

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

Performance of PRESTRESSED PRECAST CONCRETE PRODUCTS

annual **2018**
report
รายงานประจำปี 2561

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Vision

“To be a leading manufacturer of prestressed concrete products, with professional provision of quality products and excellent services to customers with honesty and anti-corruption”

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;
- Help society, community and maintain the environment
- Improve customers' satisfaction



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;
- Moving forward together as one between the employees and organisation

Quality Policies

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

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 reduction of principal;

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;

-
- 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;
- 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.
-

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;
-

2013

- 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** 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
-

- 2018** Added more Hydraulic Static Pile Driver machine, improve machinery, equipment and mould for better production efficiency
-

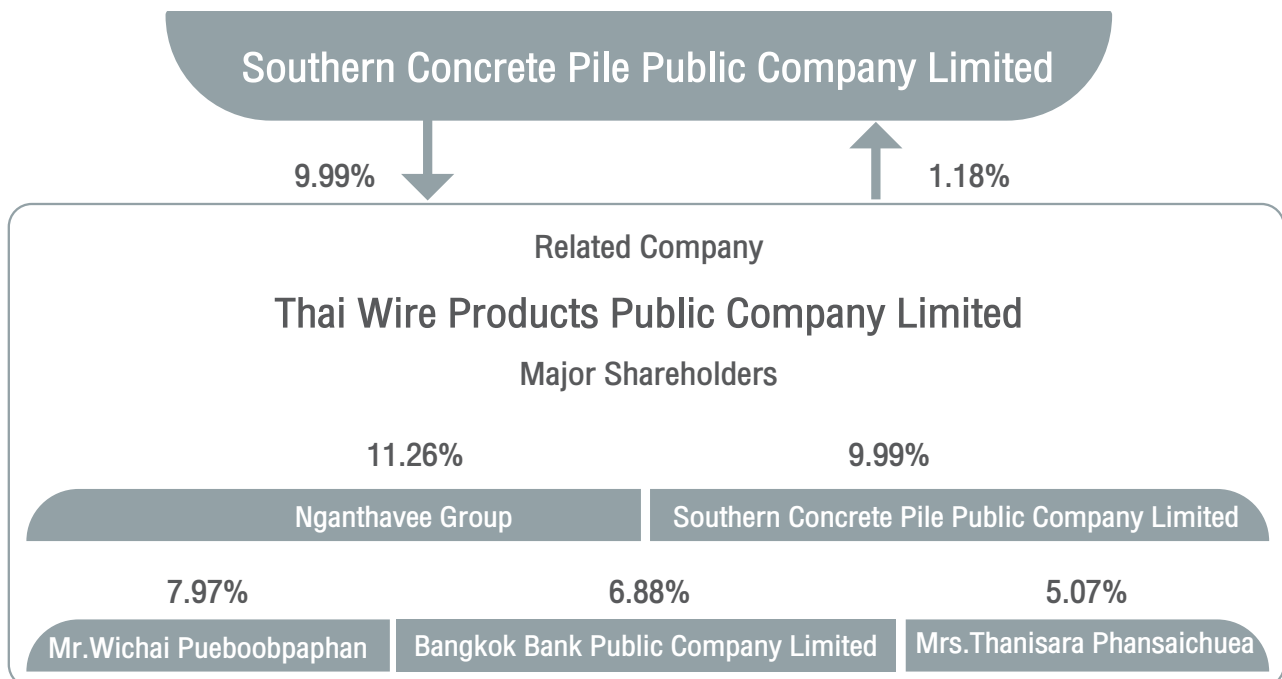


Securities Details of Related Company:

No.	Name	Address	Business Type	Issued and Paid-up Common Stocks (M Baht)	Shareholding Ratio (%)
Related Company:					
1	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.

Shareholding Structure of the Group Companies;

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;

Structure of Total Incomes of Southern Concrete Pile Public Company Limited

No.	Products/Services	Operated By	% of shareholding of the Company	2018		2017		2016	
				M Baht	%	M Baht	%	M Baht	%
1	Pre-stressed concrete poles	-	-	226.72	11.09	148.84	9.35	138.81	8.77
2	Concrete products of the Electricity Authority	-	-	36.87	1.80	18.99	1.19	15.04	0.95
3	Piles/pre-stressed concrete spun piles	-	-	1,182.51	57.82	961.83	60.39	912.45	57.66
4	Planks	-	-	24.35	1.19	16.16	1.01	18.81	1.19
5	Bridge girders, plank girders	-	-	41.87	2.05	46.98	2.95	63.02	3.98
6	Other concrete products	-	-	33.61	1.64	30.72	1.93	33.74	2.13
7	Service works	-	-	499.12	24.41	369.17	23.18	400.69	25.32
Total value of domestic distribution:				2,045.05	100	1,592.69	100	1,582.56	100
Increase (decrease) rate of distribution value				28.40		0.64		(8.16)	

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 drive 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-bore 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 press with final drive 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 with blow-count;

4. Full auger press with toe-grouting method;

Piles shall be driven in the same manner as the auger-pressing method to the prescribed depth level without any subsequent pile driving but instead the cement grout will be injected to the pile tip improving the bearing capacity;

5. Jacked 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

Thai economy in 2018 had expanded at the rate of 4.2%, mainly from the export and tourism industries. There was a continuous growth in both public and private sectors, particularly in the first half of the year. However, the growth was softened in the third quarter. Hence, the pre-stressed concrete market was still very competitive throughout the year. The supply was much more than the demand. Nevertheless, in 2018, the Company had the revenue according to the goal and with 28% higher than the year before. This was from the spun pile production expansion in Ban Beung, Chonburi factory which fully completed right before the Company was the sole Company awarded in the Orange Line Mass Rapid Transport Train piling project.

Competitive strategies

1. The Company has expanded the spun pile production at Ban Beung Factory in Chonburi to serve the industrial expansion and Eastern Economic Corridor (EEC) project under the government's "Thailand 4.0" project. This gave the company an advantage on transportation cost.
2. 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.
3. 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.
4. 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.
5. 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.
6. The Company has its own transport service units for flexible, fast, reliable and effective management of delivery of products.
7. 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.
8. The Company has provided the pile installation services in different styles as follows
 - 8.1 Pure-Driving, Which has the lowest cost
 - 8.2 Pre-boring,
 - 8.3 Auger press with final drive systems by using modern and highly effective hydraulic hammers which help to reduce soil displacement and partial vibration
 - 8.4 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.
 - 8.5 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

Markets of electrical poles products

In 2018, the overall market of electrical poles and products grew substantially from the year before, particularly in the Southern part and North-Eastern part. However, there was a decline in the Eastern part. The Southern part had a fierce competition in pricing whereas the North-Eastern part had lower competition.

In 2019, the Provincial Electricity Authority (PEA) has the purchasing budget of 1,243 million Baht, which is about the same as the year before. In addition, there is a new market opportunity in the National Broadcasting and Telecommunications Commission (NBTC)'s internet structure.

Solid Prestressed Pile Market

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 Beung 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. In 2018, the Company's sale in this market had increased by 19% from the year before.

Spun Pile Market

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. The spun piles are lighter in weight due to the hollow property. Therefore, they are proper for building constructions 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. The spun piles are capable of higher loads and have more flexibility by having more methods to suit with the job site condition.

In 2018, Ban Bueng Factory has increased the spun pile production line efficiency from the year before to serve the Orange Line Mass Rapid Transport Train project. Hence, the Company's overall spun pile market had increased 37% from the year before.

In 2019, the number of spun pile manufacturers increased to 7 manufacturers. Therefore, fierce competition is expected in the spun pile market.

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 2018 as follow:

Unit : %					
Factories	Q1	Q2	Q3	Q4	AVG.
Phuket	88	91	87	84	88
Surat Thani	89	86	89	87	88
Hat Yai	89	86	88	89	88
Ban Beung	87	90	88	92	89
Udon Thani	92	89	87	89	89
Nakorn Pathom	84	78	87	89	85

The Company aims the customer satisfactory level must not be less than 80%, and in 2018 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 40% (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 strategies

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

In 2019, the Thai economy is forecasted to grow at the pace of 3.8%, slower than the year before. This is mainly from the oversea factors such as the trade war which lower the overall demand. This leads to affect the export market and tourism industry. This is not to include the political instability causing slower public sector investment.

However, the private sector this year is expected to increase from the previous government's projects. Also, more investors are expected to participate in the EEC project.

In the nutshell, the demand in this industry is expected to be about the same level as last year. As mentioned before about the surplus supply capacity will still be seen this year, so fierce competition in pricing is still expected.

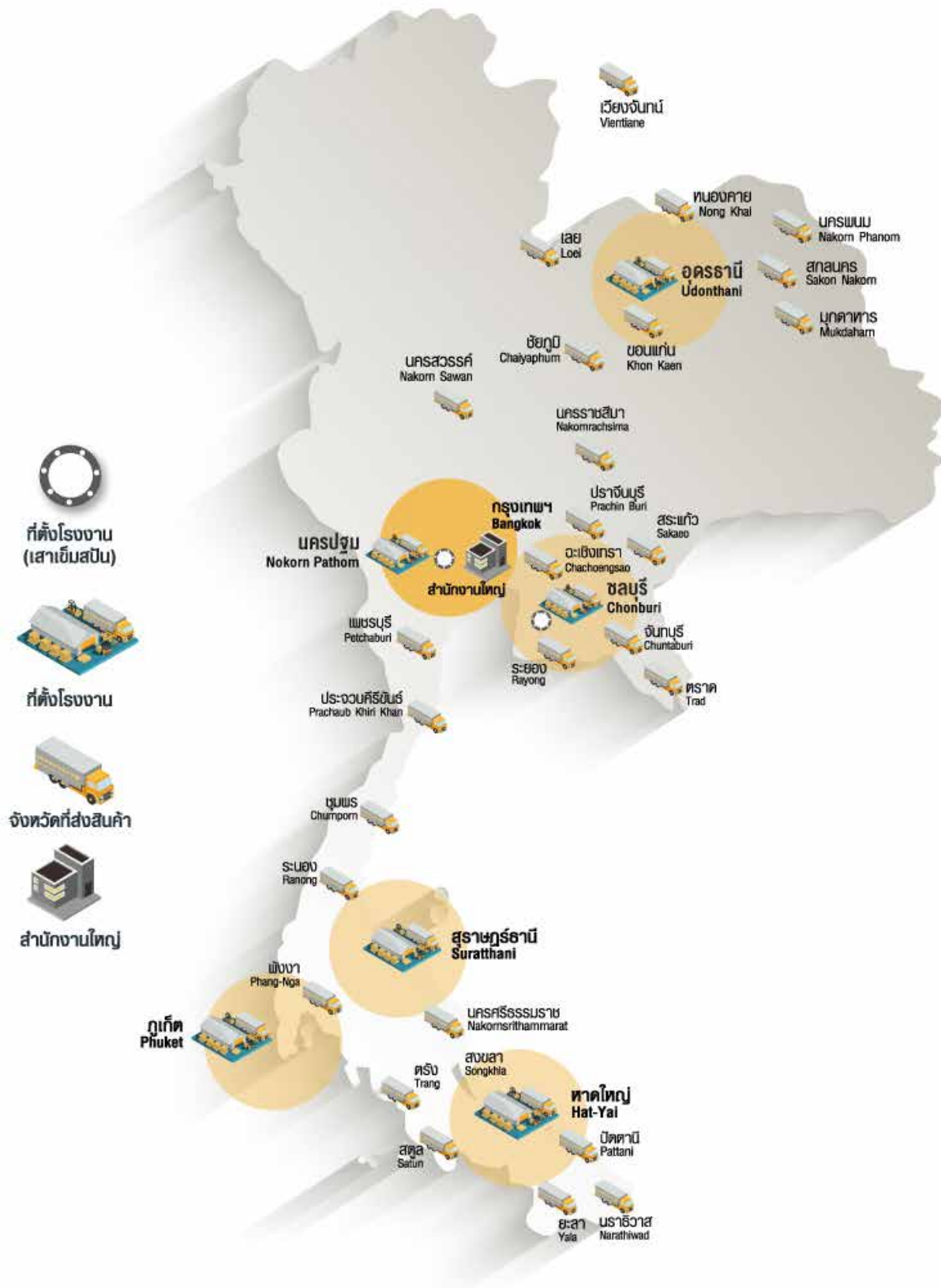


Provision of products or services

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	Hat Yai Factory
Address of Head Office	555 SSP Tower, 17th Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok 10110	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
Telephone No.	0-2711-5134 (10 automatic lines)	
Facsimile No.	0-2382-0351-2	
Website	www.scp.co.th	Nakhon Pathom Factory
Company	0107537001803	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
Registration No.	(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	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
	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	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 2018, the company still had remaining unappropriated retained earnings of Baht 1,599 million and liquidity ratios, (Ratio of current assets to current liabilities) was 4.89 times the ratio of debt to equity (D / E Ratio) (ratio of total liabilities to shareholders' equity) was 0.20 times and return on equity (ratio of net income to average equity) was 14.65%. 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, 17 th Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok 10110
Company Registration No.	: 0107537001803
Website	: www.scp.co.th
Telephone No.	: 0-2711-5134 (10 automatic lines)
Facsimile No.	: 0-2382-0351-2
Auditor for 2017	: Miss Suphaphorn Mangjit Certified Public Accountant no.8125 or Miss Somjintana Pholhirunrat Certified Public Accountant no.5599 or Mr.Nopparoeek Pissanuwong 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 District, Bangkok 10400 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 2018, 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 8 March 2019	
			Numbers of Shares Held	% of Total Shares
1	Chinteik Brothers Company Limited	*	93,487,400	31.162
2	Nganthavee Group	*	35,819,890	11.939
3	Thai NVDR Company Limited	***	19,382,050	6.461
4	Mr. Vichian Srimuninnimit	**	12,290,000	4.097
5	Mr.Ongart Voravitlikit	**	4,910,000	1.637
6	Mr.Chai Manopas	**	4,000,000	1.333
7	Mr.Kosin Pobaikul	**	3,822,600	1.274
8	Mrs.Rarin Utakapan Punjarungroj	**	3,677,700	1.226
9	Thai Wire Products Public Co.,Ltd.	*	3,558,500	1.186
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.

