



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

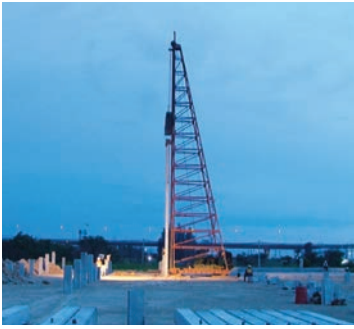
Southern Concrete Pile

THE PRESTRESSED CONCRETE LEADER



รายงานประจำปี 2562
ANNUAL REPORT 2019

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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;

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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.

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2013: -

- Jul. : Adjusted the par value of common stocks from 10 Baht per share, totally 30 million shares to 1 Baht per share, totally 300 million shares, amounted to 300 million Baht and fully repaid loans under the Debt Restructuring Agreement with TMB Bank Public Company Limited;
- Oct. : Increased a concrete pile production line in Surat Thani factory to increase the production capacity;
- Nov. : The Company was awarded the “Best Company Performance Awards” and “Outstanding Company Performance Awards” in the SET market capitalization of less than THB 2 billion category from SET Awards 2013, held by The Stock Exchange of Thailand and Money and Banking Magazine.

2014: -

- Oct : Sold all of its shares invested in Surat Ready Mixed Company Limited, and in Panyawaj Company Limited to unrelated parties;
- Nov. : The Company was awarded the “Outstanding Company Performance Awards” in the SET market capitalization of THB 2 billion-THB 10 billion category from SET Awards 2014, held by The Stock Exchange of Thailand and Money and Banking Magazine.
- Dec : The Company was awarded the Forbes Asia “Best Under a Billion”, was one in two hundred companies in Asia or one in nine companies in Thailand which were carefully selected for this award by Forbes Asia.

2015: -

- : 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

2019:-

- : Developed deck panel and precast concrete panel at Surat Thani factory.
- : Manufacture plank and box girder according to DOH 2015 standard.
- : Implemented indoor manufacturing line at Udon thani factory for better manufacturing efficiency.

SHAREHOLDING STRUCTURE OF THE GROUP COMPANIES



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.

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	% shareholding of the Company	2019		2018		2017	
				M Baht	%	M Baht	%	M Baht	%
1	Pre-stressed concrete poles	-	-	255.21	13.25	226.72	11.09	148.84	9.35
2	Concrete products of the Electricity Authority	-	-	44.89	2.33	36.87	1.80	18.99	1.19
3	Piles/pre-stressed concrete spun piles	-	-	1,024.42	53.20	1,182.51	57.82	961.83	60.39
4	Planks	-	-	20.41	1.06	24.35	1.19	16.16	1.01
5	Bridge girders, plank girders	-	-	62.24	3.23	41.87	2.05	46.98	2.95
6	Other concrete products	-	-	42.36	2.20	33.61	1.64	30.72	1.93
7	Service works	-	-	476.19	24.73	499.12	24.41	369.17	23.18
Total value of domestic distribution:				1,925.72	100	2,045.05	100	1,592.69	100
Increase (decrease) rate of distribution value				(5.84)		28.40		0.64	

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

The Thai economy in 2019 had been slowing down in all sectors compared to the year before. The growth rate was at 2.4% (yoy) with the 1.6% (yoy) growth in the fourth quarter which was at the lowest level in 21 quarters. The reasons behind were:

1. The global economic had been slowing down from the trade-war causing the uncertainty in the market pushing the Thai Baht strengthen which led to decline in the export by 3.2% (yoy)
2. The annual 2020 government's budget had been delayed
3. Drought

The public and private sectors have been slowing down according to the overall economic. This unavoidably led to even more competitive environment in pre-stressed concrete product sector. The over supplied of product environment led to lower selling prices. Therefore, the revenue of the company had been slightly decreased by 5% (yoy).

Competitive strategies

- 1) 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 is the advantage. At present, The Company has expanded the spun pile production line at Ban Beung Factory in Chonburi to serve the industrial expansion in Eastern Economic Corridor (EEC) project under the government's strategic national plan.
- 2) The company focuses on product quality control and service with good reputation and has been accredited to ISO 9001. The customers are therefore trustworthy, confident and satisfied with the products and services of the company all along.
- 3) The Company has its reputations for a long time with teams of executives and expert engineers; and has been trusted by customers in terms of standard quality of products, fair prices and punctual hand-over of works and full safety management system. The Company has started to work under the Leadership in Energy and Environmental Design (LEED) projects.
- 4) The Company has its high production capacity when compared to its competitors; as a result, the Company is able to respond to large projects within a limited period of time.
- 5) The Company has its own transport service units which are flexible, fast, reliable and effective in delivering the products.
- 6) The Company has a variety of products, including electrical poles, I-shape piles, square piles, spun piles, king piles, flat plates, deck slabs, pipes, concrete paving blocks and the like, as per customers' requirements.
- 7) The Company has provided the pile installation services in different styles as follows
 - 7.1) Pure-Driving, which has the lowest cost
 - 7.2) Pre-boring is the process assisting the pile installation through the hard soil layer.
 - 7.3) Auger press with final drive systems by using modern and highly effective hydraulic hammers which help reducing the soil displacement and partial vibration
 - 7.4) Jacked-in-pile system by using hydraulic static pile drivers, this is an environmental friendly system since the installation has no vibration and impact noise.
 - 7.5) Auger press with toe grouting, has absolutely no final drive which means there no impact sounds. The cement grout will be injected, after the pile has reached the designed soil layer, to improve the load capability.

Situations of competition in the industry

Markets of electrical poles products

The electricity product line has only single main customer, Provincial Electricity Authority (PEA) and the minority customers from private sector. In 2019, the overall sales from electricity pole has increased continuously at the rate of 15% (yoy). The led to the revenue of the product mix had changed. The proportion of revenue from electricity products was increased from 10% to 21% with highly competitive in the Southern part market and less competitive in the other areas.

In 2020, the PEA has the budget for national wide of 1,478 million Baht, slightly more than the year before. Therefore, the competitive environment would be similar.

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Square Pile Market

The square pile market is even more competitive amidst the economic slow-down. However, the company has 5 factories manufacturing this type of products, so the company still has the competitive advantage in transportation cost. Therefore, the company can deliver the products to most of the areas and the leader in this field.

Nevertheless, in 2019, the demand for the product decreased, higher competitive resulted to lower overall revenue by 3.7%. In 2020, the market environment is expected to be similar to 2019 with the bet on the government's revenue to promote the growth.

Spun Pile Market

There are currently 7 active players in this market in 2019. The revenue coming from this product had been significantly reduced. In the past few years, the company had the Orange line MRT project which was the big project for both spun pile plants. However, in 2019, as spun piles are commonly used in the bug infrastructure projects, but the delay in the government projects slow down the demand for this product. In additional, there are new players coming into this market, making the competition is higher.

