydraulic hammers or hydraulic static pile drivers, which shall not cause noises and vibrations during the pile installing process as per the requirements or specifications;
- Integrity and weight-bearing capacity of piles shall be tested;

3. Centrifugal-Force Prestressed concrete spun piles

The centrifugal-force from spinning process shall strengthen the concrete and remove the excess water from concrete;

Special Qualities

- Produced by using concrete spinning process in moulds which are spun with high velocity by modern machine. As a result, the density of concrete texture shall be higher than concrete which is moulded by normal method; since the density of concrete is higher than traditional method. Therefore, the capillary action rate is very low; and concrete shall have better qualities such as corrosion resistance;
- Produced by modern tools in all processes; therefore, the quality can be consistently maintained;
- Steel joints of piles shall be fastened with high-tension wires and most securely welded under the standards;



Prestressed concrete spun piles can be driven with 5 methods, as follows:

1. Pure-driving method;

Piles shall be driven with normal method by using drop hammers, hydraulic hammers or diesel hammers to the prescribed level or blow-count;

2. Pre-bored method;

Soil shall be excavated with the width equal to the diameter of piles, and the depth of approximately 6-10 meters. Then, piles shall be put in boreholes and driven by pile drivers to the prescribed level or blow-count;

3. Auger-pressing method;

Piles shall be driven by using auger in pile holes and pressing the piles simultaneously until the remaining length is equal to 3-10 times of the diameter of piles, then, driving the piles to the prescribed level or blow-count;

4. Full auger-pressing method;

Piles shall be driven in the same manner as the auger-pressing method but soil shall be removed to the prescribed depth level without any subsequent pile driving;

5. Jack-in-pile method;

Piles shall be driven by using hydraulic static pile drivers, which can drive piles until reaching the compression value as prescribed without any interruption or vibration during operation.

Regarding the selection of any of the above pile-driving methods, engineers shall consider the suitability of the working areas including pressure and vibration which may affect nearby buildings.

4. Planks

Planks are flat-type prestressed concrete slabs with cross-sectional shape similar to boards with the width of 30 centimeters and 35 centimeters and the depth of 5 centimeters, placed tightly close to each other; no cement topping needed in the bottom part. After the process of structural topping, cement shall be mixed as composite with the planks.

5. Bridge Girders, Plank Girders

- Bridge girders shall be produced with types of box girders, I-girders or T-girders as per the standards prescribed by the government agencies;
- All production processes are audited and tested by expert engineers under the prescribed standards;
- Integrated product installation services are provided;

6. Concrete pipes and manholes

- The Company has its products of drainage concrete pipes (mortar joints) with diameters of 300, 400, 500, 600, 800, 1,000 and 1,200 centimeters; and the length of 1.0 meter;
- Products have been produced by modern machine and with the molding process, ensuring the quality and consistent size of work pieces and the right size of pipe joints and tightly adjoined joints of pipes, reducing the leakage problems;
- The Company can produce pipes under different standards to meet customers' requirements such as TIS.128 (quality work pieces RC.2 and RC.3) or standards as per customers' requirements;

- The Company has produced precast reinforced concrete manholes for drainage work to be used with reinforced concrete pipes for drainage work; whereas, sizes of products shall be in accordance with general standards and customers' requirements;
- Regarding the delivery of products, the Company has provided vehicles and equipment for transport of pipe products and manholes to the spots of use;

7. Sheet piles

"Sheet piles" are piles which shall be driven and placed tightly close to each other along the banks of canals, rivers or other spots to function as dikes for soil erosion prevention. The Company can produce sheet piles in different sizes, cross-sectional shapes and lengths such as sheet pile <0.35x0.6 meter, <0.45x0.60 meter, {{0.25x0.50 meter to {{0.50x0.50 meter, with the length of piles of 12-22 meters.

The design and production of piles have been operated by expert engineers in all processes to obtain qualified sheet piles that meet customers' requirements.

Normally, piles shall be driven and installed by drop hammers due to the flexibility in adjusting the pile caps advantage.

8. Cement floor tiles, concrete floor tiles and curb stones

- Cement floor tiles:
Size: 0.30x0.30 meter; thickness: 4 - 6 centimeters
Size: 0.40x0.40 meter; thickness: 4 - 6 centimeters
- Concrete floor tiles:
Size: 0.30x0.30 meter; thickness: 3 centimeters
Size: 0.40x0.40 meter; thickness: 4 centimeters
- Curb stones:
Size: 0.15x0.30x1.00 meter

9. Other concrete products

- The Company can produce all other types of concrete products as per customers' requirements, including reinforced concrete products such as poles, beams, wall panels and other precast concrete products.

- Since the Company's products require spaces for bulk storage; therefore, the Company shall produce its products according to customers' orders and shall transport the products to customers immediately.
- Regarding the raw materials, there is no issue relating to the bulk storage premises because the raw materials are abundantly available domestically; therefore, the Company shall keep only adequate quantity of raw materials for production, at suitable amount.

10. Service works

- **Transport**
The Company has adequate trucks with 6-45 tons crane installed for transporting products.
- **Pile driving and installation**
The Company has provided its drop hammers, hydraulic pile drivers, jacks-in-pile for all types of pile driving services such as pure-driving method, pre-bored method, auger-pressing method or full auger-pressing method, as well as installation of electrical poles, box girders, plank girders and the like nationwide.

Potential replacement by new technologies

At present, there is no tendency that the products shall be replaced by new technologies; however, the Company has regularly developed and improved its technologies and machineries to reduce the use of labor, to reduce its costs and to improve the quality and efficiency of its production for competitiveness with other vendors.

Adequacy of production machinery and personnel

Machinery and personnel are still adequate for production; despite the increasing volumes of products, the Company's production lines have not yet reached their maximum production capacity.

Technical assistance agreements

- None -

Environmental impacts

- None - (the Company's factories are located far away from communities and the Company has never had any disputes relating to the environmental issues)

Marketing and Competition

Marketing and Competition

In 2017, the Thai economy expanded at the pace of 3.9% yoy, mainly from the exports and tourism. For the private sector, the investments had picked up gradually after the continuous decline in the past 3 years. However, there was a decline in government projects. Therefore, these led to a still fierce competition in the pre-stressed concrete market. In addition, there was a more precipitate than average in 2017 and this had affected to pile installation schedules. In 2017, the company managed to maintain the revenue at the same level as the year before.

Competition Policy

1. The Company has continuously developed the quality and service management scheme, so that the customers are confident in our products. At this moment, the company accredited to ISO 9001:2015. This is the most recent version.
2. The Company has six manufacturing factories in different regions nationwide; and has been able to provide services to its customers more effectively and saving the transport expenses; as a result, the Company's costs are lower than the competitors.
3. The Company has its reputations for a long time with teams of executives and expert engineers; and has been trusted by customers in terms of standard quality of products, fair prices and punctual hand-over of works and full safety management system. The Company has started to work under the Leadership in Energy and Environmental Design (LEED) projects.
4. The Company has its high production capacity when compared to its competitors; as a result, the Company is able to respond to large projects within a limited period of time.
5. The Company has its own transport service units for flexible, fast, reliable and effective management of delivery of products.
6. The Company has a variety of products, including electrical poles, I-shape piles, square piles, spun piles, king piles, flat plates, deck slabs, pipes, concrete paving blocks and the like, as per customers' requirements. In 2017 the Company has expanded the spun pile at Ban Bueng factory.

7. The Company has provided the pile installation services in different styles as follows
 - 7.1 Pure-Driving
 - 7.2 Pre-boring
 - 7.3 Auger press with final drive systems by using modern and highly effective hydraulic hammers which help to reduce soil displacement and partial vibration
 - 7.4 Jacked-in-pile system by using hydraulic static pile drivers, this is an environmental friendly system since the installation has no vibration and impact noise.
 - 7.5 Auger press with toe grouting, has absolutely no final drive which means there no impact sounds. The cement grout will be injected, after the pile has reached the designed soil layer, to improve the load capability.

Situations of competition in the industry

Makets of electrical poles products

Regarding the Company's products of electrical poles and accessories, the Company has its sole and main buyer, i.e., the Provincial Electricity Authority (PEA), with the budget for nationwide purchase orders in 2019, approximately 1,280 million Baht, which has increased from last year. There are approximately 30 suppliers of electrical poles in Thailand; and in the markets of these industrial groups, the Company is one of the top marketing leader with huge market shares because the Company has its advantages of having manufacturing factories nationwide; however, in 2017, the Company has about 12% of its gross sales from these products.

Pile product markets

Prestressed pile products are consisted of I-shaped, square shaped and retention piles. The Company has 5 factories manufacturing the mentioned products: Phuket, Hat Yai, Udon Thani, Ban bueng factories. From the widespread location of the factories, the Company can serve the products to almost the entire country. The concrete products tend to be heavy, therefore the transportation cost become the essential cost in this industry. This is the strength of the Company, especially in the Southern part of Thailand where the Company is able to cover all the area and the clear market leader.



Markets of spun pile products

Spun piles are the products produced with the state of the art technologies and are of higher quality than I-shape piles and square piles; therefore, they are proper for construction works of buildings in Bangkok and its vicinity or in other urban areas; including mega projects of infrastructure such as expressways, energy projects and mass rapid transit network; moreover, at present, engineering designers tend to use spun piles in port works along the coastlines because they are resistant to corrosion of sea water more effectively.

Presently, the Company has expanded the Spun Pile production line in Ban Bueng plant as our second Spun Pile plant (the first one is Nakhon Pathom Plant). At present, the Company has five active competitors and expected the sixth competitor to enter into this market soon. The Company's market share in this sector is considered in the top rank. The Company has been highly trusted by customers in terms of quality of products, installation services and financial stability for successful implementation of large projects as targeted; and has created customers' satisfactions.

Hand-over of products

Punctual and on-time hand-over of products according to customers' requirements shall be another crucial factor of marketing strategies because it will help control customers' costs, which shall be directly beneficial to customers, particularly to construction contractors or business operators. The cost of time is the most valuable factor in the current situations of competition. Main operational guidelines for strategy of hand-over of products to the satisfaction of customers shall be as follows:

1. The Company's policy is to work closely with our customers from designing, calculating and job site operation to assist the customers to minimize the costs and our engineering team.
2. The Company has 46 transport trucks and dozens of standby joint service vehicles at all factories of the Company.
3. The Company has all pile installation methods as the market offers to suit with the characteristics of each job site which are Pure Driving, Pre-boring, Auger Press with Final Drive, Auger Press with Toe Grouting and Jacked in Pile. The Company also uses the high modern machines such as Hydraulic Hammer, Hydraulic Static Pile Driver etc.

4. With its high production capacity, the Company is able to supply adequate quantity of products to meet customers' demands, particularly in large projects with limited operating time.
5. The Company offers the pile load test service to confirm the pile is capable of the designed load.

The Level of customer satisfaction

The Company has the customer satisfactory survey to assess the quality and trust feedback from the customers. The survey aims for us to understand the problems, issues, and complaints from the sale process, product quality, transportation service, installation service and accounting and financing in every factory. This will lead us to analyst and improve our existing system continuously.

The customer's satisfactory level in 2017 as follow:

Unit : %					
Factories	Q1	Q2	Q3	Q4	AVG.
Phuket	89	85	88	82	86
Surat Thani	86	88	90	87	88
Hat Yai	89	82	81	87	85
Ban Beung	95	90	86	84	89
Udon Thani	81	88	88	92	87
Nakorn Pathom	84	80	88	97	87

The Company aims the customer satisfactory level must not be less than 75%, and in 2017 all factories have met the target.

Services

1. The Company has its policy to closely cooperate with customers' teams in calculation, design and planning stages of work in order to obtain the lowest costs and to generate profits to customers by the Company's team of engineers.
2. The Company has provided the installation services by using auger press with final drive, pre-boring, and jacked-in-pile systems which help reduce vibration and compressibility potentially causing danger to nearby buildings. The installation system under this method is essential for urban units or densely populated areas.
3. The Company has provided the service of pile load test to customers in order to confirm the strong foundation of the constructed buildings.

Target markets

1. Due to investment in the government's infrastructure, government agencies or state enterprises, including the Department of Public Works, the Ministry of Interior, the Ministry of Transport, the Expressway Authority of Thailand, the Provincial Electricity Authority, mass rapid transit networks, the Airports Authority of Thailand and other units, are main markets of the Company; and construction budgets have been allocated continuously and on a yearly basis. The Company has the value of sale in this group approximately 30% (including works sold through main contractors that have received works from the public sector).
2. The Company has also sold the prestressed concrete piles to government agencies through main contractors that have bid with the public sector such as Sino-Thai Public Company Limited, Italian-Thai Public Company Limited, CH. Karnchang Public Company Limited, Christiani & Nielsen Public Company Limited, Prayoonvis Company Limited, etc.
3. Business owners or private operators including industrial operators such as department stores, hospitals, industrial plants, real property businesses, etc.
4. Construction contractors, including local and foreign contractors in the public sector and the private sector, from small contractors to the top national contractors.

Pricing Policy

Since the Company's products are highly competitive and mostly sold for project works which require high flexibility according to the market condition, the Company has mainly used its cost base pricing policy in the pricing and emphasizing the competitive pricing according to the rapidly changing market condition. Moreover, consumers are highly sensitive to prices; therefore, regarding the adjustment of prices, long-term impacts must be taken into consideration.

Distribution and Channels of Distribution

The Company has operated the business of manufacturing and distribution of all types of prestressed concrete products to its customers directly. The Company's customers are mainly local customers, including the public sector and state enterprises. For electrical pole products, the Company's main customers

include the Provincial Electricity Authority; and for prestressed concrete piles and other products, the Company has contacted to sell products to customers directly, including key accounts and retail customers, contractors and project owners.

Trends of Industry and Competition

The industrial in 2018 is expected to grow at the pace of 3.6% – 4.6%. The main factors are from the higher private investments especially the petrochemical industry in the Eastern part of Thailand. The investment in the industry had been postponed in the past three years due to the laggard of the crude oil price. However, the crude oil price is now back in the uptrend and the investment cycle of this industry is back. In 2018, the Company expects there will be more demand in pre-stressed concrete pile both square and spun piles. Therefore, Ban Bueng plant seems to be benefit from this industry.

In 2018, the government is supporting the East Economic Corridor (EEC) policy which greatly in needs of the infrastructure investment to support the foreign private investments in this area. Moreover, the government also promotes the economic growth by investing





in double track projects, Pink Line Mass Rapid Transport, Yellow Line Mass Rapid Transport, Motorways and U-Ta Pao airport investment etc.

In conclusion, the Company expects there will be more demand of pre-stressed concrete products but there is still a surplus on the supply side which still make the market in high competition. However, the compete level will be less than the year before.

The uptrend of raw material prices will lead to the competitors more considerable about the product pricing.

Provision of products or services

At present, the Company has totally six factories nationwide to fully meet the consumers' demands; whereas, details relating to locations of the factories are as follows:

Name	Southern Concrete Pile Public Company Limited
Address of Head Office	555 SSP Tower, 17 th Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok Telephone No. : 0-2711-5134 (10 automatic lines) Facsimile No. : 0-2382-0351-2
Website	www.scp.co.th
Company Registration No.	0107537001803 (Original Registration No. Plc.427)
Address of Factory	Phuket Factory 46/9, Village No.6, Thepkrasattri Road, Ratsada Sub-district, Muang Phuket District, Phuket Province, 83000 Tel. : 0-7621-2120, 0-7621-6286, 0-7622-5161 Fax. : 0-7621-3679 Email : scp-pk@scp.co.th Surat Thani Factory 25/3, Ratbamrung Road, Na San Sub-district, Ban Na San District, Surat Thani Province, 84120 Tel. : 0-7734-1995-6 Fax. : 0-7734-1614 Email : scp-sr@scp.co.th Hat Yai Factory 136/4, Village No.3, Phetkasem Road, Thung Dam Sao Sub-district, Muang Hat Yai District, Songkhla Province, 90110 Tel. : 0-7447-2044-7 Fax. : 0-7447-2048 Email : scp-hy@scp.co.th Nakhon Pathom Factory 16/12, Village No.3, Hom Kred Sub-district, Sam Phran District, Nakhon Pathom Province, 73110 Tel. : 0-3432-2435-7 Fax. : 0-3432-3579 Email : scp-np@scp.co.th Udon Thani Factory 342, Village No.2, Khok Sa-art Sub-district, Muang Udon Thani District, Udon Thani Province, 41000 Tel. : 081-391-1765 Fax. : 0-4221-9970, 086-455-3965 Email : scp-ud@scp.co.th Ban Bueng Factory 18, Village No.2, Bang Bueng-kraeng Road, Nong Sak Sub-district, Ban Bueng District, Chonburi Province, 20170 Tel. : 086-478-5687, 086-478-5689, 089-699-7826, 0-3811-9345 Fax. : 0-3811-9346 Email : scp-bb@scp.co.th

Factory Map





Risk Factors

Risks from Business Operations

The Company has its manufacturing factories nationwide; as a result, its channels of distribution have covered customers in several regions. Though key accounts of the Company are in the public sector and the private sector, there is no specific gross sales exceeding 30% of the total gross sales; therefore, the Company has no risk factors relating to the loss of any specific key accounts.

Financial Risks

The Company had its risks from fluctuation in financial assets and liabilities under its normal business operation because the Company had various and many groups of accounts receivable without emphasis on any particular major accounts receivable. Therefore, it was expected that the Company would not suffer any significant damage from its failure to collect debts from those accounts receivable. The Company had no policy of business transactions of financial derivative instruments for speculation and had not operated its businesses for export; therefore, the Company had no risks from exchange rates. Regarding its potential investment, the Company may invest in tools and machinery for its normal production; therefore, there was no impact on its solvency.

Legal Risks

Since the Company's products are manufactured and sold domestically; therefore, there is no risks on trade law or international laws.

Risks on Investment of Securities Holders

At the end of 2017, the company still had remaining unappropriated retained earnings of Baht 1,432 million and liquidity ratios, (Ratio of current assets to current liabilities) was 4.63 times the ratio of debt to equity (D / E Ratio) (ratio of total liabilities to shareholders' equity) was 0.21 times and return on equity (ratio of net income to average equity) was 12.95%. From the values above the company considered that there would be a low risk that the investors would possibly lose the entire investment.

However, rates of dividend payment or investment returns to be received by investors shall be subject to the annual operating results of the Company, thus, in accordance with the economic factors and political factors of the country.