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 2018, as follows:

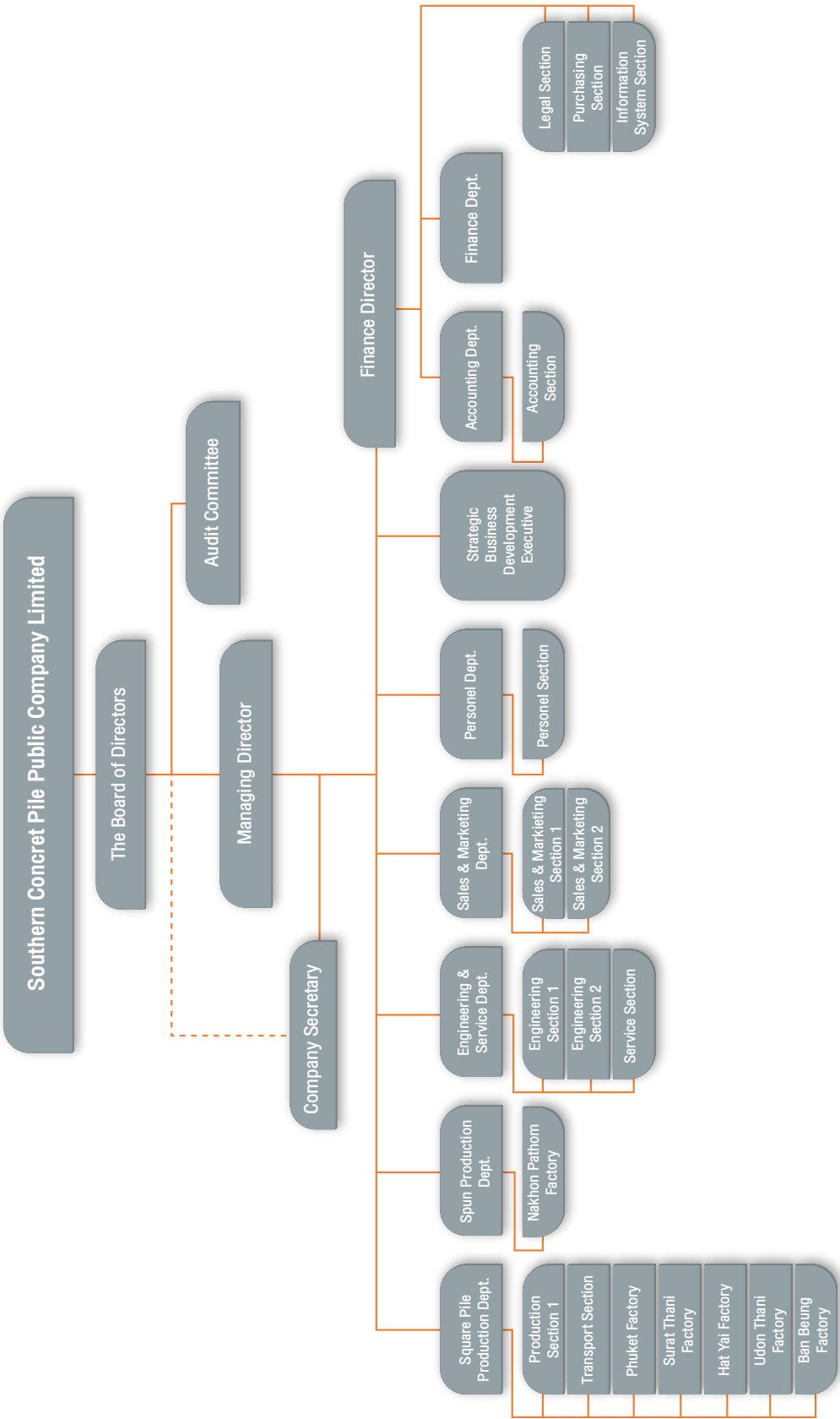
Particulars of Dividend Payment	2018	2017	2016	2015	2014
1. Earnings	287,390,838	232,961,614	266,746,650	292,970,824	332,109,792
2. Number of shares	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
3. Dividend payment					
3.1 Interim dividend	-	-	-	-	0.15
3.2 Balance of dividend	-	-	-	-	0.25
3.3 Total of dividend	0.50	0.40	0.35	0.40	0.40
4. Total of dividend payment	150,000,000	120,000,000	105,000,000	120,000,000	120,000,000
5. Dividend payment ratio	52.19%	51.51%	39.36%	40.95%	36.13%

Dividend Payment Policy of Subsidiaries:

- No subsidiary -



Management Structure



Board of Directors

1	Mr.Pongpayome	Vasaputi	Chairman of the Board of Directors, Independent Director
2	Mr.Bonguea	Limsuebchuea	Independent Director
3	Mr.Tasanai	Atichati	Independent Director
4	Mrs.Arune	Nganthavee	Managing Director
5	Mr.Thamrong	Nganthavee	Director
6	Mr.Suckchai	Nganthavee	Director
7	Mr.Kitja	Nganthavee	Director
8	Mr.Akapop	Nganthavee	Director

The Board of Audit Committee

1	Mr.Pongpayome	Vasaputi	Chairman of the Audit Committee
2	Mr.Bonguea	Limsuebchuea*	Audit Committee
3	Mr.Tasanai	Atichati	Audit Committee

*Audit Committee; with knowledge and experiences in reviewing financial statements of the Company

Executive Director

Mrs.Arune	Nganthavee	Managing Director
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The Executive Committee and Executive Officers

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

The Company's Secretary

Mrs. Nittaya	Chunualsri
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The Board of Directors' Meetings

The company shall convene the Board of Directors' meeting at least 4 times yearly for the Directors to acknowledge and participate in decision-making about business operations. The meeting schedule shall be planned in advance so that the Board of Directors are able to manage the time to attend the meeting. Unless of special agenda, the Chairman of the Board or the Board members equal to the number prescribed by laws can convene the additional meetings as deemed necessary.

In the Board of Directors' meeting, the Chairman of the Board and the Managing Director shall jointly consider the agenda. The Board members are opened to propose the issues for consideration of the agenda. The Chairman of the Board shall preside and supervise the meeting to ensure that each agenda is considerably covered. Additionally, the Chairman shall support

all Board members to express their views and discuss the issues independently. The top management executives shall be encouraged to attend the Board of Directors' meeting in order to elucidate information details under their responsibilities. The meeting materials shall be sent for at least 7 days in advance so that the Board of Directors can study the information adequately before attending the meeting. The minutes of the meeting shall be recorded and reported in writing.

In case of a director having interests in consideration of any agenda, the stakeholder director shall abstain from participating in the decision-making of that agenda. The company has the policy to convene meetings of non-executive directors with no involvement of the management, in case of deemed necessary, to discuss and freely express their views.

In 2018, the Board members attending the meeting are as follows:

Name		The Audit Committee's meetings	The Board of Directors' meetings	Annual General Meetings
1.	Mr.Pongpayome Vasaputi	4/4	4/4	1/1
2.	Mr.Bonguea Limsuebchuea	4/4	4/4	1/1
3.	Mr.Tasanai Atichati	4/4	4/4	1/1
4.	Mrs.Arune Nganthavee	4/4	4/4	1/1
5.	Mr.Thamrong Nganthavee	4/4	4/4	1/1
6.	Mr.Suckchai Nganthavee	4/4	4/4	1/1
7.	Mr.Kitja Nganthavee	4/4	4/4	1/1
8.	Mr.Akapop Nganthavee	4/4	4/4	0/1
Total		4	4	1
%		100	100	100

Particulars of Directors

1. Name	Mr.Pongpayome Vasaputi
Position	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director
Date of Appointment	30 th April 2012
Age (Years)	71

- 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)

- Role 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.
	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 -

2. Name	Mr.Bonguea Limsuebchuea
Position	Audit Committee and Independent Director
Date of Appointment	24 th April 2000
Age (Years)	72

- 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	Position	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
Date of Appointment	13 th Nov. 2007
Age (Years)	71
Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Arts, Chiang Mai University
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)	- None -

Work Experiences		
Periods	Position	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.Arune Nganthavee
Position	Managing Director
Date of Appointment	1 st Sept. 1995
Age (Years)	66
Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Business Administration, University of Denver
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> Director Accreditation Program (DAP Group No.2/2003)

Work Experiences		
Periods	Position	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	Chintek 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.1, Mother of Executive No.8.

5. Name	Mr.Thamrong Nganthavee
Position	Director
Date of Appointment	1990
Age (Years)	71

Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Science in Mechanical Engineering Australia
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Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Position	Name of Unit/Company/ Business Type
1998-Present	Managing Director	Nganthavee Rubber Plantation Co., Ltd. (Operating rubber plantations)
	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.1,
Uncle of Director No.8 and Executive No.8

6. Name	Mr. Suckchai Nganthavee
Position	Director
Date of Appointment	13 th May 1994
Age (Years)	68

Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Science in Urban Planning University of Wisconsin-Green Bay
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Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)

- None -

Work Experiences

Periods	Position	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.1,
Uncle of Director No.8 and Executive No.8.

7. Name	Mr. Kitja Nganthavee
Position	Director
Date of Appointment	1990
Age (Years)	61

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	Position	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.1,
Uncle of Director No.8 and Executive No.8.

8. Name	Mr. Akapop Nganthavee
Position	Director
Date of Appointment	11 st August 2017
Age (Years)	31

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	Position	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.1,
Cousin of Executive No.8

Change in Holding of the Company's Shares of the Director

(As of December 31, 2018)

Southern Concrete Pile Public Company Limited				
Name		Own	Spouse and minor child	Increase (Decrease) during the fiscal year
1.	Mr.Pongpayome Vasaputi	-	-	-
2.	Mr.Bonguea Limsuebchuea	-	-	-
3.	Mr.Tasanai Atichati	-	-	-
4.	Mrs.Arune Nganthavee	1,844,870	-	-
5.	Mr.Thamrong Nganthavee	1,030,550	-	-
6.	Mr.Suckchai Nganthavee	-	-	-
7.	Mr.Kitja Nganthavee	1,202,750	-	-
8.	Mr.Akapop Nganthavee	132,860	-	-

Particulars of Executives

1. Name			Miss Tipnara Nganthavee		
Position			Finance Director		
Date of Appointment			10 th Mar. 1995		
Age (Years)			55		
Academic Qualifications			<ul style="list-style-type: none">Master of Business Administration, University of Denver		
Work Experiences					
Periods		Position	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.					

2. Name			Mr.Somsak Wattanatham		
Position			General Manager, Nakhon Pathom Factory		
Date of Appointment			2 nd May 1996		
Age (Years)			64		
Academic Qualifications			<ul style="list-style-type: none">Bachelor of Science in Engineering, Chiang Mai University		
Work Experiences					
Periods		Position	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 -					

3. Name	Mr.Taweesak Wongsupphachart
Position	Square Pile Production Manager
Date of Appointment	1 st Jan. 1999
Age (Years)	64

Academic Qualifications	<ul style="list-style-type: none"> High Vocational Certificate, Phuket Technical College
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Work Experiences

Periods	Position	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 -

4. Name	Mr.Amnuai Emkosa
Position	Sales and Marketing Manager
Date of Appointment	1 st Sept. 1991
Age (Years)	58

Academic Qualifications	<ul style="list-style-type: none"> Master's Degree, Kasetsart University Bachelor of Science in Engineering, King Mongkut's University of Technology Thonburi
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Work Experiences

Periods	Position	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 -

5. Name	Miss Duangdao Sukhavanich
Position	Finance Manager
Date of Appointment	1 st Sept. 2000
Age (Years)	58

Academic Qualifications	<ul style="list-style-type: none"> Master of Business Administration, Siam University Bachelor of Economic, Ramkhamhaeng University
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Work Experiences

Periods	Position	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 -

6. Name	Mr. Krisana Sartwathanaroj
Position	Engineering and Service Manager
Date of Appointment	1 st Jan 2015
Age (Years)	53

Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Science in Engineering, Chulalongkorn University
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Work Experiences

Periods	Position	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 -

7. Name	Miss Tipaporn Rittawa	8. Name	Mr.Kampanart Petvaroon
Position	Accounting Manager	Position	Strategic Business Development Executive
Date of Appointment	1 st Sept. 2010	Date of Appointment	3 rd Jan. 2017
Age (Years)	47	Age (Years)	31
Academic Qualifications	<ul style="list-style-type: none"> Master of Business Administration, Southeast Asia University 	Academic Qualifications	<ul style="list-style-type: none"> Master of Science in Management, University of Leicester. Bachelor of Engineering, Sirindhorn International Institute of Technology.
Work Experiences		Work Experiences	
Periods	Position	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 (%)		2014-2016	Management Trainee
- None -			
Family Relationship between Directors and the Management		2011-2014	Analyst
- None -			
		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	

Change in Holding of the Company's Shares of the Executives

(As of December 31, 2018)

Southern Concrete Pile Public Company Limited				
Name		Own	Spouse and minor child	Increase (Decrease) during the fiscal year
1.	Miss Tipnara Nganthavee	2,359,860	-	-
2.	Mr.Somsak Wattanatham	75,000	-	-
3.	Mr.Taweesak Wongsupphachart	-	-	-
4.	Mr.Amnuai Emkosa	-	-	-
5.	Miss Duangdao Sukhavanich	-	-	-
6.	Mr.Krisana Sartwathanaroj	-	-	-
7.	Miss Tipaporn Rittawa	-	-	-
8.	Mr.Kampanart Petvaroon	15,000	-	-

Particulars of the Company Secretary

Name	Mrs.Nittaya Chunualsri
Position	The Company's Secretary and Senior Accounting Manager
Date of Appointment	13 th Aug. 2008 and 1 st Sept. 2010
Age (Years)	62
Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Arts in Commerce and Accountancy (Finance and Banking), Thammasat University

Work Experiences

Periods	Position	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 -

Change in Holding of the Company's Shares of the Company's Secretary

(As of December 31, 2018)

		Southern Concrete Pile Public Company Limited		
Name		Own	Spouse and minor child	Increase (Decrease) during the fiscal year
1.	Mrs.Nittaya Chunualsri	-	-	-

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 2018

In 2018, the Company has paid remunerations to directors and executives, as per the following details:

Name	2018		2017	
	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	440,000.00
2. Mr.Bonguea Limsuebchuea	Meeting allowances and position allowances	350,000.00	Meeting allowances and position allowances	350,000.00
3. Mr.Tasanai Atichati	Meeting allowances and position allowances	332,000.00	Meeting allowances and position allowances	332,000.00
4. Mrs.Arune Nganthavee	Meeting allowances and position allowances	310,000.00	Meeting allowances and position allowances	310,000.00
5. Mr.Thamrong Nganthavee	Meeting allowances and position allowances	160,000.00	Meeting allowances and position allowances	160,000.00
6. Mr.Suckchai Nganthavee	Meeting allowances and position allowances	250,000.00	Meeting allowances and position allowances	250,000.00
7. Mr.Kitja Nganthavee	Meeting allowances and position allowances	220,000.00	Meeting allowances and position allowances	220,000.00
8. Mr.Akamin Nganthavee	Meeting allowances and position allowances	-	Meeting allowances and position allowances	30,000.00
9. Mr.Akapop Nganthavee	Meeting allowances and position allowances	220,000.00	Meeting allowances and position allowances	190,000.00
Total		2,282,000.00		2,282,000.00

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

รายละเอียด	2018		2017	
	Number of persons	Total Amount (M Baht)	Number of persons	Total Amount (M Baht)
Executive Directors and the top management				
• Salaries and bonuses	10	35.68	10	32.25
• Other remunerations		4.46		4.43
Total	10	40.14	10	36.68

Personnel

The Company has totally 1,336 employees. In 2018, the Company has paid remunerations to its employees, amounted to 369 million Baht, including salaries, overtime pay, cost of living

allowances, bonuses, special allowances, social security contribution and provident fund contribution, department of labor contribution, allowances, employee benefits etc.