Hand-over of products

Punctual and on-time product delivery according to customers' requirements shall be another crucial factor of marketing strategy because this will help customer to control their costs effectively, 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 2019 as follow:

Unit : %

Factories	Q1	Q2	Q3	Q4	AVG.
Phuket	88	88	85	85	87
Surat Thani	90	87	92	90	90
Hat Yai	86	87	91	84	87
Ban Beung	84	87	89	89	87
Udon Thani	87	84	91	90	88
Nakorn Pathom	86	70	89	92	84

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The Company aims the customer satisfactory level must not be less than 80%, and in 2019 all factories have met the target.

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 35% (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, hotel, 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 2020, the Thai economy growth rate is expected to be around 1.5-2.5% (yoy) (the median at 2.0%) compared to 2.4% (yoy) in 2019. The slow-down factors are as follows:

1. Drought affecting the agriculture products.
2. The outbreak of Covid-19 in China and other regions affecting the tourism and service industries.
3. The delay of the annual government's budget, but the budget is expected to be active in the second half of 2020.

Therefore, in 2020, the pre-stressed concrete market is still in the highly competitive environment as the past few years with the hope of government's economy stimulation plan in infrastructure and construction projects. The land expropriate for motorway budget, the flood mitigation system, airport in secondary tier provinces and high-speed train project etc.

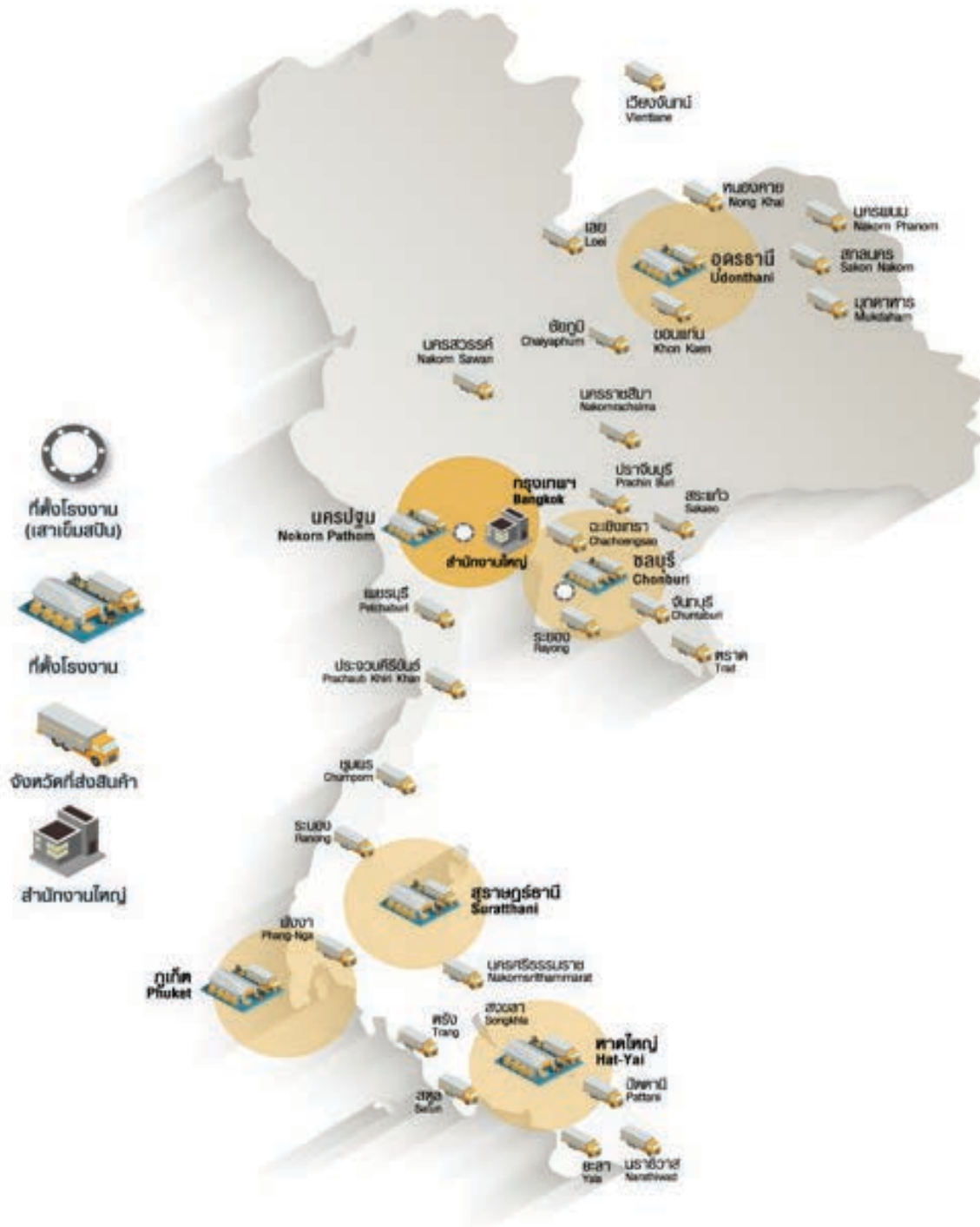
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Provision of products or services

At present, the Company has totally six factories nationwide to fully meet the consumers' demands, one sales office in Surat Thani Province and head office in Bangkok. The details are as follows:

Name	Southern Concrete Pile Public Company Limited
Address of Head Office	555 SSP Tower, 17 th Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok 10110 Tel. 0-2711-5134 Fax. 0-2382-0351-2 Website : www.scp.co.th
Company Registration No.	0107537001803 (Original Registration No. Plc.427)
Address of Factory	Phuket Factory 46/9, Village No.6, Thepkrasattri Road,Ratsada Sub-district, Muang Phuket District, Phuket Province, 83000 Tel. 0-7621-2120, 0-7621-6286, 0-7622-5161 Fax. 0-7621-3679 Email : scp-pk@scp.co.th Surat Thani Factory 25/3, Ratbamrung Road, Na San Sub-district, Ban Na San District, Surat Thani Province, 84120 Tel. 0-7734-1995-6 Fax. 0-7734-1614 Email : scp-sr@scp.co.th Surat Thani Office 15/3 Mu 5, By-Pass Highway, Makhamtia Sub-district, Muang District, Surat Thani Province, 84000 Tel. 0-7720-5444-5 Fax. 0-7721-8549 Email : sale_sr@scp.co.th Hat Yai Factory 136/4, Village No.3, Phetkasem Road, Thung Dam Sao Sub-district, Muang Hat Yai District, Songkhla Province, 90110 Tel. 0-7447-2044-7 Fax. 0-7447-2048 Email : scp-hy@scp.co.th Nakhon Pathom Factory 16/12, Village No.3, Hom Kred Sub-district, Sam Phran District, Nakhon Pathom Province, 73110 Tel. 0-3432-2436-7 Fax. 0-3432-3579 Email : scp-np@scp.co.th Udon Thani Factory 342, Village No.2, Khok Sa-art Sub-district, Muang Udon Thani District, Udon Thani Province, 41000 Tel. 081-391-1765, 086-455-3965 Fax. 0-4211-0134 Email : scp-ud@scp.co.th Ban Bueng Factory 18, Village No.2, Bang Bueng-kraeng Road, Nong Sak Sub-district, Ban Bueng District, Chonburi Province, 20170 Tel. 089-699-7826, 086-478-5689, 0-3811-9345 Fax. 0-3811-9346 Email : scp-bb@scp.co.th