Labor Risk

Labor is an essential factor in manufacturing stage. The various industries are facing the labor shortage. Therefore, migrant workers through the MOU is an alternative to solve the labor shortage issue. The migrant workers seek through the MOU is legal.

Material Shortage Risk

The materials used in production are widely available in the country. However, the materials are seek through various suppliers to maintain the price negotiation with the suppliers and material price fluctuation by using long term fixed price or advance purchase according to the work on hand.

Competitive Risk

There are a number of players in this industry. Therefore, the competition is unavoidably high. The Company tries to differentiate in the market by manufacturing quality products, effective and fast services to customers. These helped to maintain the rebuying rate and expand to new customers.

Act of God Risk

The natural catastrophe is the uncontrollable factor. From the severe flooding in the Southern Part of Thailand, the factories were not damaged from the flooding, but the transportation routes were partly affected. The Company had been planning, collaborating, and updating the situations closely with the customers to ensure the projects were still completed effectively and satisfactory.

General Data and Other Significant Information

Company	: Southern Concrete Pile Public Company Limited
Business Operation	: Manufacturing and distribution of different types of prestressed concrete products, including transport and pile driving services.
Registered Capital	: 300 million Baht, divided into 300 million issued and paid-up common stocks, with the par value of 1 Baht each
Address of Head Office	: 555 SSP Tower, 17th Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok 10110
Company Registration No	: 0107537001803
Website	: www.scp.co.th
Telephone No.	: 0-2382-0351-2 (10 automatic lines)
Facsimile No.	: 0-2382-0351-2
Auditor for 2017	: Miss Suphaphorn Mangjit Certified Public Accountant no.8125 or Mrs. Somjintana Pholhirunrat Certified Public Accountant no.5599 or Mr.Nopparoeck Pissanu Wong Certified Public Accountant no.7764 DIA International Auditing 316/32 Sukhumvit Soi 22, Sukhumvit Rd., Klongtoey, Bangkok 10110 Tel. : 0-2259-5300 Fax. : 0-2260-1553 Email : diaaudit.com
Securities Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng Tel. : 0-2009-9000 Fax. : 0-2009-9991
Representatives of Debenture Holders	: The Company had no debentures
Legal Adviser	: The Company has its legal team without any outsourced legal consulting services
Consultant or Manager under the Management Agreement	: - None -



Shareholders

The number of registered and paid-up capital

Southern Concrete Pile Public Company Limited, has its registered capital as of 31st December 2017, totally 300 million Baht, divided into 300 million common stocks with the par value of 1 Baht each.

(The Company had only common stocks without any policies of issuing other types of securities).

Top 10 Major Shareholders

No.	Group of shareholders		As of 9 March 2018	
			Numbers of Shares Held	% of Total Shares
1	Chinteik Brothers Company Limited	*	93,487,400	31.162
2	Nganthavee Group	*	35,807,290	11.936
3	Thai NVDR Company Limited	***	25,012,700	8.338
4	Mr. Vichian Srimunnimit	**	12,290,000	4.097
5	Mr.Ongart Voravitlikit	**	4,800,000	1.600
6	Mr.Chai Manopas	**	4,108,000	1.369
7	Mrs.Rarin Utakapan Punjarungroj	**	3,677,700	1.226
8	Thai Wire Products Public Co.,Ltd.	*	3,558,500	1.186
9	Miss Kuldarat Prakpraphan	**	3,251,400	1.084
10	Mr.Thanakit Lorwatanapongsa	**	3,000,000	1.000

Notes: Relationships with the Company:

* Nganthavee Group;

** Third-party investors who had no relationship with "SCP";

*** The Company's shareholders issuing and offering for sale of investment units to investors; whereas, the Stock Exchange of Thailand (SET) is the major shareholders. Investors may retrieve data from the Company's website: www.scp.co.th prior to the Annual General Meeting.

Change in Holding of the Company's Shares of the Director and Executive during the year 2017

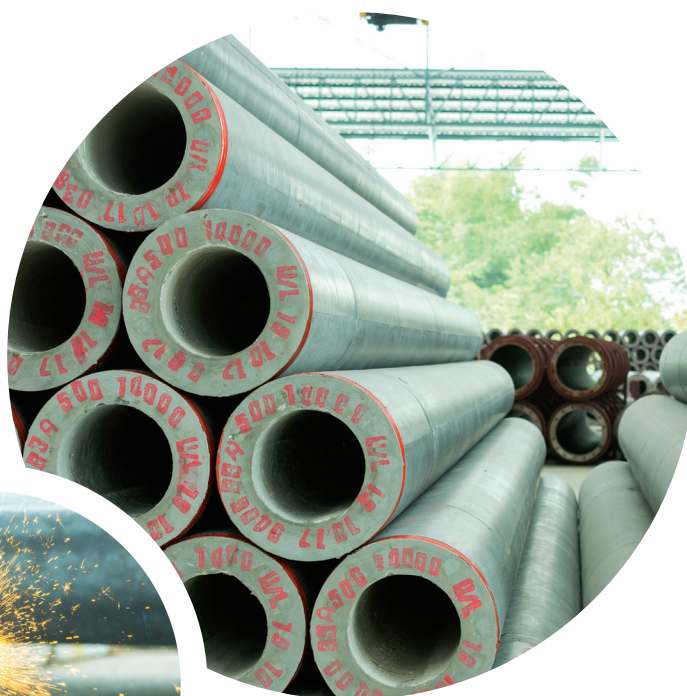
No.	Name	Number of Securities held		
		As of December 31, 2017	As of January 1, 2017	Increase (Decrease)
1.	Mr. Pongpayome Vasaputi	-	-	-
2.	Mr. Bonguea Limsuebchuea	-	-	-
3.	Mr. Tasanai Atichati	-	-	-
4.	Mrs. Arunee Nganthavee	1,844,870	1,844,870	-
5.	Mr. Thamrong Nganthavee	1,030,550	1,030,550	-
6.	Mr. Suckchai Nganthavee	-	-	-
7.	Mr. Kitja Nganthavee	1,202,750	1,202,750	-
8.	Mr. Akapop Nganthavee	132,860	132,860	-
9.	Miss Tipnara Nganthavee	2,359,860	2,359,860	-
10.	Mr. Somsak Wattanatham	75,000	75,000	-
11.	Mr. Taweesak Wongsuppachart	-	-	-
12.	Mrs. Nittaya Chunualsri	-	-	-
13.	Mr. Amnuai Emkosa	-	-	-
14.	Miss Duangdao Sukhavanich	-	-	-
15.	Mr. Krisana Sartwathanaroj	-	-	-
16.	Miss Tipaporn Rittawa	-	-	-
17.	Mr. Kampanart Petvaroon	15,000	15,000	-

Issuance of Other Securities:

- None -

Dividend Payment Policy

The Company has the dividend payout policy to shareholders on a yearly basis at the rate of between 30%-60% of the earnings after deduction of income tax. The percentage may differ during the unusual circumstance, which would lead to appropriate interim dividend payout. Thus, depending on the operating results under the Separate Financial Statements, financial status, requirements for cash spending, available cashes, including other related factors as approved by the Board of Directors; therefore, the Board of Directors has deemed it expedient to pass its resolution relating to the approval of dividend payment to shareholders in 2017, as follows:



Particulars of Dividend Payment	2017	2016	2015	2014	2013
1. Earnings	232,961,614	266,746,650	292,970,824	332,109,792	411,036,614
2. Number of shares	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
3. Dividend payment					
3.1 Interim dividend	-	-	-	0.15	-
3.2 Balance of dividend	-	-	-	0.25	-
3.3 Total of dividend	0.40	0.35	0.40	0.40	0.30
4. Total of dividend payment	120,000,000	105,000,000	120,000,000	120,000,000	90,000,000
5. Dividend payment ratio	51.51%	39.36%	40.95%	36.13%	21.90%

Dividend Payment Policy of Subsidiaries:

- No subsidiary -

Management Structure

The Board of Directors

The Board of Directors consisted of 8 members, including:

Executive Director	1	person
Non-executive Directors	4	persons
Independent Directors	3	persons

The Board of Directors

1. Mr. Pongpayome	Vasaputi	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director
2. Mr. Bonguea	Limsuebchuea	Audit Committee and Independent Director
3. Mr. Tasanai	Atichati	Audit Committee and Independent Director
4. Mrs. Arunee	Nganthavee	Managing Director
5. Mr. Thamrong	Nganthavee	Director
6. Mr. Suckchai	Nganthavee	Director
7. Mr. Kitja	Nganthavee	Director
8. Mr. Akapop	Nganthavee	Director
9. Mrs. Nittaya	Chunualsri	The Company's Secretary

Notes

- Authorized directors included Mrs. Arunee Nganthavee, Mr. Thamrong Nganthavee, Mr. Suckchai Nganthavee, Mr. Kitja Nganthavee and Mr. Akapop Nganthavee; provided that 2 out of these authorized directors shall jointly affix their signatures and the corporate seal.
- The Chairman of the Board of Directors shall be an independent director as designed by the Stock Exchange of Thailand (SET) and had no relationship with the Management.
- The Chairman of the Board of Directors shall not be the same person as the Managing Director for the purpose of division of duties relating to the determination of policies, supervision and management of regular works.
- Mr. Bonguea Limsuebchuea is an audit committee, with knowledge and experiences in reviewing financial statements of the Company; and being an accounting adviser and service provider; and had no business relationship or professional service provision with the Company.
- The third Board of Directors meeting of 2017 on 11th August 2017, the committees approved the resignation of Mr. Akamin Nganthavee from the Company's committee and voted Mr. Akapop Nganthavee as the authorized committee

Scope of Powers and Duties of Executive Directors

- To act as chairman of all executives.
- To consider and approve action plans of each work section.
- To follow up and take actions in accordance with the prescribed work plans and policies.
- To consider and approve applications from different work sections which are beyond the commanding authority of such work sections.
- To consider salary raises, appointment, transfer, punishments, dismissal or employment of executive officers.
- To be empowered to assign other persons to act on their behalves when they are temporarily unable to do so themselves; or to assign other persons to act on their behalves under their discretions.
- *To have powers of approvals as above-mentioned, except for authorization for approvals relating to related transactions as defined by the Office of Securities and Exchange Commission (OSEC).

Scope of Powers and Duties of the Audit Committee

- To review for adequate and correct financial reporting of the Company;
- To review for proper and effective internal control and audit systems of the Company; and to consider the independence of the internal audit unit; and to approve the consideration, appointment, transfer and dismissal of the head of the internal audit unit or of any other units responsible for such internal audit.
- To review for the Company's compliance with the Securities and Exchange Act, Requirements of the Stock Exchange of Thailand (SET) and with the laws in connection with the Company's businesses.
- To consider, select and nominate independent persons to function as the Company's auditor and to propose remunerations for such persons; and to attend meetings with the auditor without the Management's attendance, for at least once a year.

5. To consider the related transactions or transactions with potential conflicts of interests to be in accordance with the laws and Requirements of the Stock Exchange of Thailand (SET), thus, to ensure that such transactions shall be reasonable and for the utmost benefits of the Company.
6. To prepare reports of the Audit Committee to be disclosed in the Annual Report of the Company; whereas, such reports must be signed by the Chairman of the Audit Committee and must consist of at least the following data:
 - (a) Opinions relating to the correctness, completeness, reliability of the Company's financial reports
 - (b) Opinions relating to the adequacy of the Company's internal control systems.
 - (c) Opinions relating to the compliance with the Securities and Exchange Act and Requirements of the Stock Exchange of Thailand (SET) or with the laws in connection with the Company's businesses.
 - (d) Opinions relating to the suitability of the auditor.
 - (e) Opinions relating to transactions with potential conflicts of interests.
 - (f) The number of meetings of the Audit Committee and meeting attendances of each of the audit directors.
 - (g) Opinions or overall remarks that the Audit Committee has received from its performance of duties under the Charter.

- (h) Other transactions that should be informed to shareholders and general investors under the scope of duties and responsibilities assigned by the Board of Directors.

7. To take any other actions as assigned by the Board of Directors with approvals of the Audit Committee.

The Board of Directors' Meetings

The Executive Committee shall convene meetings and shall report to the Board of Directors on a monthly basis so that the Board of Directors shall be able to supervise and control the operation of work and to give advice to the Management continuously and in a timely manners. Meanwhile, the Board of Directors shall convene meetings at least on a quarterly basis; whereas, the meeting agenda shall be clearly prescribed in advance; and invitation for the meeting, together with the meeting agenda and documents shall be sent in advance and prior to the meeting so that the Board of Directors shall manage the time to attend the meeting and to study the data adequately before attending the meeting. Meanwhile, the top management shall be encouraged to attend the meeting with the Board of Directors in order to obtain information and additional details as they are directly involved with the problems. In 2017, records of meeting attendances of each member of the Board of Directors can be summarized, as follows:

Name		Title	Number of Meeting Attendances/Numbers of Meeting
1.	Mr. Pongpayome Vasaputi	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director	The Audit Committee's meetings (4/4) The Board of Directors' meetings (4/4) Annual General Meetings (1/1)
2.	Mr. Bonguea Limsuebchuea	Audit Committee and Independent Director	The Audit Committee's meetings (4/4) The Board of Directors' meetings (4/4) Annual General Meetings (1/1)
3.	Mr. Tasanai Atichati	Audit Committee and Independent Director	The Audit Committee's meetings (4/4) The Board of Directors' meetings (4/4) Annual General Meetings (1/1)
4.	Mrs. Arunee Nganthavee	Managing Director	The Board of Directors' meetings (4/4) Annual General Meetings (1/1)
5.	Mr. Thamrong Nganthavee	Director	The Board of Directors' meetings (4/4) Annual General Meetings (1/1)
6.	Mr. Suckchai Nganthavee	Director	The Board of Directors' meetings (4/4) Annual General Meetings (1/1)

	Name	Title	Number of Meeting Attendances/Numbers of Meeting
7.	Mr. Kitja Nganthavee	Director	The Board of Directors' meetings (4/4) Annual General Meetings (1/1)
8.	Mr. Akamin Nganthavee	Director	The Board of Directors' meetings (3/3) Annual General Meetings (1/1)
9.	Mr. Akapop Nganthavee	Director	The Board of Directors' meetings (1/1) Annual General Meetings (-)

Note:

- 1) The third Board of Directors meeting of 2017 on 11th August 2017, the committees approved the resignation of Mr. Akamin Nganthavee from the Company's committee and voted Mr. Akapop Nganthavee as the authorized committee
- 2) In the event that any director is unable to attend a meeting, the Company shall send minutes of the meeting, together with other supporting documents to such director for acknowledgment.

Executives

The Executive Committee and Executive Officers

- | | | | |
|-----|---------------|----------------|--|
| 1. | Mrs. Arunee | Nganthavee | Managing Director |
| 2. | Miss Tipnara | Nganthavee | Finance Director |
| 3. | Mr. Somsak | Wattanatham | General Manager, Nakhon Pathom Factory |
| 4. | Mr. Taweesak | Wongsuppachart | Square Pile Production Manager |
| 5. | Mr. Amnuai | Emkosa | Sales and Marketing Manager |
| 6. | Mrs. Nittaya | Chunualsri | Senior Accounting Manager |
| 7. | Miss Duangdao | Sukhavanich | Finance Manager |
| 8. | Mr. Krisana | Sartwathanaroj | Engineering and Service Manager |
| 9. | Miss Tipaporn | Rittawa | Accounting Manager |
| 10. | Mr. Kampanart | Petvaroon | Strategic Business Development Executive |

Powers and Duties of Executive Officers

1. To supervise and manage the Company's business operations in accordance with the laws, the Company's objectives and regulations and in accordance with objectives and policies of the Board of Directors.
2. To supervise and control employees and subordinates in compliance with the Company's rules and regulations; and to make working plans; to give advice; to follow up and supervise the performance of works of employees and subordinates in order to achieve the prescribed objectives.
3. To evaluate the work performances of employees and subordinates.
4. To have powers to approve transactions relating to the work procedures in the responsible chain of commands.
5. The Chief Executive Officer (CEO) shall have powers to approve all items of expenses which are transactions under normal practices of business operations, except for special transactions with significant impacts on the Company, which must be approved by Executive Directors/Directors of the Company.

The Company's Secretary

It is prescribed under the Securities and Exchange Act (No.4) B.E.2551, Section 89/1 that the Board of Directors must provide the Company's Secretary to be responsible for taking actions on behalf of the Company or the Board of Directors; therefore, in the Board of Directors' Meeting No.3/2008, the Board of Directors has passed its resolution to appoint Mrs. Nittaya Chunualsri to assume the position of the Company's Secretary, effective as from 13th August 2008 onwards.