2018	Southern Concrete Pile Public Company Limited
Daily employees (people)	983
Monthly employees (people)	286
Executive employees (people)	10
Head Office employees (people)	57
Total (people)	1,336
Employees' remunerations (million Baht)	369

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

- None -

Significant labor disputes during the past 3 years:

- None -

Personnel Development Policies

The Company strongly believes that personnel is the most valuable resources. Therefore, training and capability development have been organized continually in order to increase knowledge and skills necessary for the operations and encouraging the growth of business in the rapidly changing situation at present, as well as enhancement of customer satisfaction.

The Company has confidence in giving employment opportunities, treating its employees equally and fairly, and paying compensation suitable for positions and work performance. All employees are welcomed to learn, develop and grow ultimately to their potentials.

In 2018, the Company has organized in-house training courses to increase potential and develop work skills i.e. Quality Awareness & Customer Expectation, Excellent Techniques for Accountants to be Accounting Managers, and Positive Thinking for Work Happiness. Besides the Company has supported the employees to attend public courses of professional training.

The Company accepts and is aware of the diversity of employees, as well as adheres to the principle of equality. Employment and work promotion are conducted based on the Company's business objectives by taking individual capability and qualification into consideration. Importantly, the Company shall not employ labors under the age stipulated by laws; and engage in all forms of involuntary labors and illegal workers.

Lastly, the Company is willing to take care of employees' health and safety by creating a good work atmosphere. The policy about personnel management is in compliance with intentions and provisions of laws. The Company shall take responsibility to make employees realizing about laws and regulations related to their duties. The Company shall have the policy to maintain a good working environment with no prejudice, discrimination, threatening and harassment.

Corporate Governance

The Office of Securities and Exchange Commission revised the Corporate Principles 2012 to Corporate Governance Code for Listed Companies 2017. It emphasizes on creating sustainable value to businesses. Apart from creating confidence for investors, the Company's Board of Directors shall control and supervise its business to maintain competitiveness and sustainably good performance; implement business morally, ethically with respect of others' rights and responsibilities to shareholders and stakeholders; create and develop benefit to society without bad effect to the environment. Moreover, the company is able to well adjust its business to suitable for business conditions. There are 8 main guidelines for the Company's Board of Directors, as follows:

1. Realize the roles and responsibilities of the Board as the leaders for creating the sustainable value of the business.
2. Determine business objectives and goals for sustainability.
3. Enhance the efficiency of the Board of Directors.
4. Nominate and develop the top management executives and human resource management.
5. Promote business innovation and responsible business operations.
6. Supervise and ensure the business to have proper risk management and international control system.
7. Maintain financial credibility and information disclosure.
8. Support shareholders' participation and communication.

In the Board of Directors' meeting No. 1/2019, the policy in corporate governance has been reviewed and considerably apply the aforementioned guidelines for proper implementation beneficial to sustainable value creation in the future.



Policy in Corporate Governance

The Board of Directors realizes the importance and continual compliance of good governance principles; business operations with adherence to business codes of ethics; the expectation of transparent and efficient operation of the Company; and creation of confidence for investors. The Board of Directors also is aware of responsibilities as the leaders who shall control and supervise the operation with good management which leads to sustainable value creation, high competitiveness, and long-term good performance.

Practice Guidelines

Although the Company has not appointed any subcommittee, except the Audit Committee; the Board of Directors, with realization of corporate governance, has developed clear guidelines and gave freedom in operation, including assigning the management to be the initiators and implementers of good governance under the recommendations of the Executive Board, Audit Committee and Board of Directors.

The Executive Board and Audit Committee shall consider and propose the policy to the Board of Directors' meeting for the approval of policy and application of the mentioned criteria. For any criterion has not been set as the policy or not bring to practice, the management shall report to the Executive Board, Audit Committee and Board of Directors and ask for consideration at least once a year or as deemed necessary.

1. Shareholders' Right

The Company realizes the importance of shareholders and shareholders' ownership in making the decision on the Company's important matters. The Company shall encourage its shareholders to exercise their rights and ensure them to have the fundamental right protection. The shareholders shall get the Company's data and information correctly, precisely, sufficiently, and punctually. The shareholders rights include attending shareholders' meeting, sending proxy to attend the meeting and voting, expressing opinions, and giving inquiries in the meeting to the important decision i.e. directors election, auditor appointment and determination of account auditing, profit allocation, approval of remunerations for the Board of Directors members and subcommittee, revision of memorandum of association and the Company's provisions, approval of significant transactions

affecting directions of business operations, etc. All shareholders have the rights to cast votes according to a number of holding shares. One share shall be counted as one vote and no share is a privilege to others.

Apart from the Company support of shareholders to exercise their fundamental rights, it has established an additional policy to enhance and facilitate the shareholders' right exercise, as follows:

1. The Company shall clearly and punctually give important and necessary information to shareholders on the Company's website and the Stock Exchange
2. The Company shall provide shareholders an opportunity to propose the meeting agenda and nominate candidates for directorship by publicizing via the channel of the Stock Exchange and the Company's website, as well as providing the clear procedure in accepting that matter into consideration. Shareholders are able to propose the meeting agenda and nominations for directorship in advance on the Company's website.
3. The Company shall clearly notify information about the venue, date and time, as well as the meeting agenda both in Thai and English via SET Portal system of the Stock Exchange and the Company's website at least 1 month in advance.
4. The Company shall provide shareholders an opportunity to submit inquiries and opinions to the Board of Directors about the matter related to the Company in advance by notifying in advance via the channel of the Stock Exchange and the Company's website.
5. In the Annual General Meeting, the Company shall open for the shareholders to cast the vote to elect individual directors.
6. To facilitate any shareholder who is unable to attend the meeting, the Company shall allow him/her to send an independent director or any person as a proxy to attend the meeting by filling in Form Khor. which the Company has sent together with the invitation to the meeting. The shareholder is able to use the form to set the direction for casting vote as the form prescribed by the Department of Business Development and Ministry of Commerce. The Company

shall attach the documents and evidence that shareholders shall present before attending the meeting, proxy process and registration procedure together with the invitation for the meeting, including the information of independent directors listed by the Company as a proxy. The listed independent directors shall not stake with the election agenda mentioned in the invitation letter. Shareholders are able to download the proxy form, both in Thai and English, from the Company's website.

7. On the meeting day, the Company prepares the barcode registration system that having the identification number of shareholders printed in the registration form to facilitate the meeting and the registration. Additionally, the Company shall prepare the document checking point for proxy, as well as stamp duties, with facilitating staff. The Company shall start the registration at least 2 hours prior to the meeting.

8. Before conducting the meeting, the Legal Department shall notify about voting procedure, vote counting and the announcement of the result as follows:

8.1 In voting for each agenda, shareholders have the rights to vote equal to a number of holding shares. One share can be counted as one vote. The voting shall be done with disclosed manners by showing of hands.

8.2 The Company shall prepare ballots for all agenda that need resolution for transparency and accountability. In each agenda, the chairman of the meeting shall announce that shareholders or proxies who are against with the issue or are willing to abstain from voting to show their hands, and the Company shall mark the ballots and keep as evidence. For a shareholder who appoints a proxy and sends the voting intention by him/herself, the Company shall count the vote as identified by the shareholder in the proxy form.

8.3 The Company shall collect the ballots and announce the results after finishing the voting in each agenda. In case of vote counting, to ensure that the meeting can run smoothly, the Chairman may ask to consider the next agenda while counting the vote and announce the results to the meeting as soon as possible.

9. The Company has assigned independent representatives from the auditor and the representatives from the shareholders' right protection from Thai investors association to observe the shareholders' meeting every year

10. During the meeting, the Chairman of the meeting shall allow shareholders to express opinions, suggestions, and inquiries independently before voting and prepared the related person to give answers.

11. The shareholders' general meeting 2018 has been held on 27 April 2018 at 2.00 pm. At Suan Luang Hall 1-3, 1st floor Novotel Hotel Bangna Bangkok, situated at 333 Sringarindra Road, Nong Bon Subdistrict, Prawet District, Bangkok 10250. The meeting has been conducted on the agenda specified in the invitation to the meeting. After all agenda consideration has been covered, the Chairman allowed shareholders to make inquiries in the interesting topic and then close the meeting.

12. The Company disclosed the meeting resolutions to the public together with voting results via SET Portal system of the Stock Exchange after the end of the meeting.

13. The Company has fully recorded the meeting minutes together with all inquiries occurred in the meeting. The report of shareholders' meeting 2018 has been prepared and finished within 14 days from the meeting date. It shall be as well as submitted to the Stock Exchange and Ministry of Commerce within the date prescribed by laws and published on the Company's website in Thai and English.

2. Fair Treatment to Shareholders

The Company has placed importance to fair and equal treatment to shareholders. To ensure that shareholders are treated fairly and equally, the Company prescribed the following measures:

1. The Company shall provide minority shareholders the opportunity to propose a meeting agenda and nominate candidates for directorship prior to the meeting date. The Company shall notify information details together with criteria to shareholders through the Stock Exchange and the Company's website to ensure the participation of minority shareholders.

2. The Company entitles a shareholder who is unable to attend the meeting can assign any person or an independent director listed by the Company as a proxy to attend the meeting and cast vote on his/her behalf. The shareholder shall apply the proxy form as prescribed by the Department of Business Development, Ministry of Commerce, in Thai and English,

together with relevant documents and evidence needed to present prior to the meeting. The proxy procedure and registration method are attached to the invitation to the meeting. The Company also shall disseminate such documents on the Company's website prior to the meeting date.

3. The Company realizes the importance to the use of inside information which has not yet been disclosed to the general public or any data which shall affect the Company's stock prices for improper benefit of oneself or others. Therefore, the Company prescribes guidelines for preventing improper use of information in writing according to the resolution of the Board of Directors. The directors and executives shall report the shareholding of oneself, including their spouse and minor children who have held the Company's securities. They shall also report the changes of the Company's securities in their hands either buying, selling, transferring or receiving the transfer (Form 59-2) within 3 working days from the day of changes; and notify the Company Secretary at least one day prior to the trading day.

4. The Company is aware of conflicts of interests of a relevant person. Therefore it prescribes the directors and executives shall prepare reports of their stakeholding and the related parties about the Company and its subsidiaries when firstly holding the positions, as well as when the change occurs.

3. Roles of Stakeholders

All groups of stakeholders have a contribution to the Company's operation by enhancing competitiveness, benefits, and long-term success. The Company has set practice guidelines to stakeholders, as follows:

1) Shareholders

The Company shall treat shareholders according to the corporate governance principles. The shareholder shall be treated equally both in fundamental and additional rights specified in Section 1 Shareholders' Rights and Section 2 Equal Treatment of Shareholders.

2) Personnel

- The Company has set policy to provide employees' quality of life in the aspect of security and hygiene at the workplace. The policy includes care for employees' accommodations at factories in upcountry provinces, as follows:

1. Provide 24-hour security staff.
2. Install campaign boards against narcotic drug and specify punishment for employees involving in drugs.
3. Set rules about accommodation cleaning and waste management.

- The Company realizes the importance of personnel's potential development; therefore, it develops a training plan for employees at all levels to enhance work capability and skills. The employees are also encouraged to participating in work, working as a team, and having self-belonging with the Company. The Company has continually organized the annual activities to provide employees in all departments a chance to interact with each other. Trophies and reward money are given to the factories with excellent scores in order to motivate employee self-development and enhance the competitiveness of the Company.

- Fair compensation shall be paid according to employees' potential and not less than the minimum rate prescribed by labor laws. The performance appraisal shall be performed every 6 months. The Company shall provide welfares i.e. provident fund, supporting fund in case of death of employees' parent or spouse, accident insurance, employees' children educational scholarship, accommodation, and bonuses based on the Company's operating results and individual performance.

- The Company shall develop clear practices with no discrimination. It shall not commit any action which violates human rights or deprive rights and freedom of employees of all races and religions.

- The Company shall supervise employees to strictly obey related laws and regulations; and prohibit employees to perform any action violated copyright and intellectual properties, including encouraging employees to have guidelines to work honestly and abstain from corruption.

3) Customers

- The Company has realized the importance of customers with sincerity and willingness. To create customers' confidence and to ensure the most satisfaction of the Company's products and services, all customers shall be treated equally without discrimination. Moreover, the products and services are secure in accordance with world standard and environmental friendly.

- The Company shall provide customers with good quality products compliance to customers' agreement at fair prices. Additionally, the Company shall provide comprehensive services for facilitation and rapidness of the operation both in logistics and pile installation. There are several installation methods for customers' selection to work conditions.
- The Company shall give suggestions and recommendations to customers about products and services correctly, sufficiently and punctually.
- The Company shall practice in conditions agreed with customers seriously. In case of default, the Company shall notify customers immediately and jointly consider solutions.

4) Business Partners/Creditors

- 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.
- Transparent purchasing scheme with effective internal control preventing the wrongdoing in purchasing procedure
- Perform under the agreements, regulations and laws strictly, especially the payment term
- Not supporting the products or act that abuse the intellectual property
- Manage the Company's fund to comply with the core business operation and objectives to maintain the creditors' trusts in financial status
- Comply the agreements and payment terms under the possible obligation debt, guaranteed securities and other strictly
- Notify the vendor in advance when the Company's is not able to comply with the agreements so that the solution would be discussed

5) Competitors

The Company shall perform as follows:

- Treat trade competitors fairly and honestly compliance to laws. The business competition should be done morally and transparently without exploitation of others.
- Do not seek confidential information with wrongful and improper method.
- Refrain from any action violating competitors' intellectual property rights.
- Do not discredit competitors by alleging untrue information.
- Promote and support free and fair trading competition.

6) Society, Community and Environment

- The Company shall manage businesses with responsibilities to society, community and environment; give support to activities for developing quality of life and benefits of community, including development and enhancement of child potential.
- The Company shall promote and instill awareness of responsibility for society, community, and environment to all level of personnel. The employees shall be encouraged to participate in community activities or projects, as well as campaigns for efficient use of energy and resources.
- The Company shall develop and improve the environmental management system to reduce pollution and environmental impact.

7) Codes of Ethic about Intellectual Properties

The Company has set policy to prohibit the operation which tends to violate intellectual property rights in order to avoid damages and discrediting problems of the Company. It is prohibited executives and the Company's personnel from using illegal software and copying copyright software without authorization from software producing companies.

8) Anti-corruption Policy

Southern Concrete Pile Public Company Limited foresees the importance of business operations with morality, ethics, and social responsibilities. The Company encourages its employees, executives, as well as directors to adhere to codes of

ethics. Due to the realization of anti-corruption, the Company promotes all levels of employees and related persons to act against all kinds of corruption and obey Thai laws. The Company, therefore, has established anti-corruption policy, as follows: Southern Concrete Pile Public Company Limited foresees the importance of business operations with morality, ethics, and social responsibilities. The Company encourages its employees, executives, as well as directors to adhere to codes of ethics. Due to the realization of anti-corruption, the Company promotes all levels of employees and related persons to act against all kinds of corruption and obey Thai laws. The Company, therefore, has established anti-corruption policy, as follows:

8.1) Definitions

Fraud means performing or refraining to perform duties or wrongfully use of power in positions to demand any article or benefits for personal interest or benefits of others.