Factory Map



RISK FACTORS

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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 2019, the company still had remaining unappropriated retained earnings of Baht 1,709 million and liquidity ratios, (Ratio of current assets to current liabilities) was 5.74 times the ratio of debt to equity (D / E Ratio) (ratio of total liabilities to shareholders' equity) was 0.17 times and return on equity (ratio of net income to average equity) was 11.99%. 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 2019	: Miss Suphaphorn Mangjit Certified Public Accountant no. 8125 or Miss Somjintana Pholhirunrat Certified Public Accountant no. 5599 or Mr.Nopparoe 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, 14 th Floor, Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10400 Tel. 0-2009-9999 www.set.or.th/contactcenter
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-

SECURITIES INFORMATION AND SHAREHOLDERS

The number of registered and paid-up capital

Southern Concrete Pile Public Company Limited, has its registered capital as of 13st December 2019, 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 13 March 2020	
		Numbers of Shares Held	% of Total Shares
1	Chinteik Brothers Company Limited *	93,487,400	31.162
2	Nganthavee Group *	35,950,890	11.984
3	Thai NVDR Company Limited ***	15,883,050	5.294
4	Mr. Vichian Srimuninnimit **	12,290,000	4.097
5	Mr.Ongart Voravitlikit **	5,190,000	1.730
6	Mr.Kosin Pobaikul **	3,822,600	1.274
7	Mrs.Rarin Utakapan Punjarungroj **	3,677,700	1.226
8	Thai Wire Products Public Co.,Ltd. *	3,558,500	1.186
9	Mr.Thanakit Lorwatanapongsa **	3,000,000	1.000
10	Pattaya Grand Village Co.,Ltd. **	2,500,000	0.833

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 -

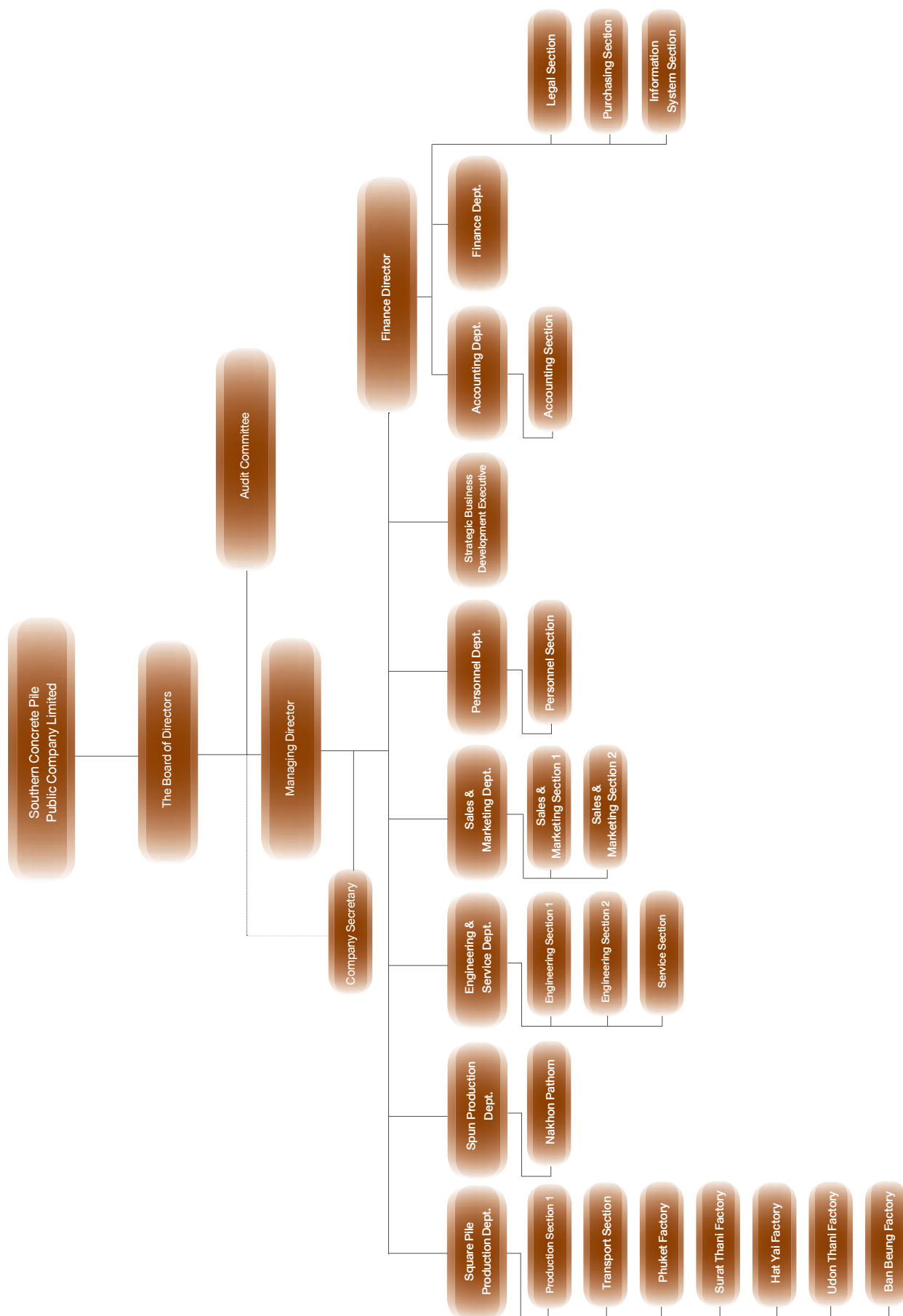
Dividend payment Policy

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 as follows:

Particulars of Dividend Payment	2019	2018	2017	2016	2015
1. Earnings	243,837,088	287,390,838	232,961,614	266,746,650	292,970,824
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					
3.2 Balance of dividend					
3.3 Total of dividend	0.40	0.50	0.40	0.35	0.40
4. Total of dividend payment	120,000,000	150,000,000	120,000,000	105,000,000	120,000,000
5. Dividend payment ratio	49.21%	52.19%	51.51%	39.36%	40.95%