Duties and Responsibilities of the Company's Secretary

Qualifications of the Company's Secretary

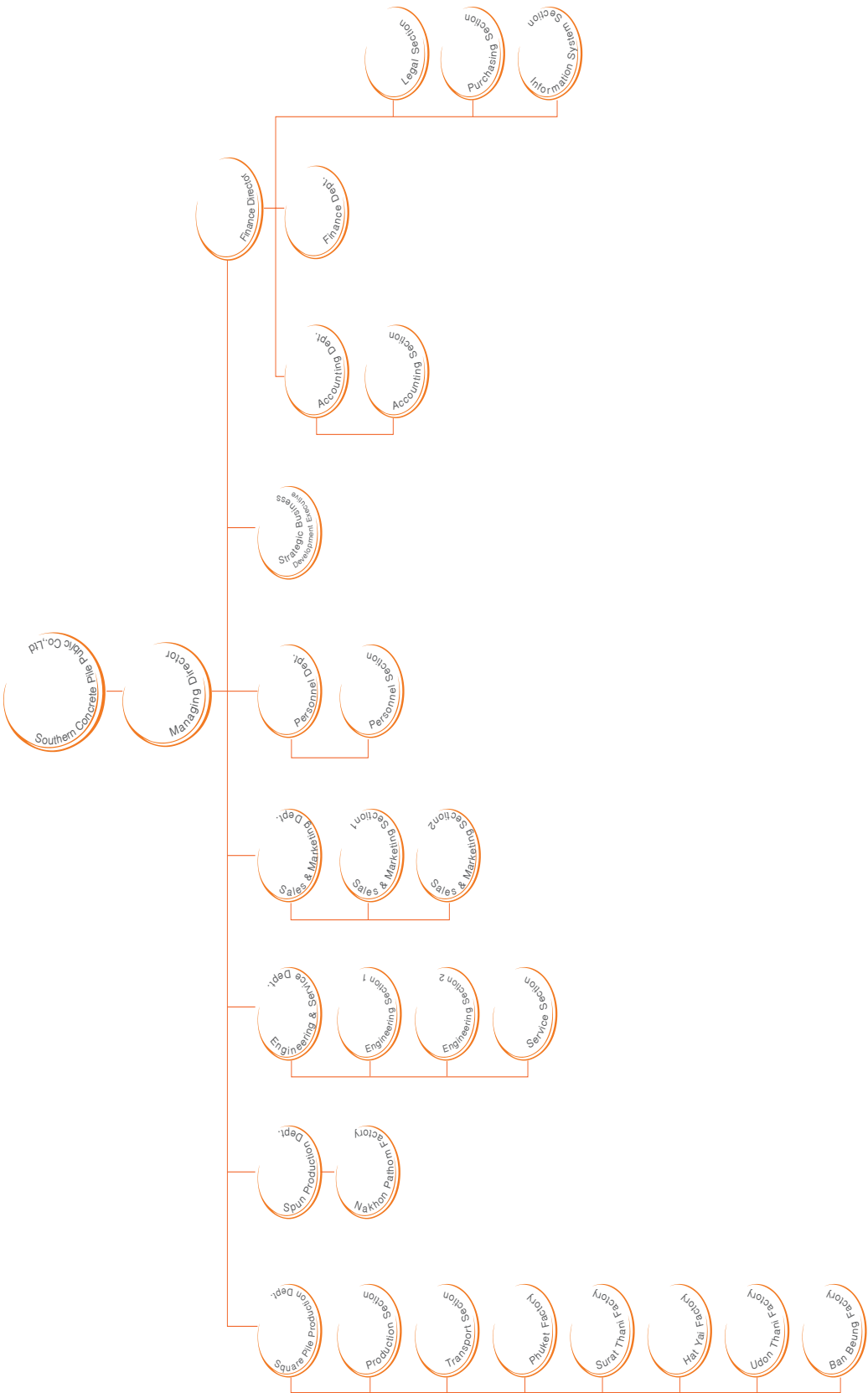
1. Having basic knowledge on business, accounting, laws, rules and regulations in connection with the Company.
2. Having knowledge and understanding on the Principles of Good Governance and Code of Practices of Corporate Governance.
3. Having independence and straightforwardness in performance of duties and in giving advice and opinions.

Scope of Powers and Duties of the Company's Secretary

1. To give primary advice to directors relating to matters of guidelines as per the criteria of the authorities, the Company's rules and regulations; to follow up the correct and consistent compliances; and to report any significant changes to directors.
2. To promote knowledge and understanding relating to corporate governance; to give data to the Board of Directors and to audit the results of compliance with the requirements of such principles.
3. To prepare the meeting agenda, supporting documents for the shareholders' meetings and the Board of Directors' meetings.
4. To convene shareholders' meetings and the Board of Directors' meetings in accordance with the laws, the Company's Regulations and the Code of Practices.
5. To record minutes of the shareholders' meetings and minutes of the Board of Directors' meetings; and to follow up the compliance with resolutions of the shareholders' meetings and with resolutions of the Board of Directors' meeting.

6. To prepare and keep the register of directors, annual reports of the Company, invitations to shareholders' meetings, invitations to the Board of Directors' meetings, minutes of the shareholders' meetings and minutes of the Board of Directors' meetings.
7. To have directors and executives prepare reports of their stake holding and the related parties as per the legal requirements.
8. To keep reports of stakeholding of directors or executives and to send copies thereof to the Chairman of the Board of Directors and to the Chairman of the Audit Committee as prescribed by laws.
9. To supervise the disclosure of data and information reports.
10. To contact and communicate with shareholders for acknowledgment of their rights and the Company's news; and to act as medium between shareholders and the Board of Directors and executives.
11. To follow up the laws, requirements and Code of Practices relating to business operations.
12. To liaise between the Board of Directors and the Company's executives.

Management Structure





PARTICULARS OF THE MANAGEMENT, THE CONTROLLING PERSON AND THE COMPANY'S SECRETARY

Data of Directors, the Management, the Controlling Person and the Company's Secretary:

Particulars of Directors, the Management, the Controlling Person and the Company's Secretary

1. Name Mr. Pongpayome Vasaputi
Position Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director
Age (Years) 70
Date of Appointment 30th April 2012

2. Name Mr. Bonguea Limsuebchuea
Position Audit Committee and Independent Director
Age (Years) 71
Date of Appointment 24th April 2000

Academic Qualifications

- Master of Development Administration (Honor) National Institute of Development Administration
- Bachelor of Arts in Political Science (Honor) Chulalongkorn University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- Roles of The Chairman Program, Finance for Non - Finance Director Program
- Understanding the Fundamental of Financial Statements
- Director Certification Program (DCP 219/2016)

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2012-Present	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
2007-2008	Director, Chairman	EGAT Ratchaburi Electricity Generating Holding (Public) Co., Ltd.
2007-2008	Chairman	Provincial Electricity Authority (PEA)
2006-2008	Permanent Secretary	Ministry of Interior
2009	Deputy Permanent Secretary	Ministry of Interior

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -

Academic Qualifications

- Master of Business Administration National Institute of Development Administration
- Bachelor of Arts in Commerce and Accountancy Thammasat University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP Group No.64/2007)

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2000-Present	Audit Committee and Independent Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
1998-Present	Managing Director	Accounting Data Management Co., Ltd. (Providing consulting, personnel training and development and accounting services)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -

3. Name Mr. Tasanai Atichati
Position Audit Committee and Independent Director
Age (Years) 70
Date of Appointment 13th Nov. 2007

Academic Qualifications

- Bachelor of Arts, Chiang Mai University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2007-Present	Audit Committee and Independent Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
1998-Present	Managing Director	Chlorophyll Co., Ltd.

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -

4. Name Mrs. Arunee Nganthavee
Position Managing Director
(Authorized Director as prescribed in the Certificate)
Age (Years) 65
Date of Appointment 1st Sept. 1995

Academic Qualifications

- Bachelor of Business Administration, University of Denver

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP Group No.2/2003)

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
1995-Present	Managing Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
Present	Director	Chinteik Brothers Company Limited (Operating mines and rubber plantations)
Present	Director	C.B. Estate Co.,Ltd. (Operating Property Development)
Present	Director	C.B. Property Co.,Ltd. (Operating Property Development)

Share-holding Ratio (%) 0.61

Family Relationship between Directors and the Management

Cousin of Directors No.5-7, Aunt of Director No.8, Sister of Executive No.10,
Mother of Executive No.17



5. Name Mr. Thamrong Nganthavee

Position Director

(Authorized Director as prescribed in the Certificate)

Age (Years) 70

Date of Appointment 1990

Academic Qualifications

- Bachelor of Science in Mechanical Engineering Australia

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
1998-Present	Managing Director	Nganthavee Rubber Plantation Co., Ltd. (Operating rubber plantations)
1998-Present	Managing Director	Chinteik Brothers Company Limited (Operating mines and rubber plantations)
1990-Present	Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) 0.34

Family Relationship between Directors and the Management

Cousin of Directors No.4, 6-7 and Executive No.10, Uncle of Director No.8 and Executive No.17

6. Name Mr. Suckchai Nganthavee

Position Director

(Authorized Director as prescribed in the Certificate)

Age (Years) 67

Date of Appointment 13th May 1994

Academic Qualifications

- Bachelor of Science in Urban Planning University of Wisconsin-Green Bay

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
1998-Present	Director	Chinteik Brothers Company Limited (Operating mines and rubber plantations)
1994-Present	Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

Cousin of Directors No.4-5, 7 and Executive No.10, Uncle of Director No.8 and Executive No.17

7. Name Mr. Kitja Nganthavee

Position Director

(Authorized Director as prescribed in the Certificate)

Age (Years) 60

Date of Appointment 1990

Academic Qualifications

- Bachelor of Laws, Thammasat University Barrister-at-Law (Thai Bar), University College of Wales Aberystwyth, LLB, Barrister-at-Law, Grey's Inn,

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- Directors Certification Program (DCP) Group No.26/2003,
- Finance for Non-Finance Directors Group No.4/2003

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2004-Present	Director	Chinteik Brothers Company Limited (Operating mines and rubber plantations)
1999-2004	Director and Audit Committee	ABN AMRO Securities (Public) Co., Ltd.
1990-Present	Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
1987-2003	Lawyer and Partner	International Legal Counselors Thailand Co.,Ltd.

Share-holding Ratio (%) 0.40

Family Relationship between Directors and the Management

Cousin of Directors No.4-6 and Executive No.10, Uncle of Director No.8 and Executive No.17

8. Name Mr. Akapop Nganthavee

Position Director

(Authorized Director as prescribed in the Certificate)

Age (Years) 30

Date of Appointment 11st August 2017

Academic Qualifications

- Bachelor of Science-Finance Major, Oregon State University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2017-Present	Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
2014-2015	Institutional Equity Sales	KGI Securities
2013-2014	Institutional Equity Sales	Phillip Securities
2012-2013	Asset Quality Management	Kasikorn Bank
2012-Present	Director	Nganthavee Rubber Plantation Co., Ltd. (Operating rubber plantations)

Share-holding Ratio (%) 0.044

Family Relationship between Directors and the Management

Nephew of Directors No.4-7 and Executive No.10, Cousin of Executive No.17



9. Name Mrs. Nittaya Chunualsri
Position The Company's Secretary and Senior Accounting Manager
Age (Years) 61
Date of Appointment 13th Aug. 2008 and 1st Sept. 2010

Academic Qualifications

- Bachelor of Arts in Commerce and Accountancy (Finance and Banking), Thammasat University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2010-Present	Senior Accounting Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
2008-Present	The Company's Secretary	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
1996-2010	Accounting Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -

10. Name Miss Tipnara Nganthavee
Position Finance Director
Age (Years) 54
Date of Appointment 10th Mar. 1995

Academic Qualifications

- Master of Business Administration, University of Denver

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
1995-Present	Finance Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) 0.78

Family Relationship between Directors and the Management

Sister of Director No.4, Cousin of Directors No.5-7 and Aunt of Director No.8 and Executive No.17

11. Name Mr. Somsak Wattanatham

Position General Manager, Nakhon Pathom Factory

Age (Years) 63

Date of Appointment 2nd May 1996

Academic Qualifications

- Bachelor of Science in Engineering, Chiang Mai University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
1996-Present	General Manager, Nakhon Pathom Factory	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
1993-2015	Production Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) 0.025

Family Relationship between Directors and the Management

- None -

12. Name Mr. Taweesak Wongsupphachart

Position Square Pile Production Manager

Age (Years) 63

Date of Appointment 1st Jan. 1999

Academic Qualifications

- High Vocational Certificate, Phuket Technical College

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
1999-Present	Square Pile Production Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -



13. Name Mr. Amnuai Emkosa
Position Sales and Marketing Manager
Age (Years) 57
Date of Appointment 1st Sept. 1991

Academic Qualifications

- Master's Degree, Kasetsart University
- Bachelor of Science in Engineering, King Mongkut's University of Technology Thonburi

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- - None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
1991-Present	Sales and Marketing Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -

14. Name Miss Duangdao Sukhavanich
Position Finance Manager
Age (Years) 57
Date of Appointment 1st Sept. 2000

Academic Qualifications

- Master of Business Administration, Siam University
- Bachelor of Economic, Ramkhamhaeng University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- - None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2000-Present	Finance Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -

15. Name Mr. Krisana Sartwathanaroj
Position Engineering and Service Manager
Age (Years) 52
Date of Appointment 1st Jan 2015

Academic Qualifications

- Bachelor of Science in Engineering, Chulalongkorn University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2015-Present	Engineering and Service Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
2005-2014	Engineering Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -

16. Name Miss Tipaporn Rittawa
Position Accounting Manager
Age (Years) 46
Date of Appointment 1st Sept. 2010

Academic Qualifications

- Master of Business Administration, Southeast Asia University

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2010-Present	Accounting Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Share-holding Ratio (%) - None -

Family Relationship between Directors and the Management

- None -



17. Name Mr.Kampanart Petvaroon
Position Strategic Business Development Executive
Age (Years) 31
Date of Appointment 3rd Jan. 2017

Academic Qualifications

- Master of Science in Management, University of Leicester.
- Bachelor of Engineering, Sirindhorn International Institute of Technology.

Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- - None -

Work Experiences

Periods	Positions	Name of Unit/Company/Business Type
2017-Present	Strategic Business Development Executive	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
2014-2016	Management Trainee	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
2011-2014	Analyst	PTT Public Company Limited Energy

Share-holding Ratio (%) 0.005

Family Relationship between Directors and the Management

Son of Director No.4, Nephew of Directors No.5-7 and Executive No.10,
Cousin of Director No.8

Particulars Relating to Executives and the Controlling Persons of the Company

Name		Authorization
1.	Mr. Pongpayome Vasaputi	/, //, ///
2.	Mrs. Arunee Nganthavee	M
3.	Mr. Thamrong Nganthavee	*
4.	Mr. Suckchai Nganthavee	*
5.	Mr. Kitja Nganthavee	*
6.	Mr. Bonguea Limsuebchuea	///, ///
7.	Mr. Tasanai Atichati	///, ///
8.	Mr. Akapop Nganthavee	*
9.	Miss Tipnara Nganthavee	N
10.	Mr. Somsak Wattanatham	~
11.	Mr. Taweesak Wongsupphachart	~
12.	Mr. Amnuai Emkosa	~
13.	Mrs. Nittaya Chunualsri	~, V
14.	Miss Duangdao Sukhavanich	~
15.	Mr. Krisana Sartwathanaroj	~
16.	Miss Tipaporn Rittawa	~
17.	Mr. Kampanart Petvaroon	~

Note :

/ = Chairman of the Board of Directors // = Chairman of the Audit Committee /// = Audit Director /// = Independent Director * = Director
M = Managing Director N = Division Director ~ = Manager V = The Company's Secretary

Remuneration of Directors and Executives

The determination of remunerations of the Company has not passed the Remuneration Committee because, at present, the Company has not yet established the Remuneration Committee; however, the determination of remuneration

of directors has been carefully considered by the Board of Directors' meetings by taking account of roles, duties and responsibilities, including the operating results of the Company to be proposed to the shareholders' meetings for approval.



Amounts of Remunerations in 2017

In 2017, the Company has paid remunerations to directors and executives, as per the following details:

		2017		2016	
Name	Nature of Remuneration	Total Amount (Baht)	Nature of Remuneration	Total Amount (Baht)	
1. Mr. Pongpayome Vasaputi	Meeting allowances and position allowances	440,000.00	Meeting allowances and position allowances	420,000.00	
2. Mr. Bonguea Limsuebchuea	Meeting allowances and position allowances	350,000.00	Meeting allowances and position allowances	340,000.00	
3. Mr. Tasanai Atichati	Meeting allowances and position allowances	332,000.00	Meeting allowances and position allowances	322,000.00	
4. Mrs. Arunee Nganthavee	Meeting allowances and position allowances	310,000.00	Meeting allowances and position allowances	287,000.00	
5. Mr. Thamrong Nganthavee	Meeting allowances and position allowances	160,000.00	Meeting allowances and position allowances	155,000.00	
6. Mr. Suckchai Nganthavee	Meeting allowances and position allowances	250,000.00	Meeting allowances and position allowances	225,000.00	
7. Mr. Kitja Nganthavee	Meeting allowances and position allowances	220,000.00	Meeting allowances and position allowances	235,000.00	
8. Mr. Akamin Nganthavee	Meeting allowances and position allowances	30,000.00	Meeting allowances and position allowances	260,000.00	
9. Mr. Akapop Nganthavee	Meeting allowances and position allowances	190,000.00	Meeting allowances and position allowances	-	
Total		2,282,000.00		2,244,000.00	

Note :-

- Independent directors did not hold any positions in subsidiaries or affiliates of similar classes.

Other remunerations:

- None -

Monetary Remunerations of Executive Directors and Executives

Name	2017		2016	
	Number of persons	Total Amount (M Baht)	Number of persons	Total Amount (M Baht)
1. Executive Directors and the top management				
• Salaries and bonuses	10	32.25	9	29.92
• Other remunerations		4.43		4.09
2. The central management				
• Salaries and bonuses	18	19.98	18	19.45
• Other remunerations		1.63		1.60
Total	28	58.29	27	55.06

Personnel

The Company has totally 1,186 employees. In 2017, the Company has paid remunerations to its employees, amounted to 297 million Baht, including salaries, overtime pay, cost of

living allowances, bonuses, special allowances, social security contribution and provident fund contribution, etc.

2017	Southern Concrete Pile Public Company Limited
Daily employees (people)	850
Monthly employees (people)	271
Executive employees (people)	10
Head Office employees (people)	55
Total (people)	1,186
Employees' remunerations (million Baht)	297

Significant changes of the number of employees during the past 3 years:

- None -

Significant labor disputes during the past 3 years:

- None -

Employee Development Policies

Human resource development is considered as an asset that has the maximum value in the business. Therefore the company considered the development as a long term investment. The company has operated in accordance with the development policies and the circumstances including development of knowledge, skills and attributes of the personnel using tools in development in 2 formats, coaching and knowledge sharing. Knowledge can be applied in practice, particularly in quality development which later would deliver above expectations to clients. This will strengthen the organization, and support the sustainable growth. The Company has prepared Development projects that cover all levels are as follow:

38

1. The development of high-potential employees : the company realizes the importance of the creation and prepares the workforce to support business expansion. The guideline development group of high-potential to employees by determining the appropriate individual development plans.

2. The Key Person Development, the Company is committed to developing and preparing the workforce development group that are critical of the authorities or the Key Person. There are considered by staff with the right qualifications, responsibility, personality, and work behavior with commitment and a positive attitude towards work.

3. In addition to the training of personnel, the Company has been prepared for the importance of training and development of staff for all levels, from management, Supervisor and class action to guide development in accordance with our vision. Enhancing their ability to competitive training for staff at all levels.

4. Considered for undergraduate scholarships to employees' children. In addition, to personal development within the company also recognizes the importance of developing young talent, who will be the main driving force of society in the long term. The company would consider providing scholarships in higher education for the children of the employees have the opportunity to continue their education up to undergraduate degree.