Corruption means giving or receiving, promising to give money, articles, services or any other benefits to government officials, government agencies, business organizations, or stakeholders in order to perform or refrain to perform, to acquire undue benefits or privileges, to gain advantages in business competition, or to protect or conceal offences under the laws, for corporate benefits or self-interest or others.

Company means Southern Concrete Pile Public Co. Ltd

Subsidiary means juristic persons that the Company holds share not less than 50 percent (the Company has no subsidiaries).

Director means the Company's directors, subcommittee, and independent directors.

Executive means personnel in commanding level i.e. managing director, directors, department managers, heads of sections, including deputies or assistances of aforesaid positions.

Personnel means daily and monthly paid employees, including temporary contract employees.

Related person means spouses, children, and relatives of the Company's directors, executives, and personnel.

Third party means partners, contract party and subcontractors.

Stakeholder means those who have relationships with directors, executives, employees, community partners, and surrounded communities.

8.2) Anti-Corruption Policy

Against all corruptions both direct and indirect manners

Employees, executives, directors, subcommittee, and internal auditors of Southern Concrete Pile Public Co. Ltd. shall comply to the anti-corruption policy as follows:

8.2.1) Prohibit to perform any improper action or corruption with or without intention, directly or indirectly, for corporate benefit or one's interest and relatives.

8.2.2) Refrain to accept all kinds of corruption, even for corporate benefit or one's interest and relatives.

8.2.3) Corporate, as well as stakeholders, shall not get involved in corruptions in direct or indirect manners.

8.2.4) Notify or report the supervisors by any mean if witness the corruption or corruption possibility.

8.2.5) Acknowledge employees, executives, directors, and third parties about the intention to anti-corruption including making employees understand about the policy.

8.2.6) Not lessen position, punish or give penalties to employees who perform against corruption even that performance causing the Company to lose business opportunities.

8.3) Practice Guidelines

In response to anti-corruption policy, the Company has established practice guidelines, as follows:

8.3.1) Political Contributions

Political Contribution means giving financial support or other contributions to political parties, politicians or political candidates, including related person or agencies.

The Company shall act neutrally and not perform any actions to align with any political party or authorities. It is prohibited to offer the Company's money or

resource, directly or indirectly, to political parties or politicians. The Company shall stipulate the practices, as follows:

1. Not allow to install campaign signs of any political party or any person in the Company's premises or on the Company's properties.
2. Not allow to use the Company's vehicles or properties to transport people for voting to any specific party, or to support any party or any candidate.
3. Not accept donation of money or articles which is a contribution to any political party or activity of any group, as well as not give support or assistance, directly or indirectly, to specific candidate.
4. Support democratic movement, as well as give contributions to non-specific political activities as prescribed by related laws; and allow employees to take leaves for voting at their domiciles.
5. The Company's directors, executives and personnel are entitled to independently and personally participate or support political activities, outside of business hours. However, they shall not make use of the Company membership for any political benefit.

8.3.2) Charitable Contributions and Sponsorships

The charitable donations in form of money or articles, as well as money sponsorships, to government agencies or third parties shall be considered and approved by supervisors as contributions beneficial to public or surrounded communities. The donations shall not be for corporate benefits or personnel, or for competitive advantage. All contributions and sponsorships shall be performed on behalf of the Company, with reliable certification or receipt to proof the activity arrangement, following approval process of the top management.

8.3.3) Gift and Modest Expenses

Building good relationships with customers or business partners is necessary to business operations. The Company, therefore, has established policy in provision or receipt of gifts or entertainment to avoid corruption as mentioned below:

Employees shall provide or receive gifts and pay modest expenses in the following conditions:

1. subject to customary practices, business convention or manners.
2. subject to appropriate value and occasions.
3. in accordance with laws, code of conduct, or anti-corruption policy.
4. must not be valued exceeding to 3,000 baht.
5. must be followed approval process.
6. Accept gifts as customary practices, business convention or manners not exceeding to 3,000 baht. The received gift shall be submitted to the Company and it shall be allocated as appropriate. In case a gift is valued more than 3,000 baht, employees shall inform supervisors for consideration prior to the receipt.

To avoid involvement and risk of corruption, payment of donation, sponsorship, or modest expenses shall be performed by filling in an approval form identifying reasons of the matters.

8.3.4) Third Parties

1. The Company's employees, executives, and directors are prohibited to offer money, returns or any privilege to employees or decision-making authorities of partner companies in order to acquire trading privilege or competitive advantages.
2. The Company's employees, executives, and directors are prohibited to demand for money, returns or any interests from contractors or persons selling products or providing services to the Company in exchange of buying products or services from specific traders.
3. Employees shall not make personal advantages obtained by position to receive or demand third parties or extended parties to provide any service not related to Company's business.

8.4) Responsibilities and Punishment

The Board of Directors intends to implement effective anti-corruption policy, including creating awareness in corporate, leading to corruption free nation or public. The responsibilities and punishment are stipulated as follows:

1. The Board of Directors has duties and responsibilities in formulating policy and monitoring its effective results.
2. The Audit Committee has duties to review and examine the operation in accordance with anti-corruption policy and practice guidelines for corruption prevention.
3. The Company's employees, executives, directors and subcommittee shall strictly perform their duties according to anti-corruption policy.
4. In case of witnessing corruption of the Company's employees, executives and directors, the maximum penalties shall be specified according to the Company's provisions, Thai laws, or laws related to the Stock Exchange.
5. It is responsible of executives in all departments of marketing, procurement, accounting, production, service and personnel, to regularly monitor working process to avoid corruption.

8.5) Policy of Whistleblowers

- The Company shall provide all group of stake holders an opportunity to exchange information, including listening to opinions and suggestions of all stakeholders for mutual benefits; and to operate the Company according to the operation plan and objectives. In case the stakeholders have not received fair treatment, they shall contact or complain directly to the Company's Audit Committee at
E-mail : audit_committee@scp.co.th
and/or to the Company Secretary at
E-mail : company_secretary@scp.co.th
- The Company has developed practice guidelines for protecting employees or whistleblower. Information received shall be treated as confidential. The investigation processes shall be done without disclosing the name of a whistleblower, a complainant or information resource.

- In case of improper behavior, the committee shall be established to investigate, make judgment, consider, punish and present the report to the Board of Directors.

4. Information Disclosure and Transparency

The Company realizes the importance of corporate governance. Therefore, it has revealed the essential information to public correctly, precisely, transparently and punctually according to the criteria prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand through communication channels where investors and stakeholders can easily and equally access. The Company shall disseminate information via SET Portal system of the Stock Exchange and the Company's website, both in Thai and English.

Throughout the year of operation, the Company strictly adheres to laws and regulations prescribed by the SEC, the SET and other related government agencies. The Company has disclosed the essential information and prepared the financial report and other reports as specified by the determination of the SET and the SEC for benefit of decision making on investment and creating confidence for investors. The Company also intends to add value to its business, create competitiveness, and sustainable good performance.

As for investor relations, the Company has established investor relations office to disclose various information to shareholders and investors, both financial data and other information which can affect the Company's stock prices. For more information, investors will be able to contact the investor relations office, Ms.Duangdao Sukhawanit, at telephone no. 0-2711-5134 Ext.124 or E-mail : investor_relation@scp.co.th

5. Responsibility of the Board of Directors

5.1 Board of Directors Structure

The Board of Directors consisted of 8 members, including 3 independent directors, 4 non-executive directors, and 1 executive directors. The Board members shall have required knowledge, ability and experiences in various fields. The Board of Directors have important roles in formulating the Company's policy, visions, and missions; and works with the top executives to prepare short- and long-term operational plan, including financial policy

and risk management. The Board shall control, supervise and evaluate the Company's operating results and operation of the top management according to determined plan. The Board of Directors are as follows:

1.	Mr.Pongpayome	Vasaputi	Chairman of the Board of Director/ Independent Director
2.	Mr.Bonguea	Limsuebchuea	Independent Director
3.	Mr.Tasanai	Atichati	Independent Director
4.	Mrs.Arune	Nganthavee	Managing Director
5.	Mr.Thamrong	Nganthavee	Director
6.	Mr.Suckchai	Nganthavee	Director
7.	Mr.Kitja	Nganthavee	Director
8.	Mr.Akapop	Nganthavee	Director

Authorized directors included Mrs.Arune 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.

5.2 Roles, Duties, and Responsibilities of the Board of Directors

1. To manage businesses for the utmost benefits of shareholders by supervising directors and executives to perform duty of care and loyalty, as well as operating as prescribed by laws, regulations and resolutions of shareholders' meeting, and to disclose information to shareholders correctly, precisely, transparently and punctually.
2. To specify visions, missions and strategies in business operations, which shall be revised and approved yearly.
3. To make consideration of main operational plan, budget, goals and policy, including development of the Company's competitiveness.
4. To monitor and evaluate the implementation of strategies and require for regular reports; and establish policy to develop and improve the Company's operations.
5. To report stake holding of themselves or other person related to management of the Company and its subsidiaries for operational transparency.
6. To set risk management policy, supervise risk management, revise and monitor the results of risk prevention implementation, and regularly evaluate when risk level are changed.
7. To perform according to good governance policy and anti-corruption policy, as well as related written practice guidelines; and review the policy and its implementation at least once a year.

8. To encourage directors, executives, and all employees to have awareness of morality and ethics, and practices based on corporate governance, code of conduct and anti-corruption policy; supervise the proper internal control and inspection system to reduce fraud risk and abuse of power, including unlawful action prevention.

9. To take care of benefits of major and minor shareholders with fairness; ensure that shareholders are able to protect their interests and receive information fairly, correctly, precisely, transparently, accountably and punctually.

10. To realize roles, duties, and responsibilities of the Board of Directors; respect the rights and treat the shareholders and stakeholders fairly and transparently; control and supervise the clear practice guidelines for whistleblowers or stakeholders; and provide the channel for contacting/complaining directly to the Board of Directors.

11. To consider the development plan of executives and the succession plan; control and supervise performance assessment of executives; determine the proper remunerations for executives in accordance with the operating results in order to create short and long term motivation.

12. To evaluate annual performance of the Board of Directors both as overall evaluation and individual self-assessment.

13. To control and supervise the nomination process of the Directors to be transparent and determine the proper remunerations of the Directors.

14. To attend the Board of Directors' meeting and the Shareholders' meeting. In case a director fail to attend the meeting, he/she shall inform the Chairman or the Secretary of the Board in advance.

5.3 Roles and Duties of the Chairman

1. To consider and set the agenda of the Board of Directors' meeting together with the Executive Directors; and make sure that the directors receive information correctly, precisely, clearly, and punctually prior to the meeting so that the Directors can study and make decision properly.

2. To be leader of the Board of Directors and the Chairman of the Board of Directors' meeting; conduct the meeting as prescribed in the agenda and the Company's provision; allocate the time and encourage all directors to discuss and independently exchange opinions by using their discretions and consideration of all stakeholders; and make resolutions and clear necessary actions, including determination of the meeting of non-executive directors, as deemed necessary.

3. To conduct the shareholders' meeting following the prescribed agenda, the Company's provisions, and related laws; allocate the proper time and opportunities to shareholders to equally express opinion; and ensure that shareholders have proper and clear answers to their inquiries.
4. To strengthen good relationships between the Directors and the Management; and promote the operation of the Executive Directors and the Management as prescribed in the policy and the operational plan.
5. To control and supervise the information disclosure and transparent management in case of conflicts of interests.
6. To control and supervise the Directors to work efficiently according to the corporate governance and business code of conduct; and support and be good model of good governance and business codes of ethics.
7. To control and supervise the performance evaluation of the Board of Directors as a whole and individual, and the subcommittee evaluation; and apply the result to improve the operation and enhance knowledge and capability of the Directors.

5.4 Powers of Approval of the Board of Directors

The Board of Directors has powers in approving the Company's operations according scope of duties prescribed by laws and the Company's provisions, scope of responsibilities of the Board, as well as resolutions of the shareholders' meeting. The authorization of powers includes formulation and revision of vision, mission, implementation strategies, policy in risk management, budget plan, and annual operational plan, as well as following-up and evaluation of operating result.

Division of Roles and Duties between the Directors and the Management

The Company has clearly divided duties between the Directors and the Management. The Board of Directors has duties in formulating policy and supervising operation of the management, while the management has duties in managing the operation in accordance with the prescribed policy and plan. Therefore, the Chairman of the Board and the Managing Directors shall not be the same person. The Chairman shall be an independent directors who has no involvement in the Company's operations for clear separation between policy supervision and operation management. Additionally, the Board of Directors has duties to determine the succession of the top management.

5.5 Directorship Term of Directors and Independent Directors

According to Clause 14 of the Company's provisions, the one-third of Directors shall be removed from the office of directorship in the annual shareholders' meeting. If the one-third of directors is not a whole number, it shall remove the directors at the nearest number. In the first and second year after the registration of public company limited, the director removal shall be done by drawing. After that, the director who hold the longest term shall be removed. In Clause 15, the terminated directors are able to be reelected. The Board of Directors comprises of 8 members. The nomination process shall be in accordance with the Company's provision, and shall be informed to the shareholders' meeting together with the approval of the Board of Directors for consideration.

5.6 Policy in Holding Positions in External Organization of Directors and Executives

The Company has set policy for the Directors not to hold the directorship position in more than five registered companies in order to make sure that they are able to devote time for the most effective operation. The position holding shall not be a conflict of interests or competitiveness of the Company's businesses, as well as damaging the Company's benefits.

5.7 Performance Assessment and Knowledge Development

The Company has stipulated the performance assessment of the directors, subcommittee, and executive directors. The assessment shall be performed as a whole and self-assessment. The Company Secretary will submit the performance assessment form to all directors. After that, the Secretary will conclude and present the results to the Audit Committee and the Board of Directors.

The performance assessment of the directors and subcommittee is divided into 6 topics, i.e. structure and qualifications of the Board, roles and responsibilities of the Board, the Board of Directors' meeting, functions of the Directors, relationship with management, and self-development of the Board member and executives. The results of assessment in all topics are at good level. The performance is satisfactory.

The evaluation of the performance of executive directors comprises 10 topics include leadership, strategy formulation, compliance strategy, planning and financial performance,

relations with the Directors, relationships with extended parties, management and relationships with personnel, the succession, knowledge of products and services, and personal attributes. The overall performance of the Executives is at a good level. The performance is satisfactory.

The results of performance evaluation of directors, subcommittee and executive directors will be guidelines for revision and development of operations in the future.

5.8 Remuneration of Directors and Executives

Remuneration of Directors

The Company has determined the remunerations of the directors by taking account of duties and responsibilities of the individual director.

Remuneration of Executive Directors

The Company has determined the remunerations of the Executive Director by taking account of duties, responsibilities, and operational results both in short and long term.