Dividend Payment Policy of Subsidiaries: - No subsidiary

MANAGEMENT STRUCTURE



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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. Arunee 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. Arunee	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 2019, 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. Arunee	Nganthavee	-	4/4	1/1
5. Mr. Thamrong	Nganthavee	-	4/4	1/1
6. Mr. Suckchai	Nganthavee	-	4/4	1/1
7. Mr. Kitja	Nganthavee	-	4/4	1/1
8. Mr. Akapop	Nganthavee	-	3/4	1/1
Total		4	4	1
%		100	96.87	100

PARTICULARS OF DIRECTORS

Name 1. Mr. Pongpayome Vasaputi

Position Chairman of the Board of Directors,
Chairman of the Audit Committee and Independent Director

Date of Appointment
30th April 2012

Age (Years) 72

Academic Qualification

- 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)

Share-holding Ratio (%) • -None-

Family Relationship between Directors and the Management

• -None-

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
2006	Deputy Permanent Secretary	Ministry of Interior

Name 2. Mr. Bonguea Limsuebchuea

Position Audit Committee and Independent Director

Date of Appointment
24th April 2000

Age (Years) 73

Academic Qualification

- 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)

Share-holding Ratio (%) • -None-

Family Relationship between Directors and the Management

• -None-

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

Name **3. Mr. Tasanai Atichati**

Position Audit Committee and Independent Director

Date of Appointment
13th November 2007

Age (Years) 72

Academic Qualification

- Bachelor of Arts, Chiang Mai University

Roles of Directors Training :

Program : The Thai Institute of Directors Association (IOD)

- None-

Share-holding Ratio (%) • -None-

Family Relationship between Directors and the Management

- None-

Work Experiences

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

Name **4. Mrs. Arunee Nganthavee**

Position Managing Director

Date of Appointment
1st September 1995

Age (Years) 67

Academic Qualification

- Bachelor of Business Administration, University of Denver

Roles of Directors Training :

Program : The Thai Institute of Directors Association (IOD)

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

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.

Work Experiences

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

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Name **5. Mr. Thamrong Nganthavee**

Position Director

Date of Appointment

 1990

Age (Years) 72

Academic Qualification

- Bachelor of Science in Mechanical Engineering, Australia

Roles of Directors Training :

Program : The Thai Institute of Directors Association (IOD)

- -None-

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.

Work Experiences

Periods	Positions	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)

Name **6. Mr. Suckchai Nganthavee**

Position Director

Date of Appointment

 13th May 1994

Age (Years) 69

Academic Qualification

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

Roles of Directors Training :

Program : The Thai Institute of Directors Association (IOD)

- -None-

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.

Work Experiences

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

Name **7. Mr. Kitja Nganthavee**

Position Director

Date of Appointment
1990

Age (Years) 62

Academic Qualification

- 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

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.

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

Name **8. Mr. Akapop Nganthavee**

Position Director

Date of Appointment
11st August 2017

Age (Years) 32

Academic Qualification

- Bachelor of Science-Finance Major, Oregon State University

Roles of Directors Training :

Program : The Thai Institute of Directors Association (IOD)

- -None-

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.

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

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

(As of December 31, 2019)

Name		Southern Concrete Pile Public Company Limited		
		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. Arunee	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

Name	1. Miss Tipnara Nganthavee	
Position	Finance Director	
Date of Appointment	10 th March 1995	
Age (Years)	56	
Academic Qualification	<ul style="list-style-type: none"> Master of Business Administration, University of Denver 	
Share-holding Ratio (%)	<ul style="list-style-type: none"> 0.78 	
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> Sister of Director No.4, Cousin of Directors No.5-7. 	
	and Aunt of Director No.8 and Executive No.17.	

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

Name	3. Mr. Taweesak Wongsupphachart	
Position	Square Pile Production Manager	
Date of Appointment	1 st January 1999	
Age (Years)	65	
Academic Qualification	<ul style="list-style-type: none"> High Vocational Certificate, Phuket Technical College 	
Share-holding Ratio (%)	<ul style="list-style-type: none"> -None- 	
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> -None- 	

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

Name	2. Mr. Somsak Wattanatham	
Position	General Manager, Nakhon Pathom Factory	
Date of Appointment	2 nd May 1996	
Age (Years)	65	
Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Science in Engineering, Chiang Mai University 	
Share-holding Ratio (%)	<ul style="list-style-type: none"> 0.025 	
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> -None- 	

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

Name	4. Mr. Amnuai Emkosa	
Position	Sales and Marketing Manager	
Date of Appointment	1 st September 1991	
Age (Years)	59	
Academic Qualification	<ul style="list-style-type: none"> Master's Degree, Kasetsart University Bachelor of Science in Engineering, King Mongkut's University of Technology Thonburi 	
Share-holding Ratio (%)	<ul style="list-style-type: none"> -None- 	
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> -None- 	

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

Name	5. Miss Duangdao Sukhavanich
Position	Finance Manager
Date of Appointment	1 st September 2000
Age (Years)	59
Academic Qualifications	<ul style="list-style-type: none"> Master of Business Administration, Siam University Bachelor of Economic, Ramkhamhaeng University
Share-holding Ratio (%)	• -None-
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> -None-

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

Name	7. Miss Tipaporn Rittawa
Position	Accounting Manager
Date of Appointment	1 st September 2010
Age (Years)	48
Academic Qualifications	<ul style="list-style-type: none"> Master of Business Administration, Southeast Asia University
Share-holding Ratio (%)	• -None-
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> -None-

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

Name	6. Mr. Krisana Sartwathanaroj
Position	Engineering and Service Manager
Date of Appointment	1 st January 2015
Age (Years)	54
Academic Qualifications	<ul style="list-style-type: none"> Bachelor of Science in Engineering, Chulalongkorn University
Share-holding Ratio (%)	• -None-
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> -None-

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

Name	8. Mr.Kampanart Petvaroon
Position	Strategic Business Development Executive
Date of Appointment	3 rd January 2017
Age (Years)	32
Academic Qualifications	<ul style="list-style-type: none"> Master of Science in Management, University of Leicester. Bachelor of Engineering, Sirindhorn International Institute of Technology.
Share-holding Ratio (%)	• 0.005
Family Relationship between Directors and the Management	<ul style="list-style-type: none"> Son of Director No.4, Nephew of Directors No.5-7, and Executive No.1, Cousin of Director No.8

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

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

(As of December 31, 2019)

Name	Southern Concrete Pile Public Company Limited		
	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. Mrs. Nittaya Chunualsri	-	-	-
5. Mr. Amnuai Chunualsri	-	-	-
6. Miss Duangdao Sukhavanich	-	-	-
7. Mr. Krisana Sartwathanaroj	-	-	-
8. Miss Tipaporn Rittawa	-	-	-
9. Mr. Kampanart Petvaroon	15,000	-	-