5. The Company has specialty interest in giving the scholarship to the staffs who are interested in the relevant courses to the Company's work field such as safety professional level course.



The Corporate Governance Policy

The Board of Directors has realized the importance of good corporate governance to create transparency; good faith and fairness which will help promote sustainable growth of the Company and to create competitiveness and benefits to all relevant parties. Therefore, the Board of Directors has prescribed the policy frameworks as operational guidelines.

The principles of corporate governance shall be divided into 5 sections, as follows:

1. Shareholders' rights;
2. Equal treatment to shareholders;
3. Consideration of the roles of stakeholders;
4. Disclosure of data and transparency;
5. Responsibilities of the Board of Directors;

The Board of Directors has wished that all relevant parties, executives, employees, including members of the Board of Directors, shall strictly comply with the policy frameworks prescribed, thus, for fair treatment to shareholders and all groups of stakeholders and for the utmost benefits of the Company.

SECTION 1 SHAREHOLDERS' RIGHTS

The Board of Directors has prescribed the policy frameworks for supervision and fair treatment to shareholders, as follows:

1. Rights to attend meetings and to cast votes of all shareholders; provided that, in case, any shareholder is unable to attend meetings in person, he/she may be present in meeting by proxy; whereas, the Company has facilitated shareholders by sending proxy forms to shareholders together with invitations for the meetings;
For convenience in traveling of shareholders, venues of shareholders' meetings shall be located in Bangkok only and must be venues that are convenient for transport.

2. Rights to elect individual directors or to nominate candidates for directorship in the Session of Director Election; the Company shall nominate individual candidates for directorship so that shareholders shall cast their votes and shall provide shareholders an opportunity to nominate other candidates for directorship than those selected by the Board of Directors. Shareholders may notify the Company of their intentions through the Company's website at www.scp.co.th or through the contact person as prescribed by the Company, thus, within the prescribed period prior to the meetings;

3. Rights to propose the meeting agenda or to submit questions in advance; shareholders may propose other meeting agenda than those prescribed by the Board of Directors; or in case, shareholders wish to submit questions relating to the Company, they may propose or submit the same in advance prior to the meetings through the Company's website or to the contact person as prescribed by the Company; In case, any shareholder has inquiries or questions, he/she may inquire in shareholders' meetings; whereas, the Company shall provide expert officers in such matters to answer those questions or to clarify the same to shareholders; and all questions and answers shall be recorded in the minutes of the meetings.

4. Shareholders shall be given with fundamental rights as prescribed by laws;

SECTION 2 EQUAL TREATMENT TO SHAREHOLDERS

The Board of Directors has prescribed its policies for fair and equal treatment to shareholders, as follows:

1. The Board of Directors, executives or employees shall be prohibited to give any data, which shall affect the Company's stock prices, to shareholders individually or in groups; in case, the Company wishes to disclose such data, it shall disclose the same to the general public or through channels that all shareholders shall be notified simultaneously.
2. Storage of inside information which shall affect the Company's stock prices; stakeholders must carefully keep the inside information; in case of storage in an electronic system, the data protection system must be available; and rights of system users must be clearly limited.
3. The use of inside information which shall affect the Company's stock prices must be approved by superiors and consented by superiors of such data owners.
4. The Board of Directors and the top management who wish to trade the Company's stocks shall notify the same to the Board of Directors or to a person assigned by the Board of Directors 1 day in advance prior to the trading of such stocks; provided that it is prohibited to trade the Company's stocks during the period prior to the announcement of significant data which shall affect the stock prices.



SECTION 3 CONSIDERATION OF THE ROLES OF STAKEHOLDERS

In addition to shareholders' rights, the Board of Directors has realized the rights of all groups of stakeholders including customers, business partners, competitors, creditors and employees; and has also realized its corporate social responsibility; whereas, the Board of Directors has jointly prescribed the policy frameworks, as follows:

Customers' Rights

1. To provide customers with good quality and superior products and services at fair prices, the Company has provided the quality audit system at all processes, including the process of purchasing of raw materials which requires the screening of sources of raw materials, testing of quality of raw materials, selection of sellers, auditing of all production processes and testing of quality of products produced from the production lines by particular quality audit teams. In addition to the products, the Company has taken account of service works that should be received by customers quickly and in a timely manner; therefore, the Company has to provide enough trucks and pile drivers and to create trading alliances to support cases of urgent works.

In case, customers have received products or services of poor quality, the Company shall indemnify damages occurred from the use of such products or services or shall allow customers for replacement of products.

2. Process of price proposition for customers' selection; the Company shall provide transparent process thereof without offering a bribe to an officer or employee who is authorized to make decisions relating to the purchase orders so that customers shall receive products at fair prices which are worthy to the products and services received.

Rights of Business Partners/Creditors

1. The Company shall have fair and equal treatment to business partners and suppliers by taking account of utmost benefits of the Company; and it is prohibited to defame or discriminate any vendor.

2. Transparent purchasing scheme with effective internal control preventing the wrongdoing in purchasing procedure

3. Perform under the agreements, regulations and laws strictly, especially the payment term

4. Not supporting the products or act that abuse the intellectual property

5. Manage the Company's fund to comply with the core business operation and objectives to maintain the creditors' trusts in financial status

6. Comply the agreements and payment terms under the possible obligation debt, guaranteed securities and other strictly

7. Notify the vendor in advance when the Company's is not able to comply with the agreements so that the solution would be discussed

Rights of Competitors

1. To treat each other professionally under the rules of constructive competitions without violating the intellectual property or copyrights of others.

2. It is prohibited to insult, defame or accuse competitors or to seek confidential data of competitors by improper methods.

Rights of Employees

1. Employees shall be entitled to develop knowledge and abilities and to improve their potentials; moreover, employees shall be given with welfares in addition to salaries and wages such as the provident fund, the supporting fund for the employee when the employee's relatives death, accident insurance, employee's children scholarship program etc.

2. Employees shall receive fair wage rates (at least according to the minimum wage rates as prescribed by laws).

3. Employees shall be entitled to receive safety protection while staying within factories and while working.

4. The Company shall not take any action which violates human rights or impairs rights and liberties of employees of all races and religions.

5. The Company has the policy to pay the bonus to its employees according to the performance scheme of each factory, overall performance of the Company, the financial status, the cash flow, and cash availability. Also, the employee's performance will be the main consideration of bonus and pay rise. The pay rise will also be determined from the uptrend percentage in the market of that particular year and the economy.

Corporate Social Responsibilities

1. The Company shall not take any action which may cause troubles to the environment or nearby communities; and shall be prepared to support CSR activities.
2. The Company shall not violate intellectual property or copyrights.
3. The Company shall not offer a bribe to a government officer which may promote corruption in the future.
4. The Company shall not offer a bribe to any person for its business benefits.
5. The Company has asked the employees to attend the trainings relevant to safety and environment by rotating to different factories. In 2017, the Company has set up the training:

Course : Occupational Health, Safety and Environment Committee

Course : Fire Safety and Practice at Ban bueng, Phuket, and Udon thani factories

Code of Ethics in Intellectual Property

The Company requires all directors, management and employees to be cautious and careful in using intellectual property, trademarks, patents, trade secrets and other intellectual property as required by law.

Anti-Corruption

1. Employees shall be prohibited to offer rewards, money, articles or any other benefits to the third party or a government officer to abuse powers for any benefits.

2. Employees shall be prohibited to demand and receive money or articles or any benefits from parties involved with the Company, which may result in unlawful acts or omissions.

3. Articles or money received during festive periods must be gathered as common articles; and the Company shall allocate them as may be suitable.

Moreover, the Board of Directors has provided an opportunity for all groups of stakeholders to contact or complain in the event that they have not received fair treatment from the Company's personnel or having witnessed any corruption or abuse of power, by writing a letter of complaint to any member of the Board of Directors or to the Managing Director and sending it to the Company's Head Office; and the Company shall collect facts and shall provide investigation processes as may be suitable; and the Company shall not disclose the name of a whistleblower or a complainant before receiving his/her consent.

SECTION 4 DISCLOSURE OF DATA AND TRANSPARENCY

The Company has revealed the essential information according to the regulations to the supervised units, so that the shareholders will receive the company's information correctly, precisely, transparency and punctual. The Board of Directors and the Board of Audit Committees will revise and ensure the information is correct before the announcement to the public. The information announcement is made available for everyone through the Stock Exchange of Thailand (SET)'s website and the Securities Exchange Commission, Thailand (SEC)'s website, and the Company's website.

Moreover, the Company also provide in-depth information to shareholders, and security analysts. For more information, the Company has provided an investment relations officer so that investors will be able to contact the Company more conveniently at Telephone No.0-2711-5134 Ext.124.

SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. The Board of Directors has jointly determined the policy and principles of good governance to be used as guidelines



for business operations of the Company; and has provided the Code of Conduct so that employees and executives at all levels shall adhere to it as guidance to achieve the Company's goals and objectives for fair treatment to all stakeholders. The Company has disclosed its Code of Conduct on the company's website.

2. The Board of Directors shall be responsible for supervision and follow-up of the operational results to be in accordance with the prescribed policy and manuals.

3. The Board of Directors shall participate in determining the Company's visions and missions, which shall be reviewed in every five years

4. For effective corporate governance, the Board of Directors should assume the office of director in no more than five registered companies.

5. The Board of Directors shall establish an audit committee consisting of three members; and shall also establish an internal audit unit to report to the Audit Committee.

6. The Board of Directors shall convene the Board of Directors' meetings and the Audit Committee's meetings for at least four times a year to consider and approve financial statements and to appoint directors, to appoint or dismiss the auditor, to consider remunerations of the auditor or directors, to consider and approve dividend payments or cancellation of dividend payments before submitting the same to the shareholders' meetings for approval.

7. The Board of Directors shall convene the shareholders' ordinary meeting(s) for at least once a year.

8. The Board of Directors shall, carefully and in good faith, consider and approve transactions with potential conflicts of interests, thus, for the benefits of the Company and its shareholders. Stakeholder directors shall abstain from voting or participating in the decision-making process.

9. The Board of Directors shall, honestly and in good faith,

perform their duties in accordance with the laws and the Company's regulations, as well as resolutions of the shareholders' meetings; and shall protect the Company's interests.

Scope of Position of Chairman of the Board of Directors

In the interest of fair duties in the Company's policy and management, the Chairman of the Board of Director position and Managing Director position would not be the same person in charge.

Role of Chairman of the Board of Directors

The Chairman of the Board of Directors has the role in supervising the Company's policy and the direction of the Company including giving suggestion and supporting the work operation. However, there is no role involving in the Company's operation. Mainly, the Chairman conducts the Committee's meeting and Annual General Meeting (AGM) and supports all committees to be present at the meeting. The Chairman supervises both of the meetings to ensure that all topics have been successfully covered.

Subcommittees

The Company's subcommittee is the Audit Committee established by the Company under the Requirements of the Stock Exchange of Thailand (SET); however, the Nomination and Remuneration Committee has not yet been established because the Board of Directors has considered that the business management within the organisation has not been complex and the organisation is not of large size.

However, the Board of Directors has established committees and subcommittees selected from directors and executive employees at the Head Office and branch offices (factories) to audit, follow up and verify the performances of work of units within the organisation.

Mr. Boonguea Limsuebchuea, an audit director of the Company, has the knowledge and experiences in reviewing the Company's financial statements and experiences in reviewing financial statements from his provision of accounting consultancy and services for more than 30 years, without any business relationship or professional service provision with the Company.

Nomination and Appointment of Directors and the Top Management

Criteria for Selection of Independent Directors

The Company has its criteria for selection of independent directors by selecting those who have knowledge, abilities, experiences and understanding in the Company's businesses and those who have visions and time for performance of duties and qualifications as per definitions of "Independent Directors"; whereas, the Company has considered that the independent directors as above-mentioned are able to properly apply their useful knowledge and abilities to the Company's businesses. (Definitions of "Independent Directors" are equivalent to the Requirements of the Office of the Securities and Exchange Commission (OSEC).

"Independent Directors" shall be referred to as directors who are fully qualified, as follows:

(1) Holding shares not exceeding 1% of the total voting shares of the Company, parent corporation, subsidiaries, affiliates or juristic persons with potential conflicts of interests; whereas, shareholding of persons involved with such independent director shall be included.

(2) Not being executive directors, workers, employees, consultants with regular salaries, controlling persons of the Company, parent corporation, subsidiaries, affiliates, subsidiaries of similar class or juristic persons with potential conflicts of interests (both at present and at least 2 years before being directors), not including cases of former civil servants, consultants of government agencies that are major shareholders or controlling persons.

(3) Not being persons who have blood relationship or legal relationship in terms of parents, spouses, siblings and children, including spouses of children, executives, major shareholders, controlling persons or persons nominated as executives or controlling persons of the Company or its subsidiaries.

(4) Not having business relationship with the Company, parent corporation, subsidiaries, affiliates or juristic persons with potential conflicts of interests in the manner which may impede free exercise of discretion (both at present and at least 2 years before being independent directors).

4.1 Not being auditors, including major shareholders, non-independent directors, executives or managing partners of audit offices (affiliation).

4.2 Not being other professional service providers such as legal advisers, financial advisers, asset valuers, etc., with the value of other professional service provision of more than 2 million Baht per year to the Company, parent corporation, subsidiaries or juristic persons with potential conflicts of interests; and not being major shareholders, non-independent directors, executives or managing partners of other professional service providers.

4.3 Not having received any direct and indirect benefits or having any interests from commercial or business transactions, including normal business transactions, transactions of lease or letting of real property, transactions relating to assets or services or transactions of financial assistances to the Company, parent corporation, subsidiaries, affiliates with the value of at least 20 million Baht or at least 3% of net tangible assets, whichever is lower; whereas, the value of transactions during 1 year before the date of having business relationship shall be included; and not being major shareholders, non-independent directors, executives or managing partners of persons who have such business relationship.

(5) Not being directors appointed to represent directors of the Company, major shareholders or shareholders who are related with major shareholders of the Company.

(6) Not operating businesses of similar condition that are significant competitors of businesses of the Company or subsidiaries; and not being significant partners in partnerships or executive directors, workers, employees, consultants with regular salaries or holding more than 1% of the total voting shares of other companies operating businesses of no other similar condition that are significant competitors of businesses of the Company or subsidiaries.

(7) Not having any other characteristics which may impair freedom to express opinions relating to the Company's business operations; provided that, after having been appointed as independent directors as per qualifications under (1)-(7), independent directors may be assigned by the Board of Directors to make collective decisions relating to business operations of the Company, parent corporation, subsidiaries, affiliates, subsidiaries of similar class or juristic persons with potential conflicts of interests.

Criteria for Nomination of the Company's Directors

Regarding the nomination of the Company's directors, at present, the Company has no nomination committee; therefore, the Company has prescribed guidelines for nomination, as follows:

The Company's Directors shall have qualifications, as follows:

1. Having qualifications and having no prohibited characteristics under the Public Limited Companies Act during the nomination;
2. In case of independent directors; having qualifications relating to independence as per the same guidelines as qualifications of the audit directors under the announcements of the Stock Exchange of Thailand (SET); and having the required knowledge and experiences; and must not be close relatives (such as parents, spouses, children, siblings, uncles/aunts including their spouses) of executives or major shareholders of the Company or subsidiaries; and must not be the Company's executive directors, employees, workers or consultants with regular salaries; and must not be professional service providers to the Company (such as auditors, legal advisers)*.
3. Having knowledge, abilities, experiences, honesty, business ethics and enough time to devote knowledge, abilities, experiences and performance of duties to the Company.

The nomination process shall be as follows:

1. Consider the suitability in terms of the number of members, structure and components of the Board of Directors compared to the Company's businesses and the markets.
2. Consider from shareholders and the third parties by adhering to the principles of qualifications.
3. In case of nomination from the third parties; consider the nomination from eminent persons with different occupational backgrounds and expertise; having leadership, visions, transparent and flawless work history; and having abilities to express opinions independently.
4. The Board of Directors shall jointly consider and nominate candidates for directorship to shareholders for appointment.

Appointment of the Board of Directors

According to the Company's Regulations, the Board of Directors shall consist of at least 5 members; and at least one half of the total number of members of the Board of Directors must be residing in Thailand; and regarding the appointment of members of the Board of Directors, each shareholder shall have the number of votes equal to the number of shares held

and shall cast his/her entire and undivided votes to elect one or several person(s) as director(s); whereas, persons receiving maximum votes shall be respectively elected as directors equal to the number of directors required in such election; and, in case, the number of persons receiving equal votes exceeds to the number of directors required, then, the Chairman of the Board of Directors shall have a casting vote.

Independent directors shall have qualifications as prescribed by the Office of the Securities and Exchange Commission (OSEC); and the Company has provided its shareholders an opportunity to propose the term in office and to nominate persons to be elected as directors.

Removal of Directors

Directors shall be removed from office of directorship by resolutions of the shareholders' meeting passed by at least three-fourth of the total number of shareholders attending the meeting and having the voting rights and representing at least one half of the total number of shares held by shareholders attending the meeting and having the voting rights, or by the Court's order; or in the event that such directors are disqualified or having no prohibited characteristics under the Public Limited Companies Act B.E.2535.

Self-Assessment of the Board of Directors

Board of Directors assessed the performance of both manually and individually according to the guidelines set by the SET. At least once a year, the Company set forth in the Board of Directors Meeting 1/2018 held on February 23, 2018 to the Board of Directors jointly reviewing performance, problems and obstacles during the past year. This also help to enhance the effectiveness of the work of the Committee. The Company Secretary will submit an annual performance evaluation, which is divided into the following 6 topics as follows:

1. Structure and qualifications of the Board
2. The roles and responsibilities of the Board
3. The meeting of the Board of Directors
4. The functions of the Committee
5. Relationship with management
6. The development of the member's self and Executive Director.

In conclusion, results of assessment on the overall in the draft out are well. The self-assessment of the Board of Directors performance is satisfactory.

The valuation of the performance of senior management, performance has been estimated based on the guidelines set by the SET at least one year by the Company are set forth in the Board of Directors Meeting 1/2018 held on February 23, 2018 by the assessment is divided into 10 topics include:

1. Leadership
2. Strategy
3. Compliance Strategy
4. Planning and Financial performance
5. Relations with the Committee
6. Relationships with external
7. Management and relationships with personnel
8. The succession
9. Knowledge of products and services
10. Personal attributes

Concluded that, the overall performance of the Executives are on the good level. The performance is satisfactory.