Remuneration of Executives

The Company has determined the remunerations of executives by taking account of duties and responsibilities of the individual executives, including the operating results of the Company and performance appraisal results of individual executive. At present, the Company has not yet established the nomination and remuneration determination Committee; however, the Company has been carefully considered the determination of remuneration appropriate to other industries in the same level. Additionally, the remuneration shall be high enough to maintain the Directors and Executives with required qualifications.

5.9 Development of Directors and Executives

The Board of Directors develops policy in promoting and supporting activities to regularly develop the Directors and executives' knowledge both in forms of curriculum beneficial to work operation and activities in exchanging opinions between the Board and executives, such as the training on "Upcoming Changes to your Financial Reporting" organized by Registered Company Association in 2018.

5.10 Orientation for New Directors

The Company shall organize the orientation for new directors. The Company Secretary is assigned as a coordinator

who prepares necessary documents for the new director, i.e. the Company's data, overall business operations, organizational structure, shareholder structure, manual for registered company's directors, good governance principles; code of conducts and power of the Board of Directors, and yearly meeting schedule. Additionally, the meeting shall be held with related executives to give information and answer questions for benefits of the operation in directorship position.

5.11 Succession Plan

The Company has determined succession plan in the management level and main duty positions by considering from the individual work performance, potential and readiness. Moreover, the qualifications and experience in the work field would also be taken into the account. The Company prepares the succession personnel through developing knowledge, ability and skills needed to successful succession and continuous operation in the future.

Executive Directors

The Board of Directors has appointed Mrs. Arunee Nganthavee as the Executive Director-Managing Directors with powers and duties as follows:

- 1) To formulate business management and operation policy, or other operations binding the Company.
- 2) To consider and approve regulations, orders, and provisions of the Company.
- 3) To control and supervise all businesses of the Company as mentioned in resolutions and policy of the Company.
- 4) To approve the proposals of committee for benefits of management as specified in the Company's objectives.
- 5) To study feasibility of investment in a new project; and have powers of approvals as authorized by the directors.
- 6) To have powers of approvals, appointment, removal, disciplinary punishment and consideration of salary and wages raises, welfare, bonus, pension, and other compensations, including expenses and facilities of officers or Company's employees.
- 7) To give suggestions and consultations to working groups; and follow up the operation in accordance with the prescribed work plans and policies.
- 8) To have powers of appointment a person or a group of people to perform the Company's businesses under the supervision of the Executive Director; assign a person or a group of people to act as the Executive Director's approval; and have powers of change, revision, and dismissal of such powers.

9) To perform any operation in accordance with the prescribed policy assigned by the Board of Directors.

*The power of approvals as above mentioned are excluded authorization for approval of relating to related transactions as defined by the Office of Securities and Exchange Commission (OSEC).

Subcommittee

The Company's subcommittee is the Audit Committee. Other subcommittee has not yet been established because the Board of Directors has considered that the business management within the corporate is not of large size and has not been complex. However, the Board may establish subcommittees when the company has expanded in the future.

Audit Committee

The Audit Committee shall consist of 3 independent directors as follow:

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

*The audit committee having knowledge and experience in reviewing financial statement

Term of Audit Committee

The Audit Committee has 2-year term according to directorship term of the Board of Directors. The term shall be completed at the date of the annual shareholder's meeting. When the Audit Committee has completed the term, he/she may be considered to continue working in that position.

Scope of Powers and Duties of the Audit Committee

1. To review for adequate and correct financial reporting of the Company;
2. 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.
3. 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.
4. 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:

- 6.1 Opinions relating to the correctness, completeness, reliability of the Company's financial reports
- 6.2 Opinions relating to the adequacy of the Company's internal control systems.
- 6.3 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.
- 6.4 Opinions relating to the suitability of the auditor.
- 6.5 Opinions relating to transactions with potential conflicts of interests.
- 6.6 The number of meetings of the Audit Committee and meeting attendances of each of the audit directors.
- 6.7 Opinions or overall remarks that the Audit Committee has received from its performance of duties under the Charter.
- 6.8 Other transactions that should be informed to shareholders and general investors under the scope of duties and responsibilities assigned by the Board of Directors.
- 6.9 To take any other actions as assigned by the Board of Directors with approvals of the Audit Committee.

The Company 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 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, an accounting graduate, to assume the position of the Company's Secretary, effective as from 13th August 2008 onwards.

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.
- businesses. The qualifications of independent directors are equivalent to the Requirements of the Office of the Securities and Exchange Commission (OSEC), 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

Nomination and Appointment of Directors and the Top Management

1. Selection of Independent Directors

The committee shall select independent directors from person with required skills and experience useful for the Company's

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.

2. Nomination of the Company's Directors and the Top Management

Nomination of Directors

The committee shall nominate person with required qualifications for the director position in case of a vacancy due to the end of directorship term or others. The nomination shall be persons with different background and expertise; having leadership, visions, morality, transparent and flawless work history; and promote and support corporate governance implementation. Additionally, they shall have qualifications in accordance with the Securities and Stock Exchange Act, the SEC and the SET rules.

Nomination Procedure

The Directors shall perform as follows:

- 1) Nominate person with required qualifications to be a directors in place of vacancy position.
- 2) Consider the candidate nominated by minor shareholders as the Company allows shareholder to propose the nomination in advance (if any).

3) Propose the nomination for directorship to the Company's Directors for appointment (in case of transitory vacancy).

4) Present the candidates to the Company's Directors for approval and propose to the shareholders' meeting for appointment.

Nomination of the Top Management

The directors shall select and consider person with knowledge, ability, and experience useful to management and understanding the Company's businesses; having leadership, vision, morality; transparent and flawless work history; and promote and support good governance implementation. For executives in department level onward, the management shall propose to the Managing Director for appointment.

Supervision of Operations of Subsidiaries and Affiliates

The Company has no subsidiaries and affiliates.

Control of Inside Information

The Company shall control the use of inside information according to good governance, as follows:

Policy and Control of Directors and Executives

The Company has informed directors and executives to report the changes of the Company's securities in their hands, either buying, selling, transferring or receiving the transfer (Form 59-2), within 3 working day from the day of changes; and notify the Company Secretary at least one day before trading to record the change and summarize the securities holding of directors and executives and report to the Company's Committee.

Measure for Inside Information Supervision

- The Company shall set criteria and limit accessibility to inside information. The person who can access the Company's inside information shall not reveal such information to others, or before being publicly disclosed.
- The Company shall establish policy and measure for inside information use of directors, executive and employees. It is prohibited directors, executives and employees to reveal confidential data to the third parties or use their positions improperly to seek personal interests or benefits of others. In case of violation, the action shall be considered as a disciplinary offence.
- The Company shall apply information security system to supervise the Company's data access by determining the data accessibility level to all level of personnel based on their responsibilities.

Audit Fee

The 2018 Annual Ordinary Meeting of Shareholders has passed its resolution to approve the appointment of DIA International Auditing (the same company as the Year 2017), as the Company's auditor; and to approve the audit fee for the year 2018 (the same price as 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 2018, as follows:

Remunerations for the Year 2018

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:

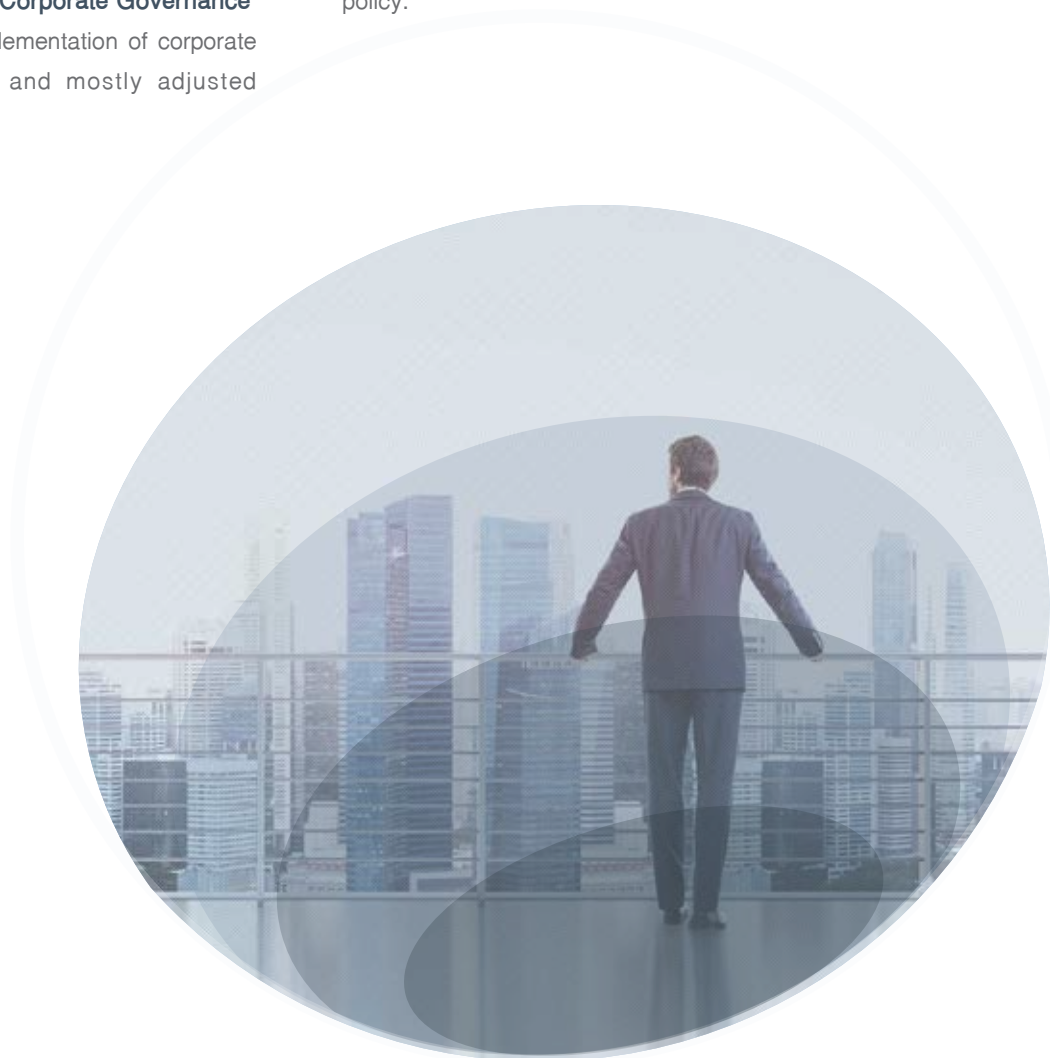
- None -

Compliance with the Principles of Corporate Governance

The Committee has revise the implementation of corporate governance principles in 2017 and mostly adjusted

it to Company's business context. For the issue has not yet adjusted (recorded as a part of the committee's resolution) are as follows:

1. Determination of directorship term of independent directors shall not exceeding 9 consecutive years. The Board has considered and agreed that the case of independent directors holding position longer than 9 consecutive years, the Company's operation shall get more benefits.
2. The Company's Board consists of less than half of independent directors. Currently, there are 3 independent directors out of 8 members. The Board has considered and agreed that the Chairman shall not be the same person as the Managing Director for the purpose of duties separation. The Chairman of the Board shall be an independent directors so that he/she has sufficient freedom in work operation.
3. The Company has not yet appointed other subcommittee, apart from the Audit Committee. The Board has considered and agreed that the Company is not a large corporate and the management structure has not complicated. The management is currently efficient, not causing any obstacles. However, the Board has reviewed this issue yearly which is a part of corporate governance policy.



Corporate Social Responsibilities

The Company set policy in business operations with responsibilities to society, community and environment; to support quality of life and enhance community benefit; promote and implant awareness of responsibilities to society, community and environment to all level of personnel; encourage personnel participation in community activities or projects, as well as make conservation campaign of effective use of energy and resource.

Activities for Society, Community and Environment

The Company promotes and implants awareness of responsibilities to society, environment and community for all level of personnel, as well as conducting campaign for effective used of energy and resource. The Company has supported and provided social assistance, including various forms of Buddhism contributions, as well as encourage employees to participate in aforesaid activities. The activities in 2018 are as follows:

- Educational contributions to Phetchaburi Rajabhat University
- 13th kindness for kids in remote area project (setting solar cell panels at Ban Khun Huay Mae Thor School in Tak Province)
- Save world, save environment project to jointly plant mangrove forests at Pa Klok Subdistrict Municipality and Mangrove Resource Development Station 23 (Phuket)
- Save world, save environment project for waste collecting at Surin Beach, Phuket Province
- Charity fund for buying medical equipment for Vachiraphuket Hospital, Phuket Province
- Donation for the Kidney Foundation of Thailand at Siriraj Hospital, Bangkok
- Donation for Kusonsattha Foundation, Surat Thani Province
- Feasting lunch and giving appliances and necessary items to students at Bong-ti Lang Border Patrol Police School, Sai Yok District, Kanchanaburi Province
- Building roads, ordination hall, and toilets, as well as making donations to temples around the Company's factories for benefits of local communities



Save world, save environment project, jointly planted mangrove forests at Pa Klok Subdistrict Municipality and Mangrove Resource Development Station 23 (Phuket)





Save world, save environment project for waste collecting at Surin Beach, Phuket Province



Giving appliances and necessary items to students at Ban Sairung Learning Center, and offering food to monks at Mong Sa-ther Temple, Sangkhla Buri District, Kanchanaburi Province



Feasting lunch and giving appliances and necessary items to students at Bong-ti Lang Border Patrol Police School, Sai Yok District, Kanchanaburi Province

Employee Activities

The Company has convened the annual general meeting to inform the employees about the policy and operation guidelines. Therefore, all departments has practices in the same direction to achieve the Company's goals. It is also a chance for personnel to exchange working experience and building good relationships among the Company's employees. This activity is in accordance with SCP: System Control Project which trophies and money rewards are given to factories with excellent scores in specific aspects to increase morale and motivate improvement and development of work operation.

Moreover, the Company granted primary and secondary education scholarships to employees' children. In 2019, there were 32 scholarships granted. The Company also organized New Year Party and annual merit making to tightening relationships of the personnel.



The 2019 Annual General Meeting, awarding trophies and money rewards to factories with excellent scores in specific topic of SCP: System Control Project, granting primary and secondary education scholarship to employee children.