Particulars of the Company Secretary

Nsmr **Mrs. Nittaya Chunualsri**

Position The Company's Secretary and Senior Accounting Manager

Date of Appointment 13th August 2008 and 1st September 2010

Age (Years) 63

Academic Qualifications

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

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

- None-

Share-holding Ratio (%) • -None-

Family Relationship between Directors and the Management

- None-

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

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

(As of December 31, 2019)

Name	Southern Concrete Pile Public Company Limited		
	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 2019

In 2019, and 2018, the Company has paid remunerations to directors and executives, as per the following details:

Monetary Remunerations of Directors

Name	2019		2018	
	Nature of Remuneration	Total Amount (Baht)	Nature of Remuneration	Total Amount (Baht)
1. Mr. Pongpayome Vasaputi (Independent Director)	Meeting allowances and position allowances	440,000.00	Meeting allowances and position allowances	440,000.00
2. Mr. Bonguea Limsuebchuea (Independent Director)	Meeting allowances and position allowances	350,000.00	Meeting allowances and position allowances	350,000.00
3. Mr. Tasanai Atichati (Independent Director)	Meeting allowances and position allowances	330,000.00	Meeting allowances and position allowances	332,000.00
4. Mrs. Arunee 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	170,000.00	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. Akapop Nganthavee	Meeting allowances and position allowances	210,000.00	Meeting allowances and position allowances	220,000.00
Total		2,190,000.00		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 Director and Executives

Remuneration of Executive Director and 4 other Consecutive Executives

Details	2019		2018	
	Number of persons	Total Amount (M Baht)	Number of persons	Total Amount (M Baht)
Executive Director and the top management				
• Salaries and bonuses	10	28.46	10	29.93
• Other remunerations		5.55		3.11
Total	10	34.01	10	33.04

Personnel

The Company has totally 1,319 employees. In 2019, the Company has paid remunerations to its employees, amounted to 373 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.

2019	Southern Concrete Pile Public Company Limited
Daily employees (people)	973
Monthly employees (people)	278
Executive employees (people)	10
Head Office employees (people)	58
Total (people)	1,319
Employees' remunerations (million Baht)	373

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.

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In 2019, 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 POLICY

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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. 1/2020, 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,

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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 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.

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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 2019 has been held on Monday, April 29, 2019 at 2.00 p.m. at Auditorium 5th Floor, Somerset Ekamai Bangkok, No. 22/1 Ekamai Soi 2, Sukhumvit 63 Road, Phra Khanong Nua, Wattana, Bangkok 10110 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 2019 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.

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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.

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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:

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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.

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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.

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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, Miss Duangdao Sukhavanich, 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.Arunee	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. Arunee Nganthavee, Mr. Thamrong Nganthavee, Mr. Suckchai Nganthavee, Mr. Kitja Nganthavee and Mr. Akapop Nganthavee; provided that 2 out of these authorized directors shall jointly affix their signatures and the corporate seal.

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.

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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.

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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

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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.

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.

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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.

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 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.

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

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

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

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

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

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

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

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.

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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 2019 Annual Ordinary Meeting of Shareholders has passed its resolution to approve the appointment of DIA International Auditing (the same company as the Year 2018), as the Company's auditor; and to approve the audit fee for the year 2019 (the same price as the Year 2018),; 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 2019, as follows:

Remunerations for the Year 2019

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 revised 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

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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 2019 are as follows:

- Thai with Disability Foundation - Donate to support the foundation
- Thai Blind Foundation - Donate to support the foundation
- Chulalongkorn University - Education support
- La-Ngu Hospital, Satun Province - supports medical equipment
- Ban Na San Hospital, Surat Thani Province - Donate for hospital development
- Ang Thong Hospital - Donate to buy operating room equipment
- Faculty of Medicine Siriraj Hospital - Donate for Navamintharaphit 84th Anniversary Building Fund
- Ban Lipon School, Phuket Province - Donate to support the school
- Ban Bueng Taku School, Chon Buri Province - Education support
- Ban Kaengpralom School, Kanchanaburi Province - Donate to support the school
- Bhavana Bodhigun Vocational College, Surat Thani Province - Donate to support the College
- Wat Khiri Wihan temple, Royal temple, Trat province - offering Kathin robes to the King in 2019
- Wat Phleng Vipassana, Bangkok Noi, Bangkok - Donate for bathroom restoration

Activities Pictures :-

1. Sharing donations for students in Ban Bueng Taku School, That Thong Sub-district, Bo Thong District, Chonburi Province.





2. Save the earth and the environment project “Garbage collection at Mai Khao Beach, Phuket Province”.



3. Sharing kindness for children at Ban Kaeng Pralom School, Sai Yok District, Kanchanaburi Province.



4. Garbage throwing project for the Year 2019, Hu Rae Temple, Songkhla Province.



5. Environmental creative project against drugs with the Office of Labor Protection and Welfare – Surat Thani 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.

Activities Pictures :-

1. 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.



2. Activities for building good relationships among the Company's employees



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:

- Communication for persuading negotiators, partners and customers
- Adjustments to deal with the changes of the Revenue Department for accountants
- Think outside the box for organizational success
- Employee Engagement
- Initial fire fighting
- Fire surveillance
- First aid and life saving
- Project Management
- Personnel development for piling rig inspectors
- Diagnose soil data, foundation problems and solutions
- Financial remittance methods for the year 2019 via DBD e-filing system V.2. Change points and practices
- Safety training for supervisors
- Management Psychology for Supervision
- TFRS9 workshops, financial tools for non-financial entities
- Issues that auditors must consider in compliance with TFRS9, 15 financial reporting standards and issues
- The audit performance of the listed companies in the past, ending in the 2nd quarter of 2019
- Implementing VMware vSphere ESXi6.7, Windows Server 2016&2019 Administrator Workshop
- Occupational health and safety experience, assessment (54111,054113)

Activities Pictures :-

Adjustments to deal with the changes of the Revenue Department for accountants



Think outside the box for organisational success



Communication for persuading negotiators, partners and customers



INTERNAL CONTROL AND RISK MANAGEMENT

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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. Arunee	Nganthavee	Managing Director	Chairman of the Board
2.	Miss Tipnara	Nganthavee	Finance Director	Board
3.	Mr. Taweesak	Wongsuppachart	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. 1/2020, 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. 1/2020, 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.