The roles and responsibilities of the Board of Director Development

The Board of Directors has promoted and facilitated the organization of training and giving of knowledge to parties involved in the corporate governance system of the Company. In case of recruitment of new directors, the new directors shall always be introduced relating to the nature and guidelines of the Company's business operations.

Committee Policy

1. Encourage and support the Company's acts according to the good governance
2. Encourage and support the Company to improve the knowledge and skills to all employees for the employees' selves and company
3. Encourage and support the Company and the employees to have good consciousness, responsibility to society, surroundings and environment
4. The committees would support the board of directors to meet the set objectives, but the committees will not intervene the board of directors' tasks.
5. The committees must the role models for the employees, and not sharing the Company's essential information among their friends.

6. The committees must report the holding, buying, selling, receiving, transferring the Company's security to the Company immediately that the transaction is made and report to the Stock Exchange of Thailand (SET) accordingly.

7. For the performance of assessment work, the committees including the Company's CEO would not be able to hold these types of position more than five registered companies.

8. The committees is not allowed to vote in the agenda that relating to the committees' interests.

9. The committees must be careful and act fairly according to all transactions that could lead to self-interest or benefit to special groups. The committees must not vote in these agenda and must not give any opinions relating to these matters.

10. The voting in any committee meeting, the number of committees must be less than two third number of committees.

Succession Plan

The succession plan in the management level positions, the Committees would consider from the personal work and potential. Moreover, the experience in the work field would also be taken into the account and making sure that the work experience and the work scope are relevant. The Company is selecting and preparing the succession personels through developing knowledge and ability needed to suit with the future roles. The Company is also running the knowledge management program to transfer the knowledge, experience and traning to the successors for smooth transition and continuous operation in the future.

Supervision of Operations of Subsidiaries and Affiliates

- None -

Control of Insider Trading

shall not use the Company's data for their own benefits and for the benefits of others; or shall not make others misunderstand that they have used the Company's data though the Company may not be disadvantaged; for examples, by purchasing the Company's shares when the operating results of the Company will be announced or dividends will be paid or a new project will be launched or any action will be taken which may result in changes in stock prices or acquisition of land or business investment in areas nearby the sites where the Company shall construct or expand its factories, offices or other workplaces



in a manner of potentially seeking benefits for themselves or for others and cautions on the giving of data to colleagues or to the third parties (“insider information” means the information which has not yet been disclosed to the general public or the information which is available for the sole objective of the Company and not available for personal use, including the information kept temporarily undisclosed by the Company such as data from financial statements, dividend payment, which have not yet been submitted to the Stock Exchange of Thailand (SET), etc.); and has prescribed the disciplinary actions in the Company’s Regulations, in case, the insider information has been used for personal benefits.

This also included the committees and directors to report the changes of the Company’s security in their hands to the Securities and Exchange Commission (SEC) according to Section 59 in Securities and Exchange Commission Act B.E. 2535. For more details please see 56-1 document and annual report 56-2 through the Stock Exchange of Thailand’s website and the Company’s website.

Compensation policy

The Company has clearly indicated the remuneration complying to the role, responsibility, the Company’s performance and individual performance. Although, the Company currently has no nomination and remuneration committee in human resource management, but the Company has sufficient control, follow-up and assessment in recruiting the qualified personal. Also the recruited personels would have the designed ability, fair remuneration, job description, work standard and good communication to ensure the personels would be trained and developed to the full potential through the Company’s assessment in fair remuneration. These would be assessed through the individual assessment and potential.

Remuneration of Committee

The Company has clearly set the committee’s remuneration complying to each role, duty and responsibility. The remuneration would be passed for the approval in the Annual General Meeting (AGM).

Short and Long Term Remuneration of Committee

The short and long term remuneration would be passing the approval annually. The remuneration would be according to the role, duty, responsibility and performance.

Remuneration of Directors

The remuneration of directors would go according to the planned principle and policy which comply to the Company’s performance and individual performance.

Audit Fee

The 2017 Annual Ordinary Meeting of Shareholders has passed its resolution to approve the appointment of Miss Suphaphorn Mangjit Certified Public Accountant no.8125 or Mrs. Somjintana Pholhirunrat Certified Public Accountant no.5599 or Mr.Nopparoeek Pissanuwong Certified Public Accountant no.7764 of DIA International Auditing, as the Company’s auditor; and to approve the audit fee for the year 2017; whereas, the Company has paid the audit fee as per the Form of Verification of Payment of Audit Fee for the years ended on 31st December 2017, as follows:

Remunerations for the Year 2017

1. Audit Fee

The Company shall pay the audit fee to:

- The Company’s auditor for the previous accounting period amounted to 1,290,000 Baht;
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to - Baht.

2. Non-audit Fee

The Company shall pay the non-audit fees, including travelling expense, duty stamps and the like to:

- The Company’s auditor for the previous accounting period amounted to - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.

Remunerations in 2016

The 2016 Annual Ordinary Meeting of Shareholders has passed its resolution to approve the appointment of Miss Suphaphorn Mangjit Certified Public Accountant no.8125 or Mrs. Somjintana Pholhirunrat Certified Public Accountant no.5599 or Mrs.Vilairat Rojnakaran Certified Public Accountant no.3104 of DIA International Auditing, as the Company's auditor; and to approve the audit fee for the year 2016; whereas, the Company has paid the audit fee as per the Form of Verification of Payment of Audit Fee for the years ended on 31st December 2016, as follows:

1. Audit Fee

The Company shall pay the audit fee to:

- The Company's auditor for the previous accounting period amounted to 1,290,000 Baht;
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to - Baht.

2. Non-audit Fee

The Company shall pay the non-audit fees, including travelling expense, duty stamps and the like to:

- The Company's auditor for the previous accounting period amounted to - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.

Compliance with the Principles of Good Governance

- None -



Corporate Social Responsibilities (CSR)

Policy Overview

Throughout the period of 38 years, the Company has been growing and developing continuously and has created business opportunities and has been well prepared to cope with situations. These achievements would not be obtained without the Company's strong foundation; therefore, the Company has realized the significance of business operations with corporate social responsibilities, including fair business operations, anti-corruption, respects for human rights, fair treatment to labor, responsibilities to consumers, environmental protection, participation in community or social development, creation of innovation and dissemination of innovation obtained from CSR operations, thus, for sustainable businesses and society as a whole.

Operations and Preparation of Reports

The Company has prescribed guidelines for its CSR operations, as follows:

1. Fair Business Operation: The Company has adhered to the principles of good governance and has taken actions continuously by supporting the organization of activities that promote and implant ethical consciousness to executives and employees within the organization; and has also given the importance to communication, dissemination of the code of conduct and the principles of good governance, fair treatment to all stakeholders; and has notified all employees within the organization relating to the disciplinary actions prescribed in the Company's Regulations for acknowledgment and compliance.

2. Anti-Corruption: The Company has given the importance to the correctness and transparency; and the Company's policy of business operation shall not be against the law; and the Company has implanted the principles of correctness and transparency all employees; and all employees shall not take any actions against the laws, morality, rules and regulations. Therefore, the Company has prescribed the guidelines for prevention and control of corruption in the Anti-Corruption Policy and in the Company's Code of Conduct, which have been approved by the Board of Directors; for examples, no seeking of corporate benefits, no receipt of benefits and having no financial involvement with persons who have business transactions with the Company, and guidelines for receipt of customary gifts from persons who have business transactions with the Company, etc.; moreover, the Company

has provided channels of reporting and has prescribed the penalties for any violation thereof. For more details, please see the Company's website.

3. Respects for Human Rights: The Company has realized and respected human rights, individualism and human dignity, equality, non-discrimination against all stakeholders; and the Company has been committed to manage businesses for better living conditions of all groups of the related parties in the businesses.

4. Fair Treatment to Labor: Since personnel resources are valuable to its business operations, the Company has therefore prescribed its policy of fair treatment to labor by supporting importance, encouragement, and leadership according to the ten good factors in the organization. Moreover, the Company has built a new building, improved the existing ones for the workers. These greatly help to improve their basic needs, including the health and safety standard.

5. Responsibilities to Consumers: The Company has particularly given the importance to its responsibilities to customers; and has therefore controlled the products in accordance with its quality policy and with international standards; and has strictly complied with agreements made with its customers in a transparent, equal and fair manner, thus, for utmost customer satisfaction.

6. Environmental Protection: The Company has realized the importance of environmental protection by taking account of impacts on natural resources and the environment; and has campaigned for employees' use of resources with utmost efficiency and for prevention of loss or wasteful consumption. The Company has introduced the Lean Manufacturing System into management and production continuously. This system aims to minimize the wastes and losses in each production stages or known as 'The 7 Factors of Loss Management'.

7. Participation in Community or Social Development: The Company has supported the organization of activities and consistent participation in community and social development both in areas where the Company's factories are located and in other areas. The Company helps to support the Children's Day in the schools nearby the factories throughout the country.

8. Creation of Innovation and Dissemination of Innovation
Obtained from CSR Operations: Innovation is a key factor for development and enhancement of potentials and competitiveness in the changing condition of industries and economic fluctuation; therefore, the Company has prescribed its policy to regularly organize activities to urge its employees to create innovation or improve their work efficiency and effectiveness. From 2014, the Company has introduced the Hydraulic Static Pile Driver as a means of pile installation. This innovation has helped the Company to install the piles into the ground without the vibrations and limited noises. This is a friendly innovation to the environment and surroundings and creates the satisfactory among the nearby job sites.

Business Operations with Impacts on Corporate Social Responsibility

There is none of the Company's business operation significantly affecting social responsibility over the concerned period.

CSR Activities

The Company has improved the landscape in the compound of factories by emphasizing the occupational health and safety in workplaces, building roofs covering the production platforms, Big Cleaning day (5S Conquering Program) to improve the work environment through cleanliness and tidiness. This improved work environment help to promote the efficiency and safety in the production line every year. On the study side, the Company has supported the employees to improve their skills through the following courses:

- 7 Steps to be an effective salesperson
- Skill development for piling rig inspector
- Structural design analysis
- Safety, occupational health and working environment for general practitioners
- Safety for piling rig controller and operator

Moreover, the Company has given different supports and contributions to religious merit making activities; and has continuously promoted its employees' participation in such activities. The Company has funded the government agencies; for examples, Weingsra Crown Prince Hospital Foundation to be dedicated to His Majesty King Bhumibol Adulyadej, and the National Sermon for 100th anniversary of Chulalongkorn University etc. The Company is committed to organize the CSR activities with its full capacities and according to the current situations.



Internal Control and Risk Management

Internal Control

The Company foresees the importance of the Company's work system. Therefore, the Company is focusing on the appropriate internal control to comply to the good governance and The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The internal control sets the Company should have effective directors and operation personals with clearly stated responsibility and authorization. The Company's assets should be managed effectively for the best results. In addition, the balance of roles and powers to ensure the Company's capital from shareholders are protected. The internal control also focuses on the financial related matters by setting the financial command line to ensure the effectiveness, law and regulation compliance and compliance control.

in the industry, the risk management would reduce the risk to the acceptance level and minimize the losses. Hence, the Company has the following policy:

1. Support and giving understanding to all personals for the mutual interest in the risks
2. Creating knowledge bases for sharing for improvements and effective risk managements
3. Creating operations, directions and standards for effective risk management
4. Mutual responsibility in risks from the directors to the personals, including the responsibility, control and risk effect assessment
5. Analyze, assess, follow-up and manage the risks routinely and continuously with risk assessment development to comply with the changing business environment
6. Giving the risk management information and procedures to all personals

Risk Management

Risk management aims to maintain the Company's effectiveness, performance, goals and objectives under the changing economic, financial, society and law. This is not to mention the competition

Related Transactions

(1) Sale of Products and Services

	Name and Relationship	Nature of Transactions	Value (M Baht)	Necessity and Validation	Pricing Policy
1.	Phuket Ready Mix Company Limited In November 2007, The Company has sold all shares to the existing shareholders.	Sale of raw materials Purchase of ready-mixed concrete of use in construction works	0.50	The Company is confident in product quality	Market prices; 30-day Credit, Price comparison similar to other suppliers
2.	Thai Wire Products Public Company Limited (The Company registered its shareholding of 9.99%)	Purchase of raw materials	94.66	Being a major manufacturer; having consistent quality of products and meeting the required standards of the Company	Market prices; 90-day credit
3.	Nganthavee Sales Company Limited Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of general materials	0.31	The Company is confident in product quality	Market prices; 30-day Credit, Price comparison similar to other suppliers
4.	Nganthavee Service Company Limited Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of diesel oil	0.10	Convenient in using services	Market prices; 30-day Credit
5.	Chinteik Brothers Company Limited Major shareholders are of the same group, i.e., Nganthavee Group holding 89.45% shares	Rentals of land	4.68	Convenient transport	Prices as agreed
6.	Surat ready-mixed Co.,Ltd. The Company had already sold all the shares in November, 2014	Sales of general material installing prestressed concrete products, and repair works	1.17 31.09	Convenient in using service	Market prices Market prices

* Phuket Ready Mix Company Limited and Nganthavee Sales Company Limited were registered for dissolution on 28th August 2017 and 1st September 2017, respectively.

All of the Related Transactions had agreed from Audit Committee already and continue from previous years.

(2) Balances from Sale of Products and Services

- Outstanding debtor balances have been disclosed in the Notes to Financial Statements as of 31st December 2017, Clause 4.
- Outstanding creditor balances have been disclosed in the Notes to Financial Statements as of 31st December 2017, Clause 4.



Financial Ratio 2017

Liquidity Ratio

		2017	2016	2015
Liquidity Ratio	(Time)	4.63	3.95	3.97
Quick Ratio	(Time)	3.87	3.29	3.39
Cash Flow Liquidity Ratio	(Time)	0.68	0.97	1.18
Account Receivables Turnover Ratio	(Time)	4.07	4.68	5.11
Collection Period	(Days)	88.51	76.93	70.40
Inventory Turnover Ratio	(Time)	4.71	5.64	7.60
Average Day Sales	(Days)	76.40	63.88	47.36
Account Payables Turnover Ratio	(Time)	4.28	4.46	5.59
Payment Period	(Days)	84.11	80.80	64.41
Cash Cycle	(Days)	80.79	60.01	53.35

Profitability Ratio

		2017	2016	2015
Gross Profits	(%)	30.57	31.30	31.45
Operating Profits	(%)	19.15	21.28	21.73
Net Profits	(%)	14.43	16.48	16.74
Other Profits	(%)	1.33	2.23	1.52
Earnings per Share Ratio	(%)	12.95	15.62	19.23
Cash to Earnings Ratio	(%)	68.39	83.36	83.95

Efficiency Ratio

		2017	2016	2015
Return on Assets Ratio	(%)	10.73	12.82	15.68
Return on Fixed Assets Ratio	(%)	47.36	67.07	76.35
Assets Cycle	(Time)	0.74	0.78	0.94

Financial Policy Ratio (Consolidated Financial Statements)

		2017	2016	2015
Debts to Equity Ratio	(Time)	0.21	0.22	0.23
Interest Coverage Ratio	(Time)	60.64	80.76	93.76
Debt Service Coverage Ratio	(Time)	1.75	1.75	1.67
Debt Service Coverage Ratio (Cash Basis)	(Time)	1.52	1.84	1.77
Dividend Payment Ratio (Calculated from Separate Financial Statements)	(Time)	51.51	39.36	40.96

Per-share Data and Growth Rate

Per-share Data (Par Value = 1 Baht)		2017	2016	2015
Book Value per Share	(Baht)	6.00	5.69	5.08
Earnings per Share	(Baht)	0.78	0.89	0.98
Dividend per Share	(Baht)	0.40	0.35	0.40

Growth Rate

Growth Rate		2017	2016	2015
Total Assets	(%)	4.31	11.38	10.05
Total Liabilities	(%)	(0.51)	8.16	1.79
Income from Sale or Service	(%)	0.64	(8.16)	(1.10)
Operating Expenses	(%)	4.45	0.24	0.77
Net Profits (Loss)	(%)	(12.67)	(8.95)	(11.78)



Summary the company performance in 2017

Southern Concrete Pile Public Company Limited (the company hereafter) reports the company's performance of 2017 compared to 2016 and 2015. The details of company performance are as follows:

Overall performance in 2017

The real estate, public and private projects were in the uptrend, but they were focused in the particular areas. This affected the overall company's as follows:

- Revenue of 1,614.078 million Baht, decreased by 0.28% yoy (consisted of sales income of 1,223.516 million Baht (increased by 3.52% yoy), service income of 369.168 million Baht (decreased by 7.87%), and other income of 21.394 million Baht (decreased by 40.69%))
- Cost of goods sold and service 1,105.761 million Baht, or 69.43% of revenue, increased 0.73% yoy
- Gross profit reduced to 486.923 million Baht, or 30.57% of revenue, decreased by 0.73% yoy
- Net profit reduced to 232.961 million Baht, or 14.43% of revenue, decreased by 2.05% yoy
- Dividend 0.40 Baht/share, or 51.51% of profit

Thousand Baht		YEAR						YoY			
		2017/2016		2016/2015							
		2017	%	2016	%	2015	%	+ / -	%	+ / -	%
Revenue	Revenue from sales	1,223,516	76.82%	1,181,870	74.68%	1,324,097	76.84%	41,646	3.52%	(142,227)	(10.74%)
	Revenue from rendering of services	369,168	23.18%	400,688	25.32%	399,040	23.16%	(31,520)	(7.87%)	1,648	0.41%
	Total Revenue	1,592,684	98.67%	1,582,558	97.77%	1,723,137	98.48%	10,126	0.64%	(140,579)	(8.16%)
Other income		21,394	1.33%	36,070	2.23%	26,654	1.52%	(14,676)	(40.69%)	(9,416)	35.33%
	Total Revenue	1,614,078	100.00%	1,618,628	100.00%	1,749,791	100.00%	(4,550)	(0.28%)	(131,163)	(7.50%)
Cost	Cost of sales	824,809	67.41%	783,727	66.31%	886,273	66.93%		1.10%		(0.62%)
	Cost of services	280,952	76.10%	303,472	75.74%	294,919	73.91%		0.36%		1.83%
	Total Cost of sales and rendering of services	1,105,761	69.43%	1,087,199	68.70%	1,181,192	68.55%		0.73%		0.15%
	Gross Profit	486,923	30.57%	495,359	31.30%	541,945	31.45%		(0.73%)		(0.15%)
Selling and administrative expenses		203,371	12.60%	194,702	12.03%	194,232	11.10%		0.57%		0.93%
	Profit before interest & tax	304,946	18.89%	336,727	20.80%	374,367	21.39%		(1.91%)		(0.59%)
Finance costs		5,029	0.32%	4,174	0.26%	3,993	0.23%		0.06%		0.03%
Income tax		66,956	4.15%	65,806	4.07%	77,403	4.42%		0.08%		(0.35%)
	Net profit for the year	232,961	14.43%	266,747	16.48%	292,971	16.74%		(2.05%)		(0.26%)
	EBITDA	350,929		378,437		414,745					
	Basic earnings per share (Baht)	0.78		0.89		0.98					
Dividend Summary - Baht per share		0.40		0.35		0.40					
Payout Ratio (% of Net Profit)		51.51%		39.36%		40.96%					
Dividend Yield (%)		4.00%		4.47%		3.09%					

Total Revenue

During 2015-2017, the company had the total revenue from the sale income and service income at 1,723.137 million Baht, 1,582.558 million Baht and 1,592.684 million Baht, or reduction of 1.10% yoy, 8.16% yoy and 0.64% yoy respectively. The performance had been declining because

the new private and public projects were developed in the particular areas under the fierce competitions which led to lower selling prices. Nevertheless, in 2017, the company was awarded in the major projects such as MRT Orange Line (Thai Cultural Centre - Min Buri (Contract 5), Bang Yai - Karnchanaburi and

Bangpain - Saraburi Nakornratchasima Motorway (Section 6), Bangkok - Karnchanaburi Motorway, Khlong Sip Kao - Kaeng Koi Double Track Project, PTTGC Olefin Refinery, Continental Tyre Plant, Thammajedi Museum Ban - Tak Temple, South Bangkok Power Plant etc. (more information could be found on 2017 56-1 documents)

The other income was mainly from the bad debt receipt, dividend from available for sale security, interest from mutual funds and gain on disposal of equipment etc. During 2015 - 2017, the company had other income of 26.654 million Baht, 36.070 million Baht, and 21.394 million Baht respectively. The other income in 2017 had reduced by 14.676 million Baht yoy or 40.69% yoy. This was because the bad debt receipt reduced to 0.929 million Baht, dividend of 1.618 million Baht and there was no asset selling activity compared to 2016, the company had bad debt receipt of 5.986 million Baht, dividend of 2.967 million Baht and gain on disposal of equipment of 1.152 million Baht.