2019 New Year Activities: Trip to Phetchaburi Province

Employee Training and Development

The Company realizes the importance of employees' capability and potential development both in aspects of management skills, team building, and specific professional learning. In 2019, the Company has organized employee training and development, as follows:

- Quality Awareness & Customer Expectation
- Excellent Techniques for Accountants to Accountant Managers
- Positive Thinking for Work Happiness
- Safety Officer for Supervisor Level
- Safety Officer for Supervisor and Management Level
- Structure Analysis and Design by Midas Gen and Design Plus
- Knowledge Review for Promoting to Professional Civil Engineer
- Google Ads Secrets
- Preparation for Examination of Tax Invoice: Effect to Entrepreneurs
- Success in Work, Happy Staff by Time and Self-Management
- From TAS to TFRS15
- Change in Accounting Standard A01
- Health System and Epidemiology in Occupational Safety and Health
- Industrial Hygiene: Controlling
- Safety Technology/Thai Studies/Management in Occupational Safety and Health
- Biological Sciences
- Professional Experiences in Safety and Health



Training in "Positive Thinking for Work Happiness"



Training in "Quality Awareness & Customer Expectation"



Training in "Excellent Techniques for Accountants to Accounting Managers"

Internal Control and Risk Management

The Board of Directors foresees the importance of internal control and risk management system. Therefore, the Company organizes SCP: System Control Project as a tool for internal control and risk management. The committee for

monitoring factory management system or SCP committee has been appointed consisting of Managing Director and executives as follows:

1. Mrs.Arune	Nganthavee	Managing Director	Chairman of the Board
2. Miss Tipnara	Nganthavee	Finance Director	Board
3. Mr.Taweesak	Wongsupachart	Square Pile Production Manager	Board
4. Mr.Somsak	Wattanatham	General Manager, Nakhon Pathom Factory	Board
5. Mr.Amnuai	Emkosa	Marketing and Sales Manager	Board
6. Mr.Krisana	Sartwathanaroj	Engineering and Service Manager	Board
7. Mrs.Nittaya	Chunualsri	Senior Accounting Manager	Board
8. Miss Duangdao	Sukhavanich	Financial Manager	Board
9. Miss Tipaporn	Rittawa	Accounting Manager	Board
10. Mr.Kampanart	Petvaroon	Strategic Business Development Executive	Board
11. Mr.Rattapol	Siripakamontri	Deputy Personnel Manager	Project Secretary

The subcommittee of System Control Project or SCP subcommittee consists of 15 department executives. They have duties to investigate with the propose to ensure the Company's effective and efficient operating system, effective use of resource, effective operating control; correct, reliable, and timely report preparation; and policy compliance for benefit of all stakeholders. The subcommittee shall report the result of monitoring of factory management system to the Managing Director who is the chairman of the project. After that, the Managing Director shall summarize the results and present to the Audit Committee for reviewing the system and ensure the appropriateness and efficiency of the Company's internal control and internal audit systems.

The Internal Control

In the Board of Directors' Meeting No. 1/2019, the Board has evaluated the sufficiency and suitability of internal control system from the report proposed by the Audit Committee in the sufficiency evaluation of internal control system. It composes of 5 elements which are internal control, risk assessment, operation control, information system and data communication, and monitoring system. In conclusion, the Company has sufficient internal control system suitable for business operations. There is no significant defect of the internal control. The current system is able to protect the Company's properties from wrongly or unauthorized use of executives. The Company's financial report is correct and reliable in accordance with financial report standard. The Company operation has been complied to securities and stock exchanges and related laws.

The Board of Directors, the Audit Committee, and the auditors agree that the Company's operations is in accordance with corporate governance principle; has suitable and efficient internal control system. The system can prevent wrongly or unauthorized use of Company properties of executives and staff.

Risk Management

In the Board of Directors' meeting No. 1/2019, the Board has reviewed the assessment of risk management because of the realization that risk management is an important element to achieve the Company's set objectives and goals. Moreover, risk management is an essential factor to investment decision; supports sustainable growth of the Company and ability to compete with others; and adds value to the corporate, shareholders and all stakeholders. The Audit Committee have duties to ensure that the Company has comprehensive risk management procedure. The Committee views that the Company has effective and efficient risk management system which set objectives, indicators, risk assessment, risk management, following-up results, determination of acceptable risk issues and risk level, as well as review of suitable risk to be suitable and in accordance with business change.

Fraud Risk-Assessment and Prevention

1. Heads of all departments shall identify activities in fraud risk in work procedures, and assess incurring impacts, as well as prepare preventing measures. In case of unacceptable risks occur, the Company shall have investigation, monitoring and reporting the results to the top executives and the Board of Directors.

Risk Activities and Prevention Guidelines

Procurement

The Company shall set procurement policy with price checking to avoid monopoly trading. The approving procedure shall be clear. The officers are assigned for checking the supply and inspecting the quality. The procurement process shall be regularly monitored.

Product Selling

The approval authorization of price proposal, condition and price deduction shall be set clearly and regularly monitored.

Cooperation with Government Agencies and Officers

The Company shall prohibit offering benefits to government officials. The imbursement in risk of bribery to government officials shall be proposed to the screening procedure.

Company's Data Accessibility

The Company shall specify level of data access suitable for positions and responsibilities with the regular examination of data management unit.

2. Create employees' awareness of anti-corruption and taking actions when witnessing corruption within or outside the corporate.
3. Set the anti-corruption policy and publicize to all employees.
4. Specify punishment for corruption or any action against anti-corruption policy



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 Co., Ltd. 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	-	The Company is confident in product quality	Market prices; 30-day Credit, Price comparison similar to other suppliers
2. Thai Wire Products Public Co., Ltd. (The Company registered its shareholding of 9.99%)	Purchase of raw materials	113.02	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 Co., Ltd. Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of general materials	-	The Company is confident in product quality	Market prices; 30-day Credit, Price comparison similar to other suppliers
4. Nganthavee Service Co., Ltd. Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of diesel oil	0.16 0.32	Convenient in using services	Market prices; 30-day Credit
5. Chinteik Brothers Co., Ltd. Major shareholders are of the same group, i.e., Nganthavee Group holding 89.45% shares	Rentals of land	4.71	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	1.22 40.46	Convenient in using service	Price comparison similar to other suppliers
7. Nganthavee Rubber Plantation Co., Ltd.	Sales of general material	0.60	-	Market prices

* Phuket Ready Mix Co., Ltd. and Nganthavee Sales Co., Ltd. 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 2018, Clause 4.
- Outstanding creditor balances have been disclosed in the Notes to Financial Statements as of 31st December 2018, Clause 4.

Financial Ratio 2018

LIQUIDITY RATIO

		2018	2017	2016
Liquidity Ratio	(Time)	4.89	4.63	3.95
Quick Ratio	(Time)	4.11	3.87	3.29
Cash Flow Liquidity Ratio	(Time)	0.91	0.70	1.01
Account Receivables Turnover Ratio	(Time)	5.06	4.52	4.83
Collection Period	(Days)	71.17	79.71	74.61
Inventory Turnover Ratio	(Time)	6.14	5.17	6.24
Average Day Sales	(Days)	58.67	69.60	57.67
Account Payables Turnover Ratio	(Time)	10.60	8.08	9.01
Payment Period	(Days)	33.98	44.54	39.95
Cash Cycle	(Days)	95.86	104.77	92.33

Profitability Ratio

		2018	2017	2016
Gross Profits	(%)	27.37	30.57	31.30
Operating Profits	(%)	17.65	19.15	21.28
Net Profits	(%)	13.89	14.43	16.48
Other Profits	(%)	1.13	1.33	2.23
Earnings per Share Ratio	(%)	14.65	12.95	15.62
Cash to Earnings Ratio	(%)	79.17	68.39	83.37

Efficiency Ratio

		2018	2017	2016
Return on Assets Ratio	(%)	12.72	10.96	13.51
Return on Fixed Assets Ratio	(%)	59.18	53.19	68.81
Assets Cycle	(Time)	0.92	0.76	0.82

Financial Policy Ratio (Consolidated Financial Statements)

		2018	2017	2016
Debts to Equity Ratio	(Time)	0.20	0.21	0.22
Interest Coverage Ratio	(Time)	104.32	60.64	80.67
Debt Service Coverage Ratio	(Time)	2.11	1.62	1.81
Debt Service Coverage Ratio (Cash Basis)	(Time)	2.11	1.41	1.90
Dividend Payment Ratio (Calculated from Separate Financial Statements)	(Time)	52.19	51.51	39.36

Per-share Data and Growth Rate

Per-share Data (Par Value = 1 Baht)		2561	2560	2559
Book Value per Share	(Baht)	6.54	6.00	5.69
Earnings per Share	(Baht)	0.96	0.78	0.89
Dividend per Share	(Baht)	0.50	0.40	0.35

Growth Rate

		2561	2560	2559
Total Assets	(%)	8.16	4.31	11.38
Total Liabilities	(%)	4.16	(0.51)	8.16
Income from Sale or Service	(%)	28.40	0.64	(8.16)
Operating Expenses	(%)	9.25	4.45	0.24
Net Profits (Loss)	(%)	23.36	(12.67)	(8.95)

Summary the company performance in 2018

Southern Concrete Pile Public Company Limited (the company hereafter) reports the company's performance of 2018 compared to 2017 and 2016. The details of company performance are as follows:

Overall performance in 2018

The company was awarded in several major projects from both public and private sectors. This affected the overall company's as follows:

- Revenue of 2,068.512 million Baht, increased 28.15% yoy (consisted of sales income of 1,545.937 million Baht (increased 26.35% yoy), service income of 499.118 million Baht (increased 35.20% yoy), and other income of 23.457 million Baht (increased 9.64% yoy))
- Cost of goods sold and service 1,485.386 million Baht, or 72.63% of revenue, increased 3.20% yoy
- Gross profit increased to 559.669 million Baht, or 27.37% of revenue, decreased by 3.20% yoy
- Net profit increased to 287.391 million Baht, or 13.89% of revenue, decreased by 0.54% yoy
- Dividend 0.50 Baht/share, or 52.19% of profit

Thousand Baht		YEAR						YoY			
								2018/2017		2017/2016	
		2018	%	2017	%	2016	%	+ / -	%	+ / -	%
Revenue	Revenue from sales	1,545,937	75.59%	1,223,516	76.82%	1,181,870	74.68%	322,421	26.35%	41,646	3.52%
	Revenue from rendering of services	499,118	24.41%	369,168	23.18%	400,688	25.32%	129,950	35.20%	(31,520)	(7.87%)
	Total Revenue	2,045,055	98.87%	1,592,684	98.67%	1,582,558	97.77%	452,371	28.40%	10,126	0.64%
Other income		23,457	1.13%	21,394	1.33%	36,070	2.23%	2,063	9.64%	(14,676)	(40.69%)
	Total Revenue	2,068,512	100.00%	1,614,078	100.00%	1,618,628	100.00%	454,434	28.15%	(4,550)	(0.28%)
Cost	Cost of sales	1,101,466	71.25%	824,809	67.41%	783,727	66.31%		3.84%		1.10%
	Cost of services	383,920	76.92%	280,952	76.10%	303,472	75.74%		0.82%		0.36%
	Total Cost of sales and rendering of services	1,485,386	72.63%	1,105,761	69.43%	1,087,199	68.70%		3.20%		0.73%
	Gross Profit	559,669	27.37%	486,923	30.57%	495,359	31.30%		(3.20%)		(0.73%)
Selling and administrative expenses		222,175	10.74%	203,371	12.60%	194,702	12.03%		(1.86%)		0.57%
	Profit before interest & tax	360,951	17.45%	304,946	18.89%	336,727	20.80%		(1.44%)		(1.91%)
Finance costs		3,460	0.17%	5,029	0.32%	4,174	0.26%		(0.15%)		0.06%
Income tax		70,099	3.39%	66,956	4.15%	65,806	4.07%		(0.76%)		0.08%
	Net profit for the year	287,391	13.89%	232,961	14.43%	266,747	16.48%		(0.54%)		(2.05%)
	EBITDA	426,670		350,929		378,437					
	Basic earnings per share (Baht)	0.96		0.78		0.89					
Dividend Summary - Baht per share		0.50		0.40		0.35					
Payout Ratio (% of Net Profit)		52.19%		51.51%		39.36%					
Dividend Yield (%)		4.71%		3.93%		4.47%					

Total Revenue

During 2016-2018, the company had the total revenue from the sale income and service income at 1,582.558 million Baht, 1,592.684 million Baht and 2,045.055 million Baht, or reduction of 8.16% yoy, increased 0.64% yoy and 28.40% yoy respectively. The performance had been increasing in the past two years from the major projects from both public and private sectors such as

- Orange Line MRT (Thai Cultural Centre - Min Buri (Contract 5) (continued from 2017)
- Yellow Line MRT (Ladprao - Samrong)
- Provincial Electricity Authority (PEA)
- Bang Yai - Karnchanaburi and Bangpain - Saraburi Nakorn-ratchasima Motorway (Section 6)
- Bangkok - Karnchanaburi Motorway, Flood Mitigation Project
- Hat Yai (Contract 2)
- coastal dam
- PTTGC Olefin Refinery
- Continental Tyre Plant etc.

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 2016-2018, the company had other income of 36.070 million Baht, 21.394 million Baht, and 23.457 million Baht respectively. In 2018, the other income of 23.457 million Baht consisted of interest income of 8.422 million Baht, bad debt receipt of 3.019 million Baht, gain from disposal of equipment of 3.047 million Baht, and dividend of 3.830 million Baht.

Cost and Expenses

During 2016-2018, the company had the cost of goods sold for sales at 66.31%, 67.41% and 71.25% respectively, decreased by 0.62% yoy in 2016, increased 1.10% yoy in 2017 and increased 3.84% yoy in 2018. The cost of goods sold for services were at 75.74%, 76.10% and 76.92% respectively. The cost of goods sold are clearly in the increasing trend. This is partially from higher material prices especially the prestressed concrete wire amid in the competitive market leading to lower selling prices.

Selling and administrative expenses during 2016-2018 were 12.03%, 12.60% and 10.74% respectively. These had been slightly increasing in during 2016-2017 because the company set the doubtful account of 1.079 million Baht,

6.616 million Baht. However, the company set the doubtful account of 1.046 million Baht in 2018.

From the above information, these reflected the EBITDA in 2018 increased to 426.670 million Baht from previously at 350.929 million Baht and 378.437 million Baht in 2017 and 2016 respectively.

Profit

In 2018, the company had the net profit of 287.391 million Baht or profit of 0.96 Baht per share and equivalent to 13.89% of revenue. This percentage to revenue reduced to the lower product selling prices and higher material costs. In 2016-2017, the company had the net profit of 266.747 million Baht and 232.961 million Baht respectively or profit per share of 0.89 Baht and 0.78 Baht respectively, and percentage to revenue were at 16.48% and 14.43% respectively.

From the above information, the retained earnings increased to 1,629.822 million Baht, consisted of legal reserve of 30.000 million Baht and unappropriated of 1,599.822 million Baht.

Statements of Financial Position

As of 31 December 2018, the company had the total asset of 2,348.500 million Baht, increased from 2016 and 2017, which were at 2,081.512 million Baht and 2,171.250 million Baht respectively. The increment was partly from the current assets in cash and cash equivalents, current investments, account receivable and inventories. The cash and current investment increased 59.754 million Baht, which consisted of 4-12 month short-term deposit, mutual fund, cash on hand, account receivable, retention of 84.489 million Baht and inventories increased to 14.828 million Baht.

Non-current assets increased in long-term investment of 20.000 million Baht and increased of property, plant and equipment 75.989 million Baht.