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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
Thai Wire Products Public Co., Ltd. (The Company registered its shareholding of 9.99%)	Purchase of raw materials	127.92	Being a major manufacturer; having consistent quality of products and meeting the required standards of the Company	Market prices; 90-day credit
Nganthavee Service Co., Ltd. Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of diesel oil	0.12 0.19	Convenient in using services	Market prices; 30-day Credit
Chinteik Brothers Co., Ltd. Major shareholders are of the same group, i.e., Nganthavee Group holding 89.45% shares	Rentals of land	4.81	Convenient transport	Prices as agreed
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	1.39 30.69	Convenient in using service	Price comparison similar to other suppliers

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 2019, Clause 4.
- Outstanding creditor balances have been disclosed in the Notes to Financial Statements as of 31st December 2019, Clause 4.

FINANCIAL RATIO 2019

1. Financial ration summary

1.1 LIQUIDITY RATIO :-

		2019	2018	2017
Liquidity Ratio	(Time)	5.74	4.89	4.63
Quick Ratio	(Time)	5.01	4.11	3.87
Cash Flow Liquidity Ratio	(Time)	1.18	0.91	0.70
Account Receivables Turnover Ratio	(Time)	4.50	5.06	4.52
Collection Period	(Days)	80.03	71.17	79.71
Inventory Turnover Ratio	(Time)	6.17	6.14	5.17
Average Day Sales	(Days)	58.32	58.67	69.60
Account Payables Turnover Ratio	(Time)	9.74	10.60	8.08
Payment Period	(Days)	36.98	33.98	44.54
Cash Cycle	(Days)	101.37	95.86	104.77

1.2 Profitability Ratio :-

		2019	2018	2017
Gross Profits	(%)	26.21	27.37	30.57
Operating Profits	(%)	21.28	17.65	19.15
Net Profits	(%)	12.44	13.89	14.43
Other Profits	(%)	1.76	1.13	1.33
Earnings per Share Ratio	(%)	11.99	14.65	12.95
Cash to Earnings Ratio	(%)	115.83	79.17	68.39

1.3 Efficiency Ratio :-

		2019	2018	2017
Return on Assets Ratio	(%)	10.31	12.72	10.96
Return on Fixed Assets Ratio	(%)	52.74	59.18	53.19
Assets Cycle	(Time)	0.83	0.92	0.76

1.4 Financial Policy Ratio :-

		2019	2018	2017
Debts to Equity Ratio	(Time)	0.17	0.20	0.21
Interest Coverage Ratio	(Time)	60.08	104.32	60.64
Debt Service Coverage Ratio	(Time)	1.89	2.11	1.62
Debt Service Coverage Ratio (Cash Basis)	(Time)	2.78	2.11	1.41
Dividend Payment Ratio	%	49.21	52.19	51.51

Per-share Data and Growth Rate :-

1.5 Per-share Data :-

Growth Rate		2019	2018	2017
Book Value per Share	(Baht)	6.78	6.54	6.00
Earnings per Share	(Baht)	0.81	0.96	0.78
Dividend per Share	(Baht)	0.40	0.50	0.40

1.6 Growth Rate :-

Growth Rate		2019	2018	2017
Total Assets	(%)	1.34	8.16	4.31
Total Liabilities	(%)	(10.45)	4.16	(0.51)
Income from Sale or Service	(%)	(5.84)	28.40	0.64
Operating Expenses	(%)	2.09	9.25	4.45
Net Profits (Loss)	(%)	(15.16)	23.36	(12.67)

SUMMARY THE COMPANY PERFORMANCE IN 2019

Southern Concrete Pile Public Company Limited (the company hereafter) reports the company's performance of 2019 compared to 2018 and 2017. The details of company performance are as follows:

Overall performance in 2019

- Revenue of 1,960.169 million Baht, decreased 5.24% yoy (consisted of sales income of 1,449.535 million Baht (decreased 6.24% yoy), service income of 476.189 million Baht (decreased 4.59% yoy), and other income of 34.445 million Baht (increased 46.84% yoy))
- Cost of goods sold and service 1,422.693 million Baht, or 73.88% of revenue, increased 1.25% yoy
- Gross profit decreased to 503.031 million Baht, or 26.12% of revenue, decreased by 1.25% yoy
- Net profit decreased to 243.837 million Baht, or 12.44% of revenue, decreased by 1.45% yoy
- Profit per share 0.81 Baht/share
- Dividend 0.40 Baht/share, or 49.21% of net profit

Total Revenue

During 2017 - 2019, the company had the total revenue from the sale income and service income at 1,592.684 million Baht, 2,045.055 million Baht, and 1,925.724 million Baht respectively. In 2017 and 2018 the revenue increased 0.64% yoy, and 28.40% yoy respectively, but in 2019 the revenue reduced by 5.84% yoy respectively. The performance had been decreased from the overall downturn of both private and public sectors. The main projects that the company has been working on are:

- Yellow Line MRT (Ladprao - Samrong)
- Provincial Electricity Authority (PEA)
- Thai Oil CFP Green Part, Sri-Racha, Chonburi
- Flood Mitigation Project, Suratthani (Phase 2)
- PTT Lubricant Distribution Centre, Bangna-Trad Road
- PTTGC Olefin Refinery
- BST Expansion Project, Map Ta Phut, Rayong
- Flood Mitigation Project, Hat Yai
- New Passenger Building for Airport, Nakorn Sri Thammarat etc.

In 2017 - 2019, the other income was at 21.394 million Baht, 23.457 million Baht and 34.445 million Baht respectively. In 2019, the other income was consisted of interest receipt of 12.087 million Baht, dividend receipt of 9.684 million Baht, and gain from disposal of current investment of 6.371 million Baht, bad debts received of 2.015 million Baht and gain from disposal of equipment of 0.035 million Baht etc.

Cost and Expenses

During 2017-2019, the company had the cost of goods sold for sales at 824.809 million Baht, 1,101.466 million Baht and 1,050.451 million Baht or 67.41%, 71.25% and 72.47% respectively, increased by 1.10% yoy in 2017, 3.84% yoy in 2018 and 1.22% yoy in 2019. On the same period, the cost of goods sold for services were at 280.952 million Baht, 383.920 million Baht and 372.242 million Baht or 76.10%, 76.92% and 78.17% respectively, increased by 0.36% yoy, 0.82% yoy and 1.25% yoy respectively. The cost of goods sold are clearly in the increasing trend. This is due to highly competitive market environment and the raw material prices had inched up recently.

Selling and administrative expenses during 2017-2019 were at 203.371 million Baht, 222.175 million Baht and 226.808 million Baht or 12.60%, 10.74% and 11.57% respectively. In 2019, the expense was higher mainly from the new labour protection act B.E.2541 to increase the severance pay for laid-off workers from 300 days to 400 days having the company to increase the non-current liability of 11.682 million Baht, doubtful account of 5.743 million Baht (6.616 million Baht in 2017 and 1.046 million Baht in 2018).