Cost and Expenses

During 2015-2017, the company had the cost of goods sold at 66.93%, 66.31% and 67.41% respectively, decreased by 0.62% yoy in 2016 and increased by 1.10% yoy in 2017. The cost of goods sold had been decreasing in the first two years due to the lower raw material prices especially the steel price. However, the steel price had changed to the uptrend in 2017 and resulted in higher cost of goods sold in the past year. The cost of services were at 73.91%, 75.74% and 76.10%. This is mainly because the fiercer competition resulting in lower selling prices.

Selling and administrative expenses during 2015 - 2017 were 11.10%, 12.03% and 12.60% respectively. These clearly showed that each year had a slight increase. This was because the company set the doubtful account of 4.661 million Baht, 1.079 million Baht and 6.616 million Baht respectively.

From the above information, these reflected the EBITDA in 2017 reduced to 350.929 million Baht from previously at 378.437 million Baht and 414.745 million Baht in 2016 and 2015 respectively.

Profit

In 2017, the company had the net profit of 232.961 million Baht or profit of 0.78 Baht per share and reduced by 14.43% yoy due to the lower product selling prices and higher material costs. In 2015-2016, the company had the net profit of 292.971 million Baht and 266.747 million Baht respectively or profit per share of 0.98 Baht and 0.89 Baht respectively, and equivalent to 16.74% and 16.48% respectively.

From the above information, the retained earnings increased to 1,462.432 million Baht, consisted of legal reserve of 30.000 million Baht and unappropriated of 1,432.432 million Baht.

Statements of Financial Position

As of 31 December 2017, the company had the total asset of 2,171.249 million Baht, increased from 2015 and 2016, which were at 1,868.756 million Baht and 2,081.512 million Baht respectively. The 2017 increment was partly from the current assets in cash and cash equivalents, current investments, account receivable and inventories. The current investment increased to 179.457 million Baht, which consisted of 4-12 month short-term deposit, mutual fund, cash on hand, account receivable of 53.404 million Baht and inventories increased to 41.748 million Baht and mainly were the raw materials for upcoming projects.

Non-current assets decreased in available-for-sale investments of 41.542 million Baht, proceeds from sale of available-for-sale investments of 446.281 million Baht and increased of property, plant and equipment 123.138 million Baht.

In 2017, the returns from fixed assets and return rate of fixed asset and fixed asset turnover ratio reduced to 10.73%, 47.36% and 0.74 times respectively. In 2016, the values were 12.82%, 67.07% and 0.78 times respectively. In 2015, the values were 15.68%, 76.35% and 0.94 times respectively. This was from the lower sales according to the market condition.

Statements of Cash Flows

As of 31 December 2017, the company had the net cash increased to 203.119 million Baht from 137.365 million Baht. The amount incurred from the net cash from operation 208.556 million Baht, deducted by investing activities of 21.262 million



Baht and investing in financing activities of 121.539 million Baht. The net cash partly increased from the operation of account receivable of 58.123 million Baht, merchandise inventory of 41.988 million Baht as raw materials for upcoming projects. The net cash from operation of investing activity in property, plant and equipments of 174.258 million Baht and investing

and selling the available-for-sale investments of 144.947 million Baht. The property, plant and equipment was mainly the building, machinery, accessory in spun pile factory in Chonburi and the machinery, mould, building repair works. The net cash from financing activity for dividend pay out of 105 million Baht and finance lease payment 14.858 million Baht.

Financial Ratios

Financial Ratios	2017	2016	2015
Current Ratio (times)	4.63	3.95	3.97
Cash Cycle (Day)	80.79	60.01	53.35
Return on Equity (%)	12.95	15.62	19.23
Return on Assets (%)	10.73	12.82	15.68
Debt to Equity (times)	0.21	0.22	0.23

From the current ratio and cash cycle analysis, during 2015-2017, the company has a satisfied current ratio and had all ability to pay back the short-term debts. For the return on equity and return on assets had decreased due to the lower sale income.

For the debt to equity ratio (D/E) during 2015-2017 were 0.23 times, 0.22 times and 0.21 times respectively and been decreasing in the past 3 years due to the payback of financial lease liabilities.

Dividend Payout

For the 2017 performance, the committee meeting on 23rd February 2018 has agreed to payout the dividend of 0.40 Baht per share, total of 120 million Baht.

Report of the Audit Committee

Dear Shareholders,

There are three audit committees as follow:

- | | | | |
|----|---------------|--------------|---|
| 1. | Mr.Pongpayome | Vasaputi | Position: Chairman of the Audit Committee |
| 2. | Mr.Bonguea | Limsuebchuea | Position: Audit Committee |
| 3. | Mr.Tasanai | Atichati | Position: Audit Committee |

All three audit committees are qualified for committee capability. Mr. Bonguea Limsuebchuea is experienced in accounting and has the ability to review the financial accounts before the committee approval. This complies with The Securities and Exchange Commission (SEC) standard as follows:

- Review the quarterly financial accounts in 2017 and 2016 before the committee approval
- Attend the company's board of director meeting and accounting auditors four time annually to review the company's performance and other operations and follow up the auditors' comments
- Analyse the internal control; the Committee agreed that the company has a satisfied internal control. However, the company has appointed an extra third party to review focusing on the risks and company's operations starting from 2018. This will lead the company for a better risk management and governance.
- Consider the accounting auditors for 2017, and designate the auditors from DIA International Audit Co.,Ltd. and the three auditors from the auditing firm is as follows:

Miss Suphaphorn	Mangjit	Certified Public Accountant no.8125 or
Mrs. Somjintana	Pholhirunrat	Certified Public Accountant no.5599 or
Mr.Nopparoe	Pissanuwong	Certified Public Accountant no.7764.
Total amount of 1,290,000 Baht		

The committee members agreed that the company's operations in the past year were complied with the laws and regulations and under a good governance. The financial statement and account were informative and transparency.

On behalf of the Audit Committee



(Mr.Pongpayome Vasaputi)

Chairman of the Audit Committee



Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors is responsible for the financial statements of Southern Concrete Pile Public Company Limited, which the said financial statements have been provided in accordance with the Thai Financial Reporting Standards and Generally Accepted Accounting Principles (GAAPs). Proper accounting policies have been selected and consistently used with careful discretion and precision relating to the provision. The company has disclosed sufficient significant data in transparent manner in the Notes to Financial Statements, which the auditor has audited and unconditionally agreed the auditor report.

The Board of Directors is in charge of supervision maintain the good governance, proper risk management system, and effective internal control system in accordance to relevant laws and regulations. These are to ensure that its financial statements are correct, complete, and adequate to maintain its assets and to significantly prevent or reduce potential risks from corruption or abnormal business operations. In this regard, the Board of Directors has appointed the Audit Committee, which consists of non-executive directors and independent directors, to be the responsible persons for the quality and effectiveness of the financial statements and the internal control system. The Audit Committee has given opinions about the said matter in the Auditor's Report, as appeared in this year's Annual Report.

The Board of Directors has their opinions that the Company's internal control system has sufficiency and appropriateness with reasonable assurance that the financial statements of Southern Concrete Pile Public Company Limited for the year ended on 31st December 2017 reflect the Company's financial positions, financial performance, and cash flows that are significantly correct as per the generally accepted accounting standards.

Mr. Pongpayome Vasaputi
Chairman of the Board

Ms. Arunee Nganthavee
Managing Director

Independent Auditor's Report

To the Shareholders of Southern Concrete Pile Public Company Limited

Opinion

I have audited the financial statements of Southern Concrete Pile Public Company Limited which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Southern Concrete Pile Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters included auditing procedure are as follows.

- Allowance for doubtful accounts

As at December 31, 2017, the Company has material amount of accounts receivable Baht 443 million as stated in note to financial statements No. 7 stated at the amount of invoice less allowance for doubtful accounts. In determining of providing allowance for doubtful accounts by historical information, There is an uncertainty of overdue payment in spun pile industry and judgment must be made by each of client. The Management has indicated inevitable uncertainty of the chance of payment collection from client and the expected amount of returned goods since assumption and other factors must be considered such as financial position of client and payment analytical.



I have obtained an understanding and assessed the reasonableness of assumption and the accuracy receiving payment statistic in the past including performed testing the accuracy of information for used in the assumption made by the management.

- Various revenue recognition and different delivery conditions

The Company has various revenue recognitions such as revenue from sales and revenue from sales including service. It may have an error in revenue recognition in revenue from sales including service which is a major revenue and has many construction sites. It may take risk from receiving incorrect information by gathering information from construction sites for revenue recognition. Accordingly, I have addressed as key audit matter.

I have obtained an understanding revenue recognition process of revenue from sales including service and related internal control system by reviewing the design and implementation of internal control procedure in gathering information for revenue recognition including performing substantive test by included

- Review condition of sales and service agreement and perform revenue cut-off at the end of period.
- Observe inventories physical count at construction sites and examine daily work report and compare with accounting record.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D I A International Audit Co., Ltd.

(Ms. Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

February 23, 2018

Statements of Financial Position

Southern Concrete Pile Public Company Limited
As at December 31, 2017

		2017	2016
Assets	Note	(in Baht)	
Current assets			
Cash and cash equivalents	5	203,119,689	137,365,278
Current investments	6	570,272,000	456,569,947
Trade accounts receivable and other current receivables	4, 7	391,568,225	338,164,201
Inventories	8	234,669,399	192,920,852
Retention receivables		19,725,704	23,559,382
Total current assets		1,419,355,017	1,148,579,660
Non-Current Assets			
Available-for-sale investments	9	112,218,080	412,249,517
Property, plant and equipments	10, 25	589,031,824	459,893,812
Restricted deposit at banks	25	22,810,496	28,592,601
Other non-current assets	11	27,834,276	32,196,602
Total non-current assets		751,894,676	932,932,532
Total Assets		2,171,249,693	2,081,512,192



Statements of Financial Position (Continue)

Southern Concrete Pile Public Company Limited

As at December 31, 2017

		2017	2016
		(in Baht)	
Liabilities and equity	Note		
Current liabilities			
Trade accounts payable and other current payables	4, 12	258,358,994	244,002,287
Current portion of financial lease liabilities	13	18,226,353	14,532,267
Accrued income tax		29,903,430	32,056,031
Total current liabilities		306,488,777	290,590,585
Non-current liabilities			
Financial lease liabilities	13	8,317,635	25,951,604
Deferred tax liabilities	14, 20	3,749,473	6,474,232
Non-current provisions for employee benefits	15	53,188,257	50,622,693
Total non-current liabilities		65,255,365	83,048,529
Total liabilities		371,744,142	373,639,114
Equity			
Share capital			
Authorized share capital		300,000,000	300,000,000
Issued and paid-up share capital		300,000,000	300,000,000
Retained earnings			
Appropriated			
Legal reserve	16	30,000,000	30,000,000
Unappropriated		1,432,432,159	1,305,443,158
Other components of equity		37,073,392	72,429,920
Total equity		1,799,505,551	1,707,873,078
Total liabilities and equity		2,171,249,693	2,081,512,192

Notes to financial statements are parts of these financial statements.

Statements of Comprehensive Income

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

		2017	2016
	<i>Note</i>	<i>(in Baht)</i>	
Revenues			
Revenue from sales	4	1,223,516,731	1,181,869,977
Revenue from rendering of services		369,167,714	400,688,110
Total revenue from sales and services		1,592,684,445	1,582,558,087
Other income		21,394,040	36,070,243
Total revenues		1,614,078,485	1,618,628,330
Expenses			
Cost of sales	4, 8	(824,808,549)	(783,727,190)
Cost of services	4	(280,952,415)	(303,472,010)
Total cost of sales and rendering of services		(1,105,760,964)	(1,087,199,200)
Selling expenses		(24,207,883)	(26,832,414)
Administrative expenses	4	(179,162,919)	(167,869,742)
Finance costs		(5,029,494)	(4,174,030)
Total expenses		(1,314,161,260)	(1,286,075,386)
Profit before income tax expense		299,917,225	332,552,944
Income tax expense	20	(66,955,611)	(65,806,294)
Profit for the year		232,961,614	266,746,650
Other comprehensive income :-			
Items that will never be reclassified to profit or loss :-			
Defined benefit plan actuarial gains (losses)		-	(1,215,766)
Income tax on components of other comprehensive income		-	243,153
		-	(972,613)
Items that are or may be reclassified to profit or loss :-			
Net change in fair value of available-for-sale investments		(45,411,427)	48,511,288
Income tax on components of other comprehensive income		9,082,286	(9,702,258)
		(36,329,141)	38,809,030
Other comprehensive income (loss) for the year net of income tax		(36,329,141)	37,836,417
Total comprehensive income for the year		196,632,473	304,583,067
Earnings per share			
Basic	21	0.78	0.89

Notes to financial statements are parts of these financial statements.

For the year ended December 31, 2017

Notes to financial statements are parts of these financial statements.

Statements of Changes in equity (Continue)

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

	Note	Retained earnings			Other components of equity		
		Issued and paid-up share capital	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments (in Baht)	Actuarial gains (losses)	Total other components of equity
For the year ended December 31, 2017							
Beginning balance 2017		300,000,000	30,000,000	1,305,443,158	73,402,533	(972,613)	72,429,920
Changes in shareholders' equity							1,707,873,078
Dividend to shareholder of the Company	17	-	-	(105,000,000)	-	-	(105,000,000)
Total comprehensive income							
Profit for the year		-	-	232,961,614	-	-	232,961,614
Other comprehensive income for the year		-	-	-	(36,329,141)	-	(36,329,141)
Transfer to retained earnings		-	-	(972,613)	-	972,613	-
Total comprehensive income for the year		-	-	231,989,001	(36,329,141)	972,613	196,632,473
Total changes in shareholders' equity		-	-	126,989,001	(36,329,141)	972,613	91,632,473
Ending balance 2017		300,000,000	30,000,000	1,432,432,159	37,073,392	-	1,799,505,551

Notes to financial statements are parts of these financial statements.



Statements of Cash Flows

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

	2017	2016
	<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	232,961,614	266,746,650
<i>Adjustment for</i>		
Depreciation	45,983,559	41,709,921
Doubtful accounts	6,615,571	1,078,842
Reversal of allowance for doubtful accounts	(928,818)	(5,986,929)
Allowance for devaluation of inventories (reversal)	239,509	(746,200)
Loss on written- off of assets	56,247	-
Unrealized gain from charging in value of short-term investment	(272,000)	-
Gain on disposal of equipment	-	(1,019,300)
Gain on disposal of available - for - sale investments	(4,017,217)	(2,602,787)
Employee benefit expenses	6,325,014	5,581,498
Adjust other payable as income	-	(10,321,319)
Interest income	(7,368,077)	(9,025,847)
Dividends income	(1,618,530)	(2,967,305)
Interest expense	1,680,975	2,578,747
Income tax expense	66,955,611	65,806,294
	346,613,458	350,832,265
<i>Changes in operating assets and liabilities</i>		
Restricted deposits at banks	6,012,099	24,651
Trade accounts receivable and other current receivables	(58,123,591)	4,700,291
Retention receivables	3,833,680	(491,566)
Inventories	(41,988,056)	(36,557,427)
Other non-current assets	4,362,326	(10,663,887)
Employee benefits paid	(3,759,450)	(1,913,600)
Trade accounts payable and other current payables	14,356,708	42,986,522
Cash generated from operating activities	271,307,174	348,917,249
Income tax paid	(62,750,686)	(68,199,049)
Net cash from operating activities	208,556,488	280,718,200

Notes to financial statements are parts of these financial statements.