In 2018, the returns from fixed assets and return rate of fixed asset and fixed asset turnover ratio increased to 12.72%, 59.18% and 0.92 times respectively. In 2017, the values were 10.96%, 53.19% and 0.76 times respectively. In 2016, the values were 13.51%, 68.81% and 0.82 times respectively. This was from the higher sales.

Statements of Cash Flows

As of 31 December 2018, the company had the net cash increased to 233.175 million Baht from 203.119 million Baht. The amount incurred from the net cash from operation 285.781 million Baht, deducted by investing activities of 115.960 million Baht and investing in financing activities of 139.766 million Baht. These led to higher net cash by 30.055 million Baht.

The net cash from operation of investing activity in property, plant and equipments of 75.989 million Baht and investing and selling the available-for-sale investments of 54.264 million Baht. The property, plant and equipment was mainly the building, machinery, accessory in spun pile factory and the machinery, mould, building repair works. The net cash from financing activity for dividend payout of 120 million Baht and finance lease payment 18.734 million Baht.

Financial Ratios

Financial Ratios	2018	2017	2016
Current Ratio (times)	4.89	4.63	3.95
Cash Cycle (Day)	95.86	104.77	92.33
Return on Equity (%)	14.65	12.95	15.62
Return on Assets (%)	12.72	10.73	12.82
Debt to Equity (times)	0.20	0.21	0.22

From the current ratio and cash cycle analysis, during 2016-2018, the company has a healthy current ratio and had all ability to pay back the short-term debts in the past three years. For the return on equity and return on assets had increased to 14.65% and 12.72% respectively from higher sales pushing higher revenue.

For the debt to equity ratio (D/E) during 2016-2018 were 0.22 times, 0.21 times and 0.20 times respectively and been decreasing in the past 3 years due to the payback of financial lease liabilities.

Dividend Payout

For the 2018 performance, the committee meeting on 22nd February 2019 has agreed to payout the dividend of 0.50 Baht per share, total of 150 million Baht.



Report of the Audit Committee 2018

The Audit Committee of Southern Concrete Pile Public Company Limited is comprised of 3 honourable Directors that in line with the charter of the Audit Committee, whose are accounting and administration knowledgeable and experienced; Mr.Pongpayome Vasaputi as the Chairman of the Audit Committee, Mr.Bonguea Limsuebchuea and Mr.Tasanai Atichati as the Audit Committee

The Audit Committee has performed their duties within the scope and responsibilities assigned by the Board of Directors. The scopes are according to the good corporate governance standards and properly complied with the regulations of the office of the Securities and Exchange Commission (SEC), as summarized below:

- Review the annual Financial Report for the year 2017 and quarterly for the year 2018.
- Review company's performance and attend the accounting auditors meeting for four times annually and follow up the auditors' comments.
- Review connected transactions and conflict of interest, the connected transactions conducting on arm's length basis such as product, raw materials trading, services and land leasing, with accurate support documents. (details were shown in the Independent Auditor's Report).
- Review internal control and risk management system and ensure that they are sufficient and adequate to the business.
- Consider, review and improve policy and mission for guideline to achieve the goal, create consciousness and behave as a good model in the organization to present to the Board before discloser.
- Appoint DIA International Audit Company Limited as an external auditor for the year 2018, and offer the auditing fee for 1,290,000 baht (the same as the year 2017). The three auditors from the auditing firm is as follows:
 1. Miss Suphaphorn Mangjit Certified Public Accountant no.8125 or
 2. Miss Somjintana Pholhirunrat Certified Public Accountant no.5599 or
 3. Mr.Nopparoeck Pissanuwong Certified Public Accountant no.7764.

To present to the Board and approve to the 2018 General Shareholder's meeting.

The Audit Committee has performed its duties with independence and support from the Company. The committee members agreed that the company's operations were complied with the relevant laws. Directors, Executives, and employees of the Company performed its duties with care and carefully for maximize the utmost benefit towards the Company.

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 2018 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



(Mrs. 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, 2018, 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, 2018, 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, 2018, the Company has material amount of accounts receivable Baht 490 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 22, 2019

Statements of Financial Position

Southern Concrete Pile Public Company Limited

As at December 31, 2018

		2018	2017
Assets	Note	(in Baht)	
Current assets			
Cash and cash equivalents	5	233,175,206	203,119,689
Current investments	6	599,970,557	570,272,000
Trade accounts receivable and other current receivables	4, 7	443,378,514	391,568,225
Inventories	8	249,497,782	234,669,399
Retention receivables		52,404,645	19,725,704
Total current assets		1,578,426,704	1,419,355,017
Non-Current Assets			
Other long-term investments	9	125,204,450	112,218,080
Property, plant and equipments	10, 25	604,210,497	589,031,824
Restricted deposit at banks	25	23,030,398	22,810,496
Deferred tax assets	14, 20	223,030	-
Other non-current assets	11	17,405,542	27,834,276
Total non-current assets		770,073,917	751,894,676
Total Assets		2,348,500,621	2,171,249,693

Notes to financial statements are parts of these financial statements.

Statements of Financial Position (Continue)

Southern Concrete Pile Public Company Limited

As at December 31, 2018

		2018	2017
Liabilities and equity	Note	(in Baht)	
Current liabilities			
Trade accounts payable and other current payables	4, 12	286,573,533	258,358,994
Current portion of financial lease liabilities	13	7,327,673	18,226,353
Accrued income tax		29,177,770	29,903,430
Total current liabilities		323,078,976	306,488,777
Non-current liabilities			
Financial lease liabilities	13	6,076,071	8,317,635
Deferred tax liabilities	14, 20	-	3,749,473
Non-current provisions for employee benefits	15	58,060,089	53,188,257
Total non-current liabilities		64,136,160	65,255,365
Total liabilities		387,215,136	371,744,142
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		1,599,822,997	1,432,432,159
Other components of equity		31,462,488	37,073,392
Total equity		1,961,285,485	1,799,505,551
Total liabilities and equity		2,348,500,621	2,171,249,693

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, 2018

		2018	2017
	Note	(in Baht)	
Revenues			
Revenue from sales	4	1,545,937,334	1,223,516,731
Revenue from rendering of services		499,117,835	369,167,714
Total revenue from sales and rendering of services		2,045,055,169	1,592,684,445
Other income		23,456,886	21,394,040
Total revenues		2,068,512,055	1,614,078,485
Expenses			
Cost of sales	4, 8	(1,101,466,216)	(824,808,549)
Cost of rendering of services	4	(383,920,167)	(280,952,415)
Total cost of sales and rendering of services		(1,485,386,383)	(1,105,760,964)
Selling expenses		(28,487,283)	(24,207,883)
Administrative expenses	4	(193,688,140)	(179,162,919)
Finance costs		(3,460,251)	(5,029,494)
Total expenses		(1,711,022,057)	(1,314,161,260)
Profit before income tax expense		357,489,998	299,917,225
Income tax expense	20.1	(70,099,160)	(66,955,611)
Profit for the year		287,390,838	232,961,614
Other comprehensive income :-			
Items that are or may be reclassified to profit or loss :-			
Gains (losses) on valuation of available-for-sale investments	9	(7,013,630)	(45,411,427)
Income tax on components of other comprehensive income	20.2	1,402,726	9,082,286
Other comprehensive income (loss) for the year net of income tax		(5,610,904)	(36,329,141)
Total comprehensive income for the year		281,779,934	196,632,473
Earnings per share			
Basic	21	0.96	0.78

Notes to financial statements are parts of these financial statements.

Statements of Changes in equity

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

	Note	Issued and paid-up share capital	Retained earnings		Other components of equity			
			Legal reserve	Unappropriated	Fair value changes in available-for-sale investments (in Baht)	Actuarial gains (losses)	other components of equity	Total 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	1,707,873,078
Changes in shareholders' equity								
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)	(36,329,141)
Transfer to retained earnings		-	-	(972,613)	-	972,613	972,613	-
Total comprehensive income for the year		-	-	231,989,001	(36,329,141)	972,613	(35,356,528)	196,632,473
Total changes in shareholders' equity		-	-	126,989,001	(36,329,141)	972,613	(35,356,528)	91,632,473
Ending balance 2017		300,000,000	30,000,000	1,432,432,159	37,073,392	-	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, 2018

	2018	2017
	<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	287,390,838	232,961,614
<i>Adjustment for</i>		
Depreciation	65,719,391	45,983,559
Doubtful accounts	1,046,144	6,615,571
Reversal of allowance for doubtful accounts	(3,019,606)	(928,818)
Loss from obsolete stock (reversal)	4,177,446	239,509
Loss from written- off of assets	113,848	56,247
Unrealized gain from charging in value of short-term investment	5,191,402	(272,000)
Realized gain from current investment	(625,324)	-
Gain from disposal of equipment	(3,047,417)	-
Gain from disposal of available-for-sale investments	-	(4,017,217)
Employee benefit expenses	6,754,532	6,325,014
Interest income	(7,752,929)	(7,368,077)
Dividends income	(3,830,521)	(1,618,530)
Interest expense	1,031,174	1,680,975
Income tax expense	70,099,160	66,955,611
	<u>423,248,138</u>	<u>346,613,458</u>
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at banks	(219,902)	6,012,099
Trade accounts receivable and other current receivables	(48,927,458)	(58,123,591)
Retention receivables	(32,678,941)	3,833,680
Inventories	(19,005,829)	(41,988,056)
Other non-current assets	10,428,733	4,362,326
Employee benefits paid	(1,882,700)	(3,759,450)
Trade accounts payable and other current payables	28,214,538	14,356,708
Cash generated from operating activities	<u>359,176,579</u>	<u>271,307,174</u>
Income tax paid	(73,394,597)	(62,750,686)
Net cash from operating activities	<u>285,781,982</u>	<u>208,556,488</u>

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, 2018

		2018	2017
	Note	(in Baht)	
Cash flows from investing activities			
Interest received		6,843,560	6,430,481
Dividends received		3,830,521	1,618,530
Purchase of current investments		(215,000,000)	(113,689,639)
Cash received from disposal current investments		180,735,365	-
Purchase of other long-term investments		(20,000,000)	(187,644,140)
Proceeds from sale of other long-term investments		-	446,281,366
Proceeds from disposal of equipment		3,619,863	-
Purchase of property, plant and equipment		(75,989,730)	(174,258,817)
Net cash used in investing activities		(115,960,421)	(21,262,219)
Cash flows from financing activities			
Interest paid		(1,031,174)	(1,680,975)
Finance lease payment		(18,734,870)	(14,858,883)
Dividends paid		(120,000,000)	(105,000,000)
Net cash used in financing activities		(139,766,044)	(121,539,858)
Net Increase (Decrease) in cash and cash equivalents		30,055,517	65,754,411
Cash and cash equivalents at January, 1		203,119,689	137,365,278
Cash and cash equivalents at December, 31		233,175,206	203,119,689
Non - cash transactions			
Purchase of equipment under finance lease agreement	13	5,594,626	919,000

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, 2018

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Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on February 22, 2019.

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 Makhantia, 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 2018 : 40.10 % (In 2017 : 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, 2018

2 Basis of preparation of the 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 on October 11, 2016.

During the year, the Company have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company financial statements.

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, 2019 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 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, 2018

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
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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:

Note 7	Allowance for doubtful account
Note 8	Allowance for devaluation of inventories
Note 10	Allowance for impairment of property, plant and equipment
Note 11	Allowance for impairment of property foreclosed
Notes 14 and 20	Current income tax and deferred tax
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, 2018

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	Other long-term 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, 2018

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, 2018

3.5 Investments

Temporary investment

Investment in fixed deposit having maturity more than three months but not more than 1 year with no restriction

Investment in debt securities held to maturity not more than 1 year is presented as current assets and stated at cost, less provision for impairment (If any.)

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.

Other long-term investments

Investment in marketable equity securities held as available for sale is presented as non-current assets and 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.

Investment in debt securities held to maturity more than 1 year is presented as non-current assets and stated at cost, less provision for impairment (If any.)

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.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

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.

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, 2018

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

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 not 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, 2018

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.

On December 13, 2018, the National Legislative Assembly passed the resolution to approve the draft of new Labour Protection Act which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days. However, new Labour Protection Act is being announced in the Government Gazette. The Company, therefore, shall record the effects of new Labour Protection Act when it becomes effective.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

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, 2018

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, 2018

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 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, 2018

	Name of entities	Type of business	Nature of relationships
8.	Thai Palm Development Co., Ltd.	Produces and distributes plam oil	Related company, some common directors and shareholders
9.	Nganthavee Rubber Plantation Co., Ltd.	Rubber and Oil palm Plantation	Related company, some common directors and shareholders
10.	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 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, 2018

Significant transactions with related parties for the years ended December 31, 2018 and 2017 with related parties were summarized as follows:

	2018	2017
	<i>(in Baht)</i>	
Revenue		
Related parties		
Revenue from sales	1,597,411	1,673,218
Expenses		
Related parties		
Purchase of raw material and other materials	113,184,834	95,074,071
Rental expense	4,712,842	4,684,421
Hammering expense	39,627,530	29,780,740
Repair expense	831,175	1,308,128
Key management personnel		
Key management personnel's remunerations		
Short-term benefits	53,774,754	49,797,193
Post-employment benefits	1,876,589	1,908,581
Total key management personnel's remunerations	55,651,343	51,705,774

Balance as at December 31, 2018 and 2017 with related parties were as follows:

	2018	2017
	<i>(in Baht)</i>	
Other current receivables - related parties		
Related companies		
Surat Ready Mixed Co., Ltd.	362,595	354,019
Total	362,595	354,019

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

2018 2017

(in Baht)

Available-for-sale investments – related parties

Related company

Thai Wire Products PCL.	105,204,450	112,218,080
Total	105,204,450	112,218,080

Trade accounts payable – related parties

Related companies

Thai Wire Products PCL.	18,669,769	22,856,044
Nganthavee Service Co., Ltd.	33,830	20,360
Surat Ready Mixed Co., Ltd.	63,014	113,074
Total	18,766,613	22,989,478

Other current payables – related parties

Accrued expenses

Related company

Surat Ready Mixed Co., Ltd.	5,701,489	4,680,221
Total	5,701,489	4,680,221

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

The commitments with related parties

As at December 31, 2018 and 2017, the Company had non-cancellable operating lease commitment as follows:

	2018	2017
	<i>(in million Baht)</i>	
Within 1 year	4	5
Over 1 year but within 3 years	-	4
Total	4	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 agreed to rent the office building without the rental agreement with Thai Palm Development Co., Ltd. for the period from November 1, 2017 to November 1, 2020 with monthly rental of Baht 10,000.