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Profit

In 2019, the company had the gross profit decreased to 26.12% of revenue (30.57% of revenue in 2017 and 27.37% of revenue in 2018). The EBITDA decreased to 386.054 million Baht (350.929 million Baht in 2017 and 426.670 million Baht in 2018). The net profit decreased by 12.44% yoy to 243.837 million Baht, making the profit per share at 0.81 Baht. This is due to the lower selling price and higher costs of goods sold. In 2017 and 2018, the net profit was at 232.961 million Baht and 287.392 million Baht or 14.43% and 13.89% respectively. This made the profit per share at 0.78 Baht and 0.96 Baht in the same period. In 2019, the retained earnings increased to 1,739.288 million Baht, consisted of legal reserve of 30.000 million Baht and unappropriated of 1,709.288 million Baht.

Statements of Financial Position

As of 31st December 2019, the company had the total asset of 2,379.945 million Baht, increased from 2017 and 2018, which were at 2,171.250 million Baht and 2,348.501 million Baht respectively. The increment was partly from the current assets in cash, 6-12 month short-term deposit, mutual fund of 144.143 million Baht. The retention receivables decreased by 26.584 million Baht and inventories decreased to 38.039 million Baht.

Non-current assets decreased in other long-term investment of 46.937 million Baht and fixed asset increased 2.062 million Baht, mainly from the equipment and machinery investment for production line.

In 2019, the returns on assets and return on fixed assets and fixed asset turnover ratio decreased to 10.31%, 52.74% and 0.83 times respectively. In 2018, the values were 12.72%, 59.18% and 0.92 times respectively. In 2017, the values were 10.96%, 53.19% and 0.76 times respectively. This was due to the decrease in profit.

Statements of Cash Flows

As of 31st December 2019, the company had the net cash increased to 405.742 million Baht from 233.175 million Baht. The amount incurred from the net cash from operation 359.846 million Baht, deducted by investing activities of 29.505 million Baht and investing in financing activities of 157.774 million Baht. These led to higher net cash by 172.566 million Baht.

The net cash from operation of investing activity in fixed assets of 78.026 million Baht, mainly the equipment, machine, mould, building pile driving equipment, and purchase of current investments of 50.374 million Baht. This is to be added with net cash received from disposal current investments of 85.545 million Baht. The net cash from financing activity for dividend payout of 150 million Baht and finance lease payment 7.312 million Baht.

Financial Ratios

Financial Ratios	2019	2018	2017
Current Ratio (times)	5.74	4.89	4.63
Cash Cycle (Day)	101.37	95.86	104.77
Return on Equity (%)	11.99	14.65	12.95
Return on Assets (%)	10.31	12.72	10.96
Debt to Equity (times)	0.17	0.20	0.21

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From the current ratio and cash cycle analysis, during 2017- 2019, 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 decreased to 11.99% and 10.31% respectively from lower profit.

For the debt to equity ratio (D/E) during 2017-2019 were 0.21 times, 0.20 times and 0.17 times respectively and been decreasing in the past 3 years due to the payback of financial lease liabilities and no new loans have been made.

Dividend Payout

For the 2019 performance, the committee meeting on 28th February 2020 has agreed to payout the dividend of 0.40 Baht per share, total of 120 million Baht.

Commitments and Contingent Liabilities

As of 31st December 2019 and 2018, the company had committed the letter of guarantees issued by domestic banks to parties for business operation of 138 million Baht (187 million Baht in 2018). The letter of guarantee issued by the banks with land, asset and machinery mortgage activity.

As of 31st December 2019 and 2018, the company has committed the lease agreement validity at year end of 2023 of 1 million Baht (1 million Baht in 2018). This is mainly from cars, security agreement and photo copy machine.

Capital Budget

In 2019, the company has the investment plan in fixed assets in all of the company's factories to serve the long-term product demand. However, these investments would not significantly affect the company's cash flow.

REPORT OF THE AUDIT COMMITTEE 2019

SOUTHERN CONCRETED PILE PUBLIC COMPANY LIMITED

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The Audit Committee of Southern Concrete Pile Public Company Limited consists of three independent directors, whose are honorable in line with the Securities and Exchange Commission of Thailand (SEC). The three member of Audit Committee are as follows:

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

(Who is a financial expert, able to review the accuracy and reliability of the financial reports.)

In 2019, the Committee's principle activities are as follows:

1. Review of Financial Reports

The Committee reviewed the Company's quarterly and annual financial statements, together with the management and the external auditor, to ensure the statements' accuracy, completeness and compliance under laws, regulations and accepted accounting standards. The Committee agreed to compile the Company's Management Discussion and Analysis (MD&A) for analyzing the factors affecting the Company's operation and financial statements.

2. Review of the Internal Controls System

The Committee reviewed and endorsed the assessment questionnaire, as required by the Securities and Exchange Commission of Thailand (SEC), and ensure that they are suitable and sufficient for business operations.

3. Review of Connected Transactions or Transactions with Potential Conflicts of Interest

The Committee reviewed the connected transactions or transactions with potential conflicts of interest. The Audit Committee has reviewed all transactions and found no other transactions. There were normal trading transactions and land rental same as the year before. All information could be founded in the financial statement details.

4. Audit Committee Meeting

The Committee attend the Company's board of director meeting and external auditor 4 times annually, with the management to clarify the operational results. They had a meeting with the auditor without the management to acknowledge the deficiencies in financial accounting operations and being informed about changes in accounting policies, which may affect the financial statements in the next year. The committee asked the observations that the auditor had seen or any other suggestions that the company has to improve in order to find solutions with the management before presenting to the board meeting for acknowledgment and follow up.

The Audit Committee has the opinion that the observations reported by the auditors have no effect to the financial statements and the auditors received good cooperation from the employees.

5. Shareholders' Meeting

The three member of Audit Committee attended the annual general meeting of the year 2019 to listen to the opinions and suggestions from shareholders.

6. Nomination of the External Auditor

The Audit Committee has considered and proposed to appoint Miss Supaporn Mangchit, Certified Public Accountant Registration No. 8125, or Miss Somjintana Pholhirunrat, Certified Public Accountant Registration No. 5599, or Mr.Nopparoek Pissanuwong, Certified Public Accountant Registration No. 7764 from DIA International Audit Company Limited as an external auditor of the company. They determined that the external auditor performed its duties with independence, continued to exhibit the required experience in auditing the Company's financial reports and ensured the accuracy and reliability of the Company's financial reports. In addition, the Audit Committee proposed the audit's remuneration for 2019.

The Audit Committee reported the results of all meetings in 2019 to the Board on a regular basis. The Committee conducted its work thoroughly, methodically and strictly according to the Audit Committee Charter to enhance the Company's good corporate governance. The performance results of the year 2019, the Audit Committee agreed that the Company has appropriate internal control systems, transparency, and ethics as specified by 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

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The Board of Directors of Southern Concrete Pile Public Company Limited is responsible for financial statement disclosure under appropriate accounting standard. The financial standard is verified according to the right policy and standard with appropriate and adequate information disclosure.