Statements of Cash Flows (Continue)

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

		2017	2016
	<i>Note</i>	<i>(in Baht)</i>	
<i>Cash flows from investing activities</i>			
Interest received		6,430,481	9,376,972
Dividends received		1,618,530	2,967,305
Purchase of current investments		(113,689,639)	(158,705,798)
Purchase of available-for-sale investments		(187,644,140)	(130,000,000)
Proceeds from sale of available-for-sale investments		446,281,366	90,158,748
Proceeds from disposal of equipment		-	1,158,879
Purchase of property, plant and equipment		(174,258,817)	(56,005,232)
Net cash used in investing activities		(21,262,219)	(241,049,126)
<i>Cash flows from financing activities</i>			
Interest paid		(1,680,975)	(2,579,009)
Repayment of long-term loans		-	(734,803)
Finance lease payment		(14,858,883)	(23,756,148)
Dividends paid		(105,000,000)	(120,000,000)
Net cash used in financing activities		(121,539,858)	(147,069,960)
Net Increase (Decrease) in cash and cash equivalents		65,754,411	(107,400,886)
Cash and cash equivalents at January, 1		137,365,278	244,766,164
Cash and cash equivalents at December, 31		203,119,689	137,365,278
<i>Non - cash transactions</i>			
Purchase of equipment under finance lease agreement	13	919,000	9,361,875

Notes to financial statements are parts of these financial statements.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Current investments
7	Trade accounts receivable and other current receivables
8	Inventory
9	Available-for-sale investments
10	Property, plant and equipment
11	Other non-current assets
12	Trade accounts payable and other current payables
13	Financial lease liabilities
14	Deferred tax
15	Non-current provisions for employee benefits
16	Legal reserve
17	Dividend
18	Employee benefit expenses
19	Expenses by nature
20	Income tax expense (income)
21	Basic earnings per share
22	Segment information
23	Financial instruments
24	Commitments with non-related parties
25	Pledged assets
26	Events after the reporting period
27	Thai Financial Reporting Standards (TFRS) not yet adopted

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on February 23, 2018.

1 General information

Southern Concrete Pile Public Company Limited (“the Company”) is incorporated in Thailand, has its registered head office at 555, 17th Floor, SSP Tower Building, Sukhumvit 63 (Ekamai), North Klongton, Watana, Bangkok 10110 and has sale office and 7 factories used for operation as follows:

1. Phuket Factory : located at 46/9 Thepkasatri Rd., Tambol Ratsada, Muang District Phuket 83000
2. Suratthani Factory : located at 25/3 Ratbumrung Rd., Na san District, Suratthani 84120
3. Sale Office : located at 15/3 Moo 5, By-Pass Highway, Tambol Makhamtia, Muang District, Suratthani 84000
4. Hat Yai Factory : located at 136/4 Moo 3, Petchakasem Rd., Tambol Tung-Tamsao, Hat Yai District, SongKhla 90110
5. Udonthani Factory : located at 342 Moo 2, Tambol Khok Sa-at, Muang Udonthani District, Udonthani 41000
6. Ban- Bueng Factory : located at 18 Moo 2, Ban-bueng-Klaeng Highway, Tambol Nong-Chak, Ban- Bueng District, Chaonburi 20170
7. Nakhon Pathom Factory : located at 16/12 Moo 3, Tambol Homkred, Samphran District, Nakhon Pathom 73110

Major shareholder is Nganthavee family with percentage of shareholding in 2017 : 40.16 % (In 2016 : 40.16%)

The principal activities of the Company are prestressed concrete products involving manufacturing, sales, services and installation.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

2 Basis of preparation of financial statements

2.1 *Statement of compliance*

There's financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professional ("FAP"), and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and financial performance of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559" dated October 11, 2016.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after January 1, 2017. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Company.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after January 1, 2018 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Company's operations are disclosed in Note 27.

2.2 *Basis of measurement*

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

2.3 *Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statement to the nearest thousand/million unless otherwise stated.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited
For the year ended December 31, 2017

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements is included in the following notes :

Note 13	Lease classification
---------	----------------------

2.4.2 Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognized in the financial statements is included in the following notes:

Notes 7	Allowance for doubtful account
Notes 8	Allowance for devaluation of inventories
Notes 14 and 20	Current and deferred taxation
Note 15	Assumptions related to discount rate, salary increase rate, employee turnover rate, mortality rate and disability rate
Note 23	Valuation of financial instruments

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

The Company has an established framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 6	Current Investments
Note 9	Available-for-sale investments
Note 15	Non-current provisions for employee benefits
Note 23	Financial instruments

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency difference arising on retranslation are generally recognized in profit or loss.

3.2 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, cash at banks, and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Trade accounts and other current receivables

Trade accounts and other current receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.4 Inventories

Inventories are stated at the lower or cost and net realizable value

Cost of finished goods, work in process, raw materials and spare parts and supplies are calculated using the first in first out principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, includes an appropriate share of production overheads.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

3.5 Investments

Investment in trading securities

Debt and equity securities are marketable securities held for trading presented as current assets and stated at fair value. Gain or loss from securities remeasuring securities is recorded profit or loss.

Available-for-sale investments

Securities available for sale as at the end of the period are stated at fair value. Unrealized gain or loss of investment are separately presented in shareholders' equity as at the end of the period. Gain or loss from selling securities are immediately recognized in statement of comprehensive income by the difference amount between net realizable value and weighted average price of such securities available for sale.

3.6 Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognizes net within other income in profit or loss.

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipments acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited
For the year ended December 31, 2017

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	10 years
Buildings and construction	30-50 years
Building improvement and leasehold improvement	10 years
Prestressed equipment	20 years
Machinery and equipment	5, 10, 20, 25 years
Machinery and equipment for piling	5, 10, 20, 25 years
Molds	5 years
Furniture, fixture and office equipment	3, 5 years
Vehicles	5, 7 years

No depreciation is provided on freehold land and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

3.7 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same times.

An impairment loss is recognizes if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognizes in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

78

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited
For the year ended December 31, 2017

3.8 *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

3.9 *Provident fund and employee benefits*

3.9.1 *Provident fund*

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution to the provident fund were recorded as expenses in statements of comprehensive income in the period as incurred.

3.9.2 *Employee benefit*

The Company provide for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Company determine the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company consider the market yield based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

3.10 Provisions

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

3.11 Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income on prestressing concrete products is recognised as services are. Completely provided

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income is recognised in profit or loss as it accrues.

Other income is recognized on an accrual basis.

3.12 Operating lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

3.13 Finance costs

Finance costs comprise interest expense on borrowings and unwinding of discount on provisions and contingent consideration.

3.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period. The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised. At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

3.15 Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss of ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Type of business	Nature of relationships
1. Surat Ready Mixed Co., Ltd.	Produces ready mixed concrete	Related company, some common directors and shareholders
2. Thai Wire Products PCL.*	Produces and distributes prestressed concrete wire	Related company, some common directors and shareholders
3. Nganthavee Sale Co., Ltd.**	Sale mining equipments and tools, etc.	Related company, some common directors and shareholders
4. Nganthavee Service Co., Ltd.	Retail services for oil and consumer products	Related company, some common directors and shareholders
5. Chinteik Brothers Trading	To Provide Land and Building for leases	Related company, some common directors and shareholders
6. Phuket Ready Mixed Co., Ltd.**	Produces ready mixed concrete	Related company, some common directors and shareholders
7. Haadyai Tin Dredging Co.,Ltd.	Tin Mines	Related company, some common directors and shareholders

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Name of entities	Type of business	Nature of relationships
8. Thai Palm Development Co., Ltd.	Produces and distributes palm oil	Related company, some common directors and shareholders
9. Mr. Thada Nganthavee	Land and building for rent	Closed relatives of Nganthavee' family

* No common directors effective on August 11, 2017.

** Business dissolution Phuket Ready Mixed Co., Ltd. and Nganthavee Sale Co., Ltd. were registered for dissolution on August 28, 2017 and September 1, 2017, respectively.

The pricing policies for particular types of transactions are explained further below:

Transactions

Pricing policies

Revenue from sales of goods	Price comparable with selling price sold to external person
Purchase of raw material and other materials	Price comparable with purchasing price bough from external person
Hammering of prestressed concrete expense	Price comparable with purchasing price bough from external person
Rental expense	Agreed price, near the normal market rate
Repair and maintenance	Agreed price, near the normal market rate
Remunerations for directors and key management personnel representing salary, bonus, meeting allowance and others	The amounts are obtained the approval from the Company's directors and shareholders



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Significant transactions with related parties for the years ended December 31, 2017 and 2016 with related parties were summarized as follows:

	2017	2016
	<i>(in Baht)</i>	
Revenue		
Related parties		
Revenue from sales	1,673,218	2,166,150
Expenses		
Related parties		
Purchase of raw material and other materials	95,074,071	79,045,933
Rental expense	4,684,421	3,640,421
Hammering of prestressed concrete expense	29,780,740	24,867,909
Repair expense	1,308,128	1,413,488
Key management personnel		
Key management personnel's remunerations		
Short-term benefits	46,095,231	44,718,551
Post-employment benefits	1,908,581	1,624,150
Total key management personnel's remunerations	48,003,812	46,342,701

Balance as at December 31, 2017 and 2016 with related parties were as follows:

	2017	2016
	<i>(in Baht)</i>	
Other current receivables - related parties		
Related companies		
Phuket Ready Mixed Co., Ltd.	-	282,672
Surat Ready Mixed Co., Ltd.	354,019	469,736
Total	354,019	752,408

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

2017 2016

(in Baht)

Available-for-sale investments – related parties

Related company

Thai Wire Products PCL.	112,218,080	153,760,350
Total	112,218,080	153,760,350

Trade accounts payable – related parties

Related companies

Thai Wire Products PCL.	22,856,044	18,757,479
Nganthavee Sale Co., Ltd.	-	187,569
Nganthavee Service Co., Ltd.	20,360	17,116
Surat Ready Mixed Co., Ltd.	113,074	243,448
Total	22,989,478	19,205,612

Other current payables – related parties

Accrued expenses

Related company

Surat Ready Mixed Co., Ltd.	4,680,221	6,820,567
Total	4,680,221	6,820,567



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

The commitments with related parties

As at December 31, 2017, the Company had non-cancellable operating lease commitment as follows:

	(in million Baht)
Within 1 year	5
Over 1 year but within 3 years	4
Total	9

Significant agreements with related parties

The Company agreed to rent a plot of land without the rental agreement with Chinteik Brothers Trading for the period from October 1, 2016 to September 30, 2019 with monthly rental of Baht 250,000.

The Company agreed to rent a plot of land without the rental agreement with Mr. Thada Nganthavee and Haad Yai Tin Dradging Co., Ltd. for a period from January 1, 2017 to December 31, 2019 with monthly rental of Baht 93,000 and Baht 40,000, respectively.

The Company renewed the office building rental agreement with Thai Palm Development Co., Ltd. for the period from November 1, 2017 to November 1, 2020 with monthly rental of Baht 7,368. The agreement is under preparation.

5 Cash and Cash equivalents

	2017	2016
	(in Baht)	
Cash on hand	315,000	305,000
Cash at banks – current accounts	52,536,275	48,539,680
Cash at banks – savings accounts	150,268,414	88,520,598
Total	203,119,689	137,365,278

Cash and cash equivalents of the Company as at December 31, 2017 and 2016 were denominated entirely in Thai Baht.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited
For the year ended December 31, 2017

6 Current investments

As at December 31, 2017 and 2016, current investments consisted of the following:

	2017	2016
	<i>(in Baht)</i>	
Fixed deposits	470,000,000	456,569,947
Short-term investments in trading securities	100,272,000	-
Total	570,272,000	456,569,947

As at December 31, 2017, the Company had temporary investments represent fixed deposits for the periods of 5-12 months, interest the rates of 1.25-1.575% per annum. (December 31, 2016, the Company had temporary investments represent fixed deposits for the periods of 4-12 months, interest the rates of 1.50-2.00% per annum).

As at December 31, 2017, short-term investments in trading securities are summarised below

	At Cost
	<i>(in Baht)</i>
Bualuang Thanasarn Plus	100,000,000
Add Unrealized gain from changing in value of investment	272,000
At fair value	100,272,000

7 Trade accounts receivable and other current receivables

	2017	2016
	<i>(in Baht)</i>	
Trade accounts receivable		
Other parties	443,025,608	385,880,752
Total	443,025,608	385,880,752
Less allowance for doubtful account	(64,637,047)	(58,989,294)
Trade accounts receivable - net	378,388,561	326,891,458



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

	2017	2016
	<i>(in Baht)</i>	
Other current receivables		
Related parties	354,019	752,408
Other parties	12,825,645	10,520,335
Total	13,179,664	11,272,743
Less allowance for doubtful account	-	-
Other current receivables - net	13,179,664	11,272,743
Total trade accounts receivable and other current receivables	391,568,225	338,164,201

Aging of trade accounts receivable are as follows.

	2017	2016
	<i>(in Baht)</i>	
Within credit terms	242,952,050	202,388,657
Overdue 1 – 90 days	118,737,767	111,845,742
Overdue 91 – 180 days	4,040,374	7,265,290
Overdue 181 – 365 days	9,886,347	4,857,529
Overdue more than 1 year	67,409,070	59,523,534
Total	443,025,608	385,880,752

Allowance for doubtful accounts is changed during the year as follows:

	2017	2016
	<i>(in Baht)</i>	
Beginning	58,989,294	69,354,305
Addition		
- Trade accounts receivable	6,615,571	1,078,842
Decrease		
- Reversal of allowance doubtful account	(928,818)	(5,986,929)
- Written - off	(39,000)	(5,456,924)
Total	64,637,047	58,989,294

During the year ended December 31, 2017 and 2016, the Company has written off the accounts receivable which had been fully provided for the allowance for doubtful accounts totaling of Baht 39,000 and Baht 5,456,924, respectively.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited
For the year ended December 31, 2017

8 Inventories

	2017	2016
	<i>(in Baht)</i>	
Finished Goods	115,553,366	100,043,923
Work in process	779,048	645,991
Raw materials	111,244,234	87,065,066
Spare parts and supplies	16,109,668	13,943,280
Total	243,686,316	201,698,260
<i>Less allowance for obsolete stock</i>	<i>(9,016,917)</i>	<i>(8,777,408)</i>
Net	234,669,399	192,920,852
Allowance for devaluation of inventories (reversal)	239,509	(746,200)

Cost of inventories for the years ended December 31, 2017 and 2016 are recorded as expenses in cost of sales as follows:

	2017	2016
	<i>(in Baht)</i>	
Cost of sales	824,569,040	784,473,390
Loss from obsolete stock	239,509	(746,200)
Net	824,808,549	783,727,190

Allowance for obsolete stock is changed during the year as follows:

	2017	2016
	<i>(in Baht)</i>	
Beginning balance	8,777,408	9,523,608
Increase	239,509	-
Decrease	-	(746,200)
Ending balance	9,016,917	8,777,408

For the year ended December 31, 2017, the Company has additionally provided allowance for obsolete Baht 0.24 million for non-moving stock more than 1 year.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

9 Available-for-sale investments

	At cost		At fair value	
	2017	2016	2017	2016
	(in Baht)			
Marketable equity securities	65,876,340	65,876,340	112,218,080	153,760,350
Units trust	-	254,620,008	-	258,489,167
Total	65,876,340	320,496,348	112,218,080	412,249,517

Marketable equity securities :

Equity securities - related company

Thai Wire Products PCL.	65,876,340	65,876,340	112,218,080	153,760,350
Total	65,876,340	65,876,340	112,218,080	153,760,350

Units trust :

Bualuang Treasury Fund-

BBL Asset Management Co., Ltd.	-	537,891	-	560,256
--------------------------------	---	---------	---	---------

Bualuang Thanatavee-

BBL Asset Management Co., Ltd.	-	116,979,908	-	118,762,182
--------------------------------	---	-------------	---	-------------

Money Market Fund-Kasikorn Bank PCL.

-	37,102,209	-	38,707,486
---	------------	---	------------

SCB Fixed Income Plus Fund – SCB Asset

Management Co., Ltd.	-	50,000,000	-	50,241,124
----------------------	---	------------	---	------------

One Enhanced Financial Instruments

Fund 3M1-One Asset Management Limited	-	30,000,000	-	30,162,556
---------------------------------------	---	------------	---	------------

One Enhanced Financial Instruments

Fund 3M2-One Asset Management Limited	-	20,000,000	-	20,055,563
---------------------------------------	---	------------	---	------------

Total	-	254,620,008	-	258,489,167
--------------	----------	--------------------	----------	--------------------

Grand total	65,876,340	320,496,348	112,218,080	412,249,517
--------------------	-------------------	--------------------	--------------------	--------------------

Add Unrealized gains from

changing in value of investments	46,341,740	91,753,169	-	-
----------------------------------	------------	------------	---	---

Net	112,218,080	412,249,517	112,218,080	412,249,517
------------	--------------------	--------------------	--------------------	--------------------

Unrealized gains (losses) from change in value of

investment for the year recognized directly in equity			(45,411,427)	48,511,288
---	--	--	---------------------	-------------------

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

10 Property, plant and equipment

Assets – Cost

(in Baht)

	Land and land improvement	Buildings and structures	Building improvement	Prestressed equipment	Machinery and equipment	Machinery and equipment for piling	Mold	Furniture fixtures and equipment	Vehicles	Construction in progress	Total
As at December 31, 2015	166,344,482	236,131,292	2,578,244	99,840,468	250,008,704	208,382,202	161,335,971	18,370,549	199,988,680	6,809,158	1,349,789,750
Acquisition	-	120,286	-	160,000	2,344,549	4,399,091	213,278	1,249,659	3,205,367	53,674,877	65,367,107
Transfer in (out)	1,932,402	8,519,680	-	253,754	4,304,134	8,614,351	3,392,289	(18,300)	290,530	(27,288,840)	-
Disposale/Write off	-	-	-	-	(1,536,765)	(222,537)	-	(349,158)	(4,911,863)	-	(7,020,323)
As at December 31, 2016	168,276,884	244,771,258	2,578,244	100,254,222	255,120,622	221,173,107	164,941,538	19,252,750	198,572,714	33,195,195	1,408,136,534
Acquisition	-	-	-	332,501	2,172,837	1,887,086	198,101	888,143	1,689,079	168,010,070	175,177,817
Transfer in (out)	435,429	51,689,032	-	3,362,070	35,179,005	34,518,689	62,430,970	107,667	656,578	(188,379,440)	-
Disposale/Write off	-	-	-	-	(30,052,818)	-	-	(455,790)	(194,876)	-	(30,703,484)
As at December 31, 2017	168,712,313	296,460,290	2,578,244	103,948,793	262,419,646	257,578,882	227,570,609	19,792,770	200,723,495	12,825,825	1,552,610,867
Accumulated depreciation											
As at December 31, 2015	11,882,975	142,171,668	2,540,349	78,808,613	216,285,417	158,126,754	138,341,084	16,071,036	143,152,783	-	907,380,679
Depreciation for the year	871,927	5,025,515	20,896	1,564,336	5,557,592	10,002,988	8,321,790	1,213,924	9,130,953	-	41,709,921
Transfer in (out)	-	-	-	-	(4,368)	13,083	-	(8,715)	-	-	-
Disposale/Write off	-	-	-	-	(1,411,440)	(7,672)	-	(342,576)	(4,904,191)	-	(6,665,879)