5 Cash and Cash equivalents

	2018	2017
	<i>(in Baht)</i>	
Cash on hand	315,000	315,000
Cash at banks – current accounts	69,679,601	52,536,275
Cash at banks – savings accounts	163,180,605	150,268,414
Total	233,175,206	203,119,689

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

6 Current investments

As at December 31, 2018 and 2017, current investments consisted of the following:

	2018	2017
	<i>(in Baht)</i>	
Fixed deposits	470,000,000	470,000,000
Debenture	30,000,000	-
Current investments in trading securities		
Bualuang Thanasarn Plus	-	100,000,000
Bualuang Treasury Fund	55,159,374	-
Bualuang Infrastructure Fund	40,002,306	-
Bualuang Top-Ten Fund	10,000,279	-
Add Unrealized gain (loss) from changing in value of investment	(5,191,402)	272,000
At fair value of current investment in trading securities	99,970,557	100,272,000
Total	599,970,557	570,272,000

As at December 31, 2018, the Company had current investments represent fixed deposits for the periods of 6-10 months, interest the rates of 1.25-1.55% per annum. (December 31, 2017, the Company had current investments represent fixed deposits for the periods of 5-12 months, interest the rates of 1.25-1.575% per annum).

As at December 31, 2018, the Company has investment in debenture of two companies maturity in 270 days bearing fixed interest rate 3% per annum and maturity in 85 days bearing fixed interest rate 2.3% per annum.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

7 Trade accounts receivable and other current receivables

	2018	2017
	<i>(in Baht)</i>	
Trade accounts receivable		
Other parties	490,349,723	443,025,608
Total	490,349,723	443,025,608
Less allowance for doubtful account	(60,186,790)	(64,637,047)
Trade accounts receivable - net	430,162,933	378,388,561
 Other current receivables		
Related parties	362,595	354,019
Other parties	12,852,986	12,825,645
Total	13,215,581	13,179,664
Less allowance for doubtful account	-	-
Other current receivables - net	13,215,581	13,179,664
Total trade accounts receivable and other current receivables	443,378,514	391,568,225

Aging of trade accounts receivable are as follows.

	2018	2017
	<i>(in Baht)</i>	
Within credit terms	252,079,047	242,952,050
Overdue 1 – 90 days	149,071,450	118,737,767
Overdue 91 – 180 days	24,944,835	4,040,374
Overdue 181 – 365 days	3,159,291	9,886,347
Overdue more than 1 year	61,095,100	67,409,070
Total	490,349,723	443,025,608

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

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

	2018	2017
	<i>(in Baht)</i>	
Beginning	64,637,047	58,989,294
Addition		
- Trade accounts receivable	1,046,144	6,615,571
Decrease		
- Reversal of allowance doubtful account	(3,019,606)	(928,818)
- Written - off	(2,476,795)	(39,000)
Total	60,186,790	64,637,047

During the year ended December 31, 2018 and 2017, the Company has written off the accounts receivable which had been fully provided for the allowance for doubtful accounts totaling of Baht 2,476,795 and Baht 39,000, respectively.

8 Inventories

	2018	2017
	<i>(in Baht)</i>	
Finished Goods	127,617,626	115,553,366
Work in process	599,963	779,048
Raw materials	119,726,068	111,244,234
Spare parts and supplies	14,748,488	16,109,668
Total	262,692,145	243,686,316
<i>Less allowance for obsolete stock</i>	<i>(13,194,363)</i>	<i>(9,016,917)</i>
Net	249,497,782	234,669,399
Loss from obsolete stock (reversal)	4,177,446	239,509

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

Cost of inventories for the years ended December 31, 2018 and 2017 are recorded as expenses in cost of sales as follows:

	2018	2017
	<i>(in Baht)</i>	
Cost of sales	1,097,288,770	824,569,040
Loss from obsolete stock	4,177,446	239,509
Net	1,101,466,216	824,808,549

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

	2018	2017
	<i>(in Baht)</i>	
Beginning balance	9,016,917	8,777,408
Increase	4,177,446	239,509
Decrease	-	-
Ending balance	13,194,363	9,016,917

For the year ended December 31, 2018 and 2017, the Company has additionally provided allowance for obsolete Baht 4.18 million and Baht 0.24 million, respectively for non-moving stock more than 1 year.

9 Other long-term investments

	At cost		At fair value	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Marketable equity securities - Related parties	65,876,340	65,876,340	105,204,450	112,218,080
Debenture	20,000,000	-	20,000,000	-
Total	85,876,340	65,876,340	125,204,450	112,218,080
<i>Add</i> Unrealized gains from				
changing in value of investments	39,328,110	46,341,740	-	-
Net	125,204,450	112,218,080	125,204,450	112,218,080
Unrealized gains (losses) from change in value of investment				
for the year recognized directly in equity			(7,013,630)	(45,411,427)

As at December 31, 2018, the Company has investment in debenture of other company maturity in 3 years redemption due in 2021 bearing fixed interest rate 3.70% per annum.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

10 Property, plant and equipment

Assets – Cost

	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	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
Acquisition	-	53,170	-	-	3,435,771	11,104,291	494,814	2,091,195	5,939,627	58,465,489	81,584,357
Transfer in (out)	246,258	5,302,622	-	4,594,937	5,732,941	8,014,783	35,260,594	38,066	387,018	(59,577,219)	-
Disposale/Write off	-	(6,686,643)	(2,323,377)	(3,605,184)	(672,330)	(10,116,490)	(851,743)	(3,301,903)	(2,707,157)	-	(30,264,827)
As at December 31, 2018	168,958,571	295,129,439	254,867	104,938,546	270,916,028	266,581,466	262,474,274	18,620,128	204,342,983	11,714,095	1,603,930,397
Accumulated depreciation											
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	-	-
Disposale/Write off	-	-	-	-	(30,026,869)	-	-	(425,500)	(194,869)	-	(30,647,238)

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

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Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

Depreciation for the year was included in

	2018	2017
	<i>(in Baht)</i>	
Cost of sales of goods	38,121,246	18,360,811
Cost of rendering of services	16,728,944	14,831,966
Administrative expenses	10,869,201	12,790,782
Total	65,719,391	45,983,559

The gross amount of the Company's fully depreciated building and equipment that was still in use as at December 31, 2018 and 2017 amounted to Baht 858.76 million and Baht 825.22 million, respectively.

As at December 31, 2018, the Company has vehicles and machinery and equipment for piling at net book value in amount of Baht 15 million with commitments to pay liabilities under finance leases as stated in note 13.

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

Guarantee

As at December 31, 2018 and 2017, the Company's land with structures and certain machinery with book value of Baht 236 million and Baht 235 million, respectively were registered to mortgage as collateral disclosed in note to financial statements No.25.

11. Other non-current assets

	2018	2017
	<i>(in Baht)</i>	
Deposit	12,922,542	23,351,276
Property foreclosed	6,913,969	6,913,969
Less allowance for impairment	(2,430,969)	(2,430,969)
Net	17,405,542	27,834,276

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

12. Trade accounts payable and other current payables

	2018	2017
	<i>(in Baht)</i>	
Trade accounts payable		
Related parties	18,766,613	22,989,478
Other parties	127,545,374	111,088,144
Total trade accounts payable	146,311,987	134,077,622
Other current payables		
Related parties		
Accrued expenses	5,701,489	4,680,221
Other parties		
Accrued expenses	78,943,894	61,812,138
Deposit from customer	48,866,209	52,806,150
Revenue Department payable	5,783,989	3,990,829
Other payables	965,965	992,034
Total other current payables	140,261,546	124,281,372
Total trade accounts payable and other current payables	286,573,533	258,358,994

13 Financial lease liabilities

Details of financial lease agreement net book value as at December 31, 2018 and 2017

	2018	2017
	<i>(in Baht)</i>	
Vehicles	12,089,865	10,764,578
Machinery and equipments	-	1,862,853
Machinery and equipment for piling	3,188,151	19,192,797
Total net book value of the asset under a finance lease	15,278,016	31,820,228

For the year ended December 31, 2018

	2018	2017
	(in Baht)	
Deferred tax assets	12,614,789	11,322,937
Deferred tax liabilities	(12,391,759)	(15,072,410)
Net	223,030	(3,749,473)

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

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

	Recognized as (expenses) revenues in			
	January 1, 2018	Profit or loss	Other comprehensive income (in Baht)	December 31, 2018
<i>Deferred tax assets</i>				
Inventory	685,286	317,486	-	1,002,772
Non - current provisions for employee benefits	10,637,651	974,366	-	11,612,017
Total	11,322,937	1,291,852	-	12,614,789
<i>Deferred tax liabilities</i>				
Short-term investments in trading securities	(54,400)	(12,939)	-	(67,339)
Available-for-sale investments	(9,268,349)	-	1,402,726	(7,865,623)
Property, plant and equipments	(4,767,849)	684,202	-	(4,083,647)
Financial lease liabilities	(981,812)	606,662	-	(375,150)
Total	(15,072,410)	1,277,925	1,402,726	(12,391,759)
Net	(3,749,473)	2,569,777	1,402,726	223,030

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, 2018

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

	2018	2017
	<i>(in Baht)</i>	
Defined benefit obligations at January 1,	53,188,257	50,622,693
Recognized in profit or loss		
Current service costs	5,189,768	4,897,422
Interest costs	1,564,764	1,427,592
Compensation to employees	(1,882,700)	(3,759,450)
Total	4,871,832	2,565,564
Defined benefit obligation at December 31,	58,060,089	53,188,257

The above expense is recognized in profit or loss for the years ended December 31, 2018 and 2017 included in the following line items:

	2018	2017
	<i>(in Baht)</i>	
Cost of sales	611,967	588,256
Cost of services	1,784,816	1,632,077
Selling expenses	619,106	598,837
Administrative expense	3,738,643	3,505,844
Total	6,754,532	6,325,014

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

	2018	2017
	<i>(%)</i>	
Discount rate	2.82	2.82
Future salary growth	7.00	7.00
Retirement (year)	60	60
Staff turnover rate	0 - 15	0 - 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, 2018

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.

	2018	2017
	<i>(in Baht)</i>	
Defined benefit obligation		
Discount rate		
- Increase rate (1% movement)	(5,368,789)	(5,085,654)
- Decrease rate (1% movement)	6,239,151	5,921,921
Future salary growth		
- Increase rate (1% movement)	7,182,387	6,187,376
- Decrease rate (1% movement)	(6,264,879)	(5,416,205)
Mortality rate		
- Increase rate (1% movement)	534,933	502,697
- Decrease rate (1% movement)	(529,299)	(497,313)
Staff turnover rate		
- Increase rate (1% movement)	(5,677,812)	(5,378,947)
- Decrease rate (1% movement)	1,952,764	1,884,335

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.

As stated in note 3.9.2 to financial statements, the Company shall record the effects of new Labour Protection Act when it is announced in the Government Gazette which may be effective in 2019. At present, the Company are preparing an estimation from such effects.

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.

Legal reserve is already provided in full amount.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

17 Dividend

The Ordinary Meeting of Shareholders held on April 27, 2018, approved to pay dividend from profit for the year 2017 of Baht 0.40 per share, of 300 million shares, totaling Baht 120 million, were paid on May 25, 2018.

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, were paid on May 26, 2017.

18 Employee benefit expenses

	2018	2017
	(in Baht)	
<i>Management</i>		
Salaries and bonuses	51,424,238	47,418,842
Others	1,876,589	1,908,581
	<u>53,300,827</u>	<u>49,327,423</u>
<i>Other employees</i>		
Salaries and bonuses	201,600,526	174,450,323
Others	114,318,504	85,718,675
	<u>315,919,030</u>	<u>260,168,998</u>
Total	<u>369,219,857</u>	<u>309,496,421</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, 2018

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:

	2018	2017
	<i>(in Baht)</i>	
Change in inventories of finished goods and work in process	(9,217,677)	(16,016,685)
Raw materials and supplies used	999,329,110	806,272,509
Employee benefit expense	369,219,857	309,496,421
Directors remunerations	55,651,343	51,705,774
Depreciation	65,719,391	45,983,559
Advice and manage	8,527,150	7,532,301
Transportation	50,603,124	31,123,386
Piling prestressed concrete	101,567,925	69,118,910
Doubtful accounts	1,046,144	6,615,571

20 Income tax expense (income)

Income tax expenses for years ended December 31, 2018 and 2017 recognized in profit or loss were summarized as follows:

20.1 Current income tax expense (income)

	2018	2017
	<i>(in Baht)</i>	
Income tax expenses	72,668,937	60,598,084
Deferred tax expense (income)		
Deferred tax expense (income) concern deductible		
temporary difference with initial recognized and reversed	(2,569,777)	6,357,527
Income tax expense represented in the profit or loss	70,099,160	66,955,611

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

20.2 Income tax recognized in other comprehensive income or loss for the years ended 31 December 2018 and 2017 are as followings.

	2018			2017		
	Earnings before income tax	Revenue Income tax (Expenses)	Net income tax	Earnings before income tax	Revenue Income tax (Expenses)	Net income tax
	<i>(in Baht)</i>					
Gains (losses) on valuation of available-for-sale investments	(7,013,630)	1,402,726	(5,610,904)	(45,411,427)	9,082,286	(36,329,141)
Total	(7,013,630)	1,402,726	(5,610,904)	(45,411,427)	9,082,286	(36,329,141)

20.3 Reconciliation of effective tax rate

	2018	2017
	<i>(in million Baht)</i>	
Profit before income tax expense	357	300
Corporate income tax rate	20%	20%
Income tax using the Thai corporation tax rate	71	60
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.	(2)	6
Income tax expenses reported in the profit or loss	70	67
Effective income tax rate	20%	22%

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

21 Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2018 and 2017 was based on the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of shares issuing during the period as follows:

	2018	2017
	<i>(in Baht/Share)</i>	
Profit for the year attributable to ordinary shareholders of the Company (basic)	287,390,838	232,961,614
Number of ordinary shares outstanding	300,000,000	300,000,000
Basic earnings per share	0.96	0.78

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.

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.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

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

	2018	2017
	<i>(in Million Baht)</i>	
<i>Non-cancellable operating lease commitment</i>		
Within 1 year	1	1
Over 1 year within 3 years	-	1
Total non-cancellable operating lease commitment	1	2
<i>Other commitments</i>		
Letters of guarantee issued by banks	167	171
Purchase goods and services	20	-
Total other commitments	187	171
Total commitments with non - related parties	188	173

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

Significant agreements with non-related parties

The Company has made non-cancellable operating lease agreement for vehicle, security fee and xerox machine ended in 2021.

25 Pledged assets

As at December 31, 2018 and 2017, the Company's fixed deposits at bank for 3 months and 12 months of Baht 23 million have been used as collateral for issuing the letters of guarantee from 3 domestic commercial banks and bank overdrafts.

As at December 31, 2018 and 2017, the Company's land with structures and certain machinery with book value of Baht 236 million and Baht 235 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 22, 2019, the Board of Director meeting passed resolution to propose the Ordinary Shareholder meeting for approval the dividend for the year 2018 by the rate of Baht 0.50 per share, totally Baht 150 million. Such approval depends on the Ordinary Shareholder meeting on April 29, 2019.

27 Thai Financial Reporting Standards (TFRS) which have been announced in the Government Gazette but not become effective

27.1 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

The management of the Company believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmers
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities must apply TFRS 15 Revenue from Contracts with Customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company believe that this standard will not have any significant impact on the financial statements when it is initially applied.

27.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

Notes to the financial Statements

Southern Concrete Pile Public Company Limited

For the year ended December 31, 2018

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.



Southern Concrete Pile Public Company Limited

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