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

	Land and land improvement	Buildings and structures	Building improvement	Prestressed equipment	Machinery and equipment	Machinery and equipment for piling	Mold	Furniture fixtures and equipment	Vehicles	Construction in progress	Total
						<i>(in Baht)</i>					
As at December 31, 2016	12,754,902	147,197,183	2,561,245	80,372,949	220,427,201	168,135,153	146,662,874	16,933,669	147,379,545	-	942,424,721
Depreciation for the year	1,052,124	5,909,992	16,899	1,585,151	7,319,679	11,522,706	9,343,760	1,170,651	8,062,597	-	45,983,559
Transfer in (out)	-	-	-	-	15,259	(73,202)	-	-	57,943	-	-
Dispose/sale/Write off	-	-	-	-	(30,026,869)	-	-	(425,500)	(194,869)	-	(30,647,238)
As at December 31, 2017	13,807,026	153,107,175	2,578,144	81,958,100	197,735,270	179,584,657	156,006,634	17,678,820	155,305,216	-	957,761,042
Accumulated impairment losses											
As at December 31, 2015	-	2,752,309	-	1,844,413	292,324	-	2,131	28,072	-	898,752	5,818,001
Change during the year	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2016	-	2,752,309	-	1,844,413	292,324	-	2,131	28,072	-	898,752	5,818,001
Change during the year	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2017	-	2,752,309	-	1,844,413	292,324	-	2,131	28,072	-	898,752	5,818,001
Net assets value – book value											
As at December 31, 2017	154,905,287	140,600,806	100	20,146,280	64,392,052	77,994,225	71,561,844	2,085,878	45,418,279	11,927,073	589,031,824
As at December 31, 2016	155,521,982	94,821,766	16,999	18,036,860	34,401,097	53,037,954	18,276,533	2,291,009	51,193,169	32,296,443	459,893,812
Depreciation for the year ended December 31, 2017											45,983,559
Depreciation for the year ended December 31, 2016											41,709,921

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Depreciation for the year was included in

	2017	2016
	<i>(in Baht)</i>	
Cost of sales of goods	18,360,811	15,443,718
Cost of rendering of services	14,831,966	13,291,707
Administrative expenses	12,790,782	12,974,496
Total	45,983,559	41,709,921

The gross amount of the Company's fully depreciated building and equipment that was still in use as at December 31, 2017 and 2016 amounted to Baht 825.22 million and Baht 836.89 million, respectively.

As at December 31, 2017 and 2016, the Company has vehicles, machinery and equipment and equipment for piling at net book value in amount of Baht 32 million and Baht 49 million, respectively with commitments to pay liabilities under finance leases as stated in note 13.

Guarantee

As at December 31, 2017 and 2016, the Company's land with structures and certain machinery with book value of Baht 235 million and Baht 201 million, respectively were registered to mortgage as collateral disclosed in note to financial statements No.25.

11. Other non-current assets

	2017	2016
	<i>(in Baht)</i>	
Deposit	23,351,276	27,713,602
Property foreclosed	6,913,969	6,913,969
Less allowance for impairment	(2,430,969)	(2,430,969)
Net	27,834,276	32,196,602



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

12. Trade accounts payable and other current payables

	2017	2016
	<i>(in Baht)</i>	
Trade accounts payable		
Related parties	22,989,478	19,205,612
Other parties	111,088,144	120,323,613
Total trade accounts payable	134,077,622	139,529,225
Other current payables		
Related parties		
Accrued expenses	4,680,221	6,820,567
Other parties		
Accrued expenses	61,812,138	62,771,089
Deposit from customer	52,806,150	27,957,069
Revenue Department payable	3,990,829	3,675,236
Other payables	992,034	3,249,101
Total other current payables	124,281,372	104,473,062
Total trade accounts payable and other current payables	258,358,994	244,002,287

13 Financial lease liabilities

Details of financial lease agreement net book value as at December 31, 2017 and 2016

	2017	2016
	<i>(in Baht)</i>	
Vehicles	10,764,578	19,931,908
Machinery and equipments	1,862,853	2,656,250
Machinery and equipment for piling	19,192,797	26,677,980
Total net book value of the asset under a finance lease	31,820,228	49,266,138

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

	2017		2016			
	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment	Future value of the minimum lease payment	Interest	Present value of the minimum lease payment
	(in Baht)					
Within one year	19,092,822	866,469	18,226,353	16,201,374	1,669,107	14,532,267
After one year but within five years	8,760,154	442,519	8,317,635	27,197,735	1,246,131	25,951,604
Total	27,852,976	1,308,988	26,543,988	43,399,109	2,915,238	40,483,871

As at December 31, 2017 and 2016, financial lease liabilities of Baht 26 million and Baht 40 million, respectively, represented the creditors under hire purchase agreements to purchase vehicle, machinery and equipment and equipment for piling of 24 agreements and 30 agreements, respectively. The period of agreement covered for 3-5 years, requiring the monthly installments of Baht 1,218,049.

14 Deferred tax

Deferred tax assets and liabilities as at December 31, 2017 and 2016 were as follows:

	2017	2016
	<i>(in Baht)</i>	
Deferred tax assets	11,322,937	12,653,139
Deferred tax liabilities	(15,072,410)	(19,127,371)
Net	(3,749,473)	(6,474,232)



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Movements in deferred tax assets and liabilities during the year were as follows:

	Recognized as expenses (revenues) in			
	January 1, 2017	Profit or loss	Other comprehensive income (in Baht)	December 31, 2017
<i>Deferred tax assets</i>				
Inventory	323,207	362,079	-	685,286
Property, plant and equipments	2,205,393	(2,205,393)	-	-
Non - current provisions for employee benefits	10,124,539	513,112	-	10,637,651
Total	12,653,139	(1,330,202)	-	11,322,937
<i>Deferred tax liabilities</i>				
Short-term investments in trading securities	-	(54,400)	-	(54,400)
Available-for-sale investments	(18,350,635)	-	9,082,286	(9,268,349)
Property, plant and equipments	-	(4,767,849)	-	(4,767,849)
Financial lease liabilities	(776,736)	(205,076)	-	(981,812)
Total	(19,127,371)	(5,027,325)	9,082,286	(15,072,410)
Net	(6,474,232)	(6,357,527)	9,082,286	(3,749,473)

15 Non-current provisions for employee benefits

The Company operates a post employment benefit based on the Company's policy and the requirement of Thai Labor Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market risk.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Movements in the present value of the defined benefit obligations were as follows:

	2017	2016
	<i>(in Baht)</i>	
Defined benefit obligations at January 1,	50,622,693	45,739,029
Recognized in profit or loss		
Current service costs	4,897,422	3,919,610
Interest on obligation	1,427,592	1,661,888
Compensation to employees	(3,759,450)	(1,913,600)
Total	2,565,564	3,667,898
Recognized in other comprehensive income		
Actuarial (gains) losses	-	1,215,766
Defined benefit obligation at December 31,	53,188,257	50,622,693

The above expense is recognized in profit or loss for the years ended December 31, 2017 and 2016 included in the following line items:

	2017	2016
	<i>(in Baht)</i>	
Cost of sales	588,256	755,308
Cost of services	1,632,077	1,156,321
Selling expenses	598,837	571,020
Administrative expense	3,505,844	3,098,849
Total	6,325,014	5,581,498

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	2017	2016
	<i>(%)</i>	
Discount rate	2.82	2.82
Future salary growth	7.00	7.00
Retirement (year)	60	60
Staff turnover rate	0 - 15	1 - 15

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2008 ("TMO08").



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2017	2016
	<i>(in Baht)</i>	
Defined benefit obligation		
Discount rate		
- Increase rate (1% movement)	(5,085,654)	(4,783,984)
- Decrease rate (1% movement)	5,921,921	5,581,858
Future salary growth		
- Increase rate (1% movement)	6,187,376	5,293,538
- Decrease rate (1% movement)	(5,416,205)	(4,650,699)
Mortality rate		
- Increase rate (1% movement)	502,697	468,941
- Decrease rate (1% movement)	(497,313)	(463,852)
Staff turnover rate		
- Increase rate (1% movement)	(5,378,947)	(5,060,371)
- Decrease rate (1% movement)	1,884,335	1,807,438

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

16 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

There is no movement in legal reserve during the year.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

17 Dividend

The Ordinary Meeting of Shareholders held on April 26, 2017, approved to pay dividend from profit for the year 2016 of Baht 0.35 per share, of 300 million shares, totaling Baht 105 million, will be paid on May 26, 2017.

The Ordinary Meeting of Shareholders held on April 25, 2016, approved to pay dividend from profit for the year 2015 of Baht 0.40 per share, of 300 million shares, totaling Baht 120 million, were paid on May 25, 2016.

18 Employee benefit expenses

	2017	2016
	<i>(in Baht)</i>	
<i>Management</i>		
Salaries and bonuses	43,716,880	42,166,747
Others	1,908,581	1,624,150
	<u>45,625,461</u>	<u>43,790,897</u>
<i>Other employees</i>		
Salaries and bonuses	178,152,285	171,949,017
Others	85,718,675	85,386,702
	<u>263,870,960</u>	<u>257,335,719</u>
Total	<u>309,496,421</u>	<u>301,126,616</u>

Partial employee benefit expenses were included in cost of sale.

Defined contribution plans

The defined contribution plan comprises provident funds established by the Company for its employees. Membership to the funds is on voluntary basis. Contributions are made monthly by the employees at rate of 2%-5% of their basic salaries and by the Company at rate of 2%-5% of the employees' basic salaries. The provident funds are registered with the Ministry of Financial as juristic entities and are managed by a licensed Fund Manager.



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

19 Expenses by nature

The statements of comprehensive income included an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	2017	2016
	<i>(in Baht)</i>	
Change in inventories of finished goods and work in process	(16,016,685)	(15,443,135)
Raw materials and supplies used	806,272,509	729,323,473
Employee benefit expense	309,496,421	301,126,616
Directors remunerations	48,003,812	46,342,701
Depreciation	45,983,559	41,709,921
Advice and manage	7,532,301	8,655,158
Transportation	31,123,386	39,870,657
Piling prestressed concrete	69,118,910	75,459,432
Doubtful accounts	6,615,571	1,078,842

20 Income tax expense (income)

Income tax expenses for years ended December 31, 2017 and 2016 recognized in profit or loss were summarized as follows:

	2017	2016
	<i>(in Baht)</i>	
Current income tax expense (income)		
Income tax expenses	60,598,084	67,477,816
Deferred tax expense (income)		
Deferred tax expense (income) concern deductible		
temporary difference with initial recognized and reversed	6,357,527	(1,671,522)
Income tax expense represented in the profit or loss	66,955,611	65,806,294

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Income tax recognized in other comprehensive income or loss for the years ended 31 December 2017 and 2016 are as followings.

	2017			2016		
	Earnings	Revenue		Earnings	Revenue	
	before	Income tax	Net	before	Income tax	Net
	income tax	(Expenses)	income tax	income tax	(Expenses)	income tax
	<i>(in Baht)</i>					
Unrealized gains (losses)						
on valuation of						
available-for-sale						
investments	(45,411,427)	9,082,286	(36,329,141)	48,511,288	(9,702,258)	38,809,030
Actuarial gains (losses)	-	-	-	(1,215,766)	243,153	(972,613)
Total	(45,411,427)	9,082,286	(36,329,141)	47,295,522	(9,459,105)	37,836,417

Reconciliation of effective tax rate

	2017	2016
	<i>(in million Baht)</i>	
Profit before income tax expense	300	332
Corporate income tax rate	20%	20%
Income tax using the Thai corporation tax rate	60	66
Income not subject to tax	-	-
Expenses not deductible for tax purposes	1	1
Effect from revenue and expenditures recognition in different period between accounting and taxation method.	6	(1)
Income tax expenses reported in the profit or loss	67	66
Effective income tax rate	22%	20%



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

21 Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2017 and 2016 was based on the profit for the year attributable to ordinary shareholders of the Company by the weight average number of shares issuing during the period as follows:

	2017	2016
	<i>(in Baht/Share)</i>	
Profit for the year attributable to ordinary shareholders of the		
Company (basic)	232,961,614	266,746,650
Number of ordinary shares outstanding	300,000,000	300,000,000
Basic earnings per share	0.78	0.89

22 Segment information

Business segment

Management considers that the Company operates in a single line of business, namely prestressed concrete products involving manufacturing, sales, service and installation, and has, therefore, only one reportable segment.

Geographical segments

The Company is managed and operates principally in Thailand. There are no revenues derived from, or assets located in, foreign countries.

23 Financial instruments

Financial risk management

The Company's exposure to risk on its financial assets and financial liabilities is as a normal business. The Company has no policy to speculate through or trade in any derivative instruments.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Capital management

The primary objectives of the Company's capital management are to maintain their ability to continue as a going concern and to maintain appropriate capital structures.

Credit risk

The Company has credit risk in relation to its accounts receivable including related company trade receivables. However, the Company has several customers who are varied. The Company, therefore, does not expect to have significant loss from uncollectible amounts on these receivables.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuation in cash flows.

Interest rate risk

Interest rate risks occurs when the value of the financial instrument changes in line with the fluctuation of market interest rates. This will affect the Company's operating results and cash flows. The Company is exposed to interest rate risk since the Company has cash at bank and loans from financial institutions.

Since most of the Company's financial assets are short-term and bear floating interest rates, the Company does not protect risk through derivative products.

Most of the financial liabilities have floating interest rates. The management believes that the interest is appropriate according to the current environment and expects there will be no significant changes in the interest rates.

24 Commitments with non - related parties

	2017	2016
	<i>(in million Baht)</i>	
<i>Other commitments</i>		
Letters of guarantee issued by banks	171	114
Rental and service	2	3
Total	173	117



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

25 Pledged assets

As at December 31, 2017 and 2016, the Company's fixed deposits at bank for 3 months and 12 months of Baht 23 million and 28 million, respectively have been used as collateral for issuing the letters of guarantee from 3 and 4 domestic commercial banks, respectively and bank overdrafts.

As at December 31, 2017 and 2016, the Company's land with structures and certain machinery with book value of Baht 235 million and Baht 201 million, respectively including rights to insurance claims of those assets have been mortgaged as collateral for bank overdrafts and letter of guarantee from three domestic commercial banks with total credit line amounting to Baht 280 million.

26 Events after the reporting period

On February 23, 2018, the Board of Director meeting passed resolution to propose the Ordinary Shareholder meeting for approval the dividend for the year 2017 by the rate of Baht 0.40 per share, totally Baht 120 million. Such approval depends on the Ordinary Shareholder meeting on April 27, 2018.

27 Thai Financial Reporting Standards (TFRS) not yet adopted

The FAP has announced accounting standards, TFRS, Thai Accounting Standard Interpretations ("TSIC"), Thai Financial Reporting Standard Interpretations ("TFRIC") and accounting practices that become effective for annual financial periods beginning on or after January 1, 2018. However, The Company has not adopted the new and revised TFRS as of the reporting date which are not yet effective. Those TFRS that may be applicable to the Company, which become effective for the financial report on or after January 1, 2018 are as follows:

<u>Thai Accounting Standards ("TAS")</u>	<u>Topic</u>
TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 2 (Revised 2017)	Inventories
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events after the Reporting Period
TAS 11 (Revised 2017)	Construction Contracts
TAS 12 (Revised 2017)	Income Taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

<u>Thai Accounting Standards (“TAS”)</u>	<u>Topic</u>
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2017)	Borrowing Costs
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Venture
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economics
TAS 33 (Revised 2017)	Earnings per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property
TAS 41 (Revised 2017)	Agriculture
<u>Thai Financial Reporting Standards (“TFRS”)</u>	
TFRS 2 (Revised 2017)	Share-Based Payments
TFRS 3 (Revised 2017)	Business Combinations
TFRS 4 (Revised 2017)	Insurance Contracts
TFRS 5 (Revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2017)	Operating Segments
TFRS 10 (Revised 2017)	Consolidated Financial Statements
TFRS 11 (Revised 2017)	Joint Arrangements
TFRS 12 (Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2017)	Fair Value Measurement
<u>Thai Standing Interpretations Committee</u>	
TSIC 10 (Revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2017)	Operating Leases – Incentives



Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2017

Thai Standing Interpretations Committee Topic

TSIC 25 (Revised 2017)	Income Taxes- Changes in the Tax Status of and Enterprise or its Shareholders
TSIC 27 (Revised 2017)	Evaluating the Substance of Transactions in the Legal form of a Lease
TSIC 29 (Revised 2017)	Service Concession Arrangements; Disclosures
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2017)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2017)	Applying the Restatement Approach under TAS 29 (Revised 2017) Financial Reporting In Hyperinflationary Economies
TFRIC 10 (Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2017)	Service Concession Arrangements
TFRIC 13 (Revised 2017)	Customer Loyalty Programmers
TFRIC 14 (Revised 2017)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, TAS 19 (Revised 2017) Employee Benefits
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
TFRIC 20 (Revised 2017)	Stripping Costs in the Production Phase of Surface Mine
TFRIC 21 (Revised 2017)	Levies

The Company’s management will adopt the above applicable TFRSs in preparation of the financial statements of the Company when they become effective. The Company’s management has assessed the impact of these TFRS and believes that they will not have material impact on the financial statements for the periods in which they are initially applied.



บริษัท ทักซิณคอนกรีต จำกัด (มหาชน)
SOUTHERN CONCRETE PILE PUBLIC CO.,LTD.



Southern Concrete Pile Public Company Limited
555 SSP Tower, 17th Floor, Soi Sukhumvit 63 (Ekamai),
North Klongton Sub-district, Wattana District, Bangkok 10110
Tel. 0 2711 5134 (10 automatic lines) Fax 0 2382 0351-2
www.scp.co.th



www.scp.co.th