The Board of Directors has appointed the Audit Committee as the independent directors and are not involved in managing the company. The committee's scope of work is to review accounting policies, supervise the quality of financial statements, review the internal control system, internal audit and the risk management.

The Board of Directors has their opinions that the Company's internal control system is sufficient and appropriate. The Board has assured that the financial statements of Southern Concrete Pile Public Company Limited for the year ended on 31st December 2019 was reliable along with the general accepted accounting principles and conducted precisely with the related laws and regulations.



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, 2019, 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, 2019, 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.

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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, 2019, the Company has material amount of accounts receivable Baht 474 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 considered performance obligation under the contract, control power of goods, services 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.

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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.

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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.



(Miss Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

February 28, 2020

STATEMENTS OF FINANCIAL POSITION

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

As at December 31, 2019

		2019	2018
Assets	Note	(in Baht)	
Current assets			
Cash and cash equivalents	5	405,741,732	233,175,206
Current investments	6	571,547,456	599,970,557
Trade accounts receivable and other current receivables	4, 7	441,674,673	443,378,514
Inventories	8	211,458,158	249,497,782
Retention receivables		25,820,494	52,404,645
Total current assets		1,656,242,513	1,578,426,704
Non-Current Assets			
Other long-term investments	9	78,267,080	125,204,450
Property, plant and equipments	10, 25	606,272,063	604,210,497
Restricted deposit at banks	25	23,252,747	23,030,398
Deferred tax assets	14, 20	9,629,937	223,030
Other non-current assets	11	6,280,748	17,405,542
Total non-current assets		723,702,575	770,073,917
Total Assets		2,379,945,088	2,348,500,621

Notes to financial statements are parts of these financial statements.

STATEMENTS OF FINANCIAL POSITION

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

As at December 31, 2019

		2019	2018
Liabilities and equity	Note	(in Baht)	
Current liabilities			
Trade accounts payable and other current payables	4, 12	255,117,222	286,573,533
Current portion of financial lease liabilities	13	3,652,219	7,327,673
Accrued income tax		29,708,283	29,177,770
Total current liabilities		288,477,724	323,078,976
Non-current liabilities			
Financial lease liabilities	13	2,439,222	6,076,071
Non-current provisions for employee benefits	15	55,827,315	58,060,089
Total non-current liabilities		58,266,537	64,136,160
Total liabilities		346,744,261	387,215,136
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		1,709,288,235	1,599,822,997
Other components of equity		(6,087,408)	31,462,488
Total equity		2,033,200,827	1,961,285,485
Total liabilities and equity		2,379,945,088	2,348,500,621

Notes to financial statements are parts of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

		2019	2018
	Note	(in Baht)	
Revenues			
Revenue from sales	4	1,449,534,778	1,545,937,334
Revenue from rendering of services		476,189,058	499,117,835
Total revenue from sales and rendering of services		1,925,723,836	2,045,055,169
Other income		34,445,748	23,456,886
Total revenues		1,960,169,584	2,068,512,055
Expenses			
Cost of sales	4, 8	(1,050,450,679)	(1,101,466,216)
Cost of rendering of services	4	(372,241,945)	(383,920,167)
Total cost of sales and rendering of services		(1,422,692,624)	(1,485,386,383)
Selling expenses		(34,300,387)	(28,487,283)
Administrative expenses	4	(192,507,736)	(193,688,140)
Finance costs		(5,171,519)	(3,460,251)
Total expenses		(1,654,672,266)	(1,711,022,057)
Profit before income tax expense		305,497,318	357,489,998
Income tax expense	20.1	(61,660,230)	(70,099,160)
Profit for the year		243,837,088	287,390,838
Other comprehensive income :-			
Items that will never be reclassified to profit or loss :-			
Defined benefit plan actuarial gains (losses)	15.3	19,535,187	-
Income tax on components of other comprehensive income	20.2	(3,907,037)	-
		15,628,150	-
Items that are or may be reclassified to profit or loss :-			
Gains (losses) on valuation of available-for-sale investments	9	(46,937,370)	(7,013,630)
Income tax on components of other comprehensive income	20.2	9,387,474	1,402,726
		(37,549,896)	(5,610,904)
Other comprehensive income (loss) for the year net of income tax		(21,921,746)	(5,610,904)
Total comprehensive income for the year		221,915,342	281,779,934
Earnings per share			
Basic	21	0.81	0.96

Notes to financial statements are parts of these financial statements.

For the year ended December 31, 2019

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

	2019	2018
	<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	243,837,088	287,390,838
<i>Adjustment for</i>		
Depreciation	75,386,557	65,719,391
Doubtful accounts	5,742,682	1,046,144
Reversal of allowance for doubtful accounts	(2,015,373)	(3,019,606)
Loss from obsolete stock	2,626,092	4,177,446
Loss from written- off of assets	578,273	113,848
Unrealized (gain) loss from charging in value of short-term investment	(377,331)	5,191,402
Realized gain from current investment	(6,371,081)	(625,324)
Gain from disposal of equipment	(38,408)	(3,047,417)
Employee benefit expenses	18,288,864	6,754,532
Interest income	(11,134,360)	(7,752,929)
Dividends income	(9,684,205)	(3,830,521)
Interest expense	461,874	1,031,174
Income tax expense	61,660,230	70,099,160
	<u>378,960,902</u>	<u>423,248,138</u>
<i>Changes in operating assets and liabilities</i>		
Restricted deposit at banks	(222,348)	(219,902)
Trade accounts receivable and other current receivables	5,483,977	(48,927,458)
Retention receivables	26,584,151	(32,678,941)
Inventories	35,413,532	(19,005,829)
Other non-current assets	11,124,794	10,428,733
Employee benefits paid	(410,184)	(1,882,700)
Trade accounts payable and other current payables	(32,032,578)	28,214,538
Cash generated from operating activities	<u>424,902,246</u>	<u>359,176,579</u>
Income tax paid	(65,056,188)	(73,394,597)
Net cash from operating activities	<u>359,846,058</u>	<u>285,781,982</u>

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

		2019	2018
	Note	(in Baht)	
Cash flows from investing activities			
Interest received		3,626,914	6,843,560
Dividends received		9,684,205	3,830,521
Purchase of current investments		(50,374,384)	(215,000,000)
Cash received from disposal current investments		85,545,896	180,735,365
Purchase of other long-term investments		-	(20,000,000)
Proceeds from disposal of equipment		38,411	3,619,863
Purchase of property, plant and equipment		(78,026,396)	(75,989,730)
Net cash used in investing activities		(29,505,354)	(115,960,421)
Cash flows from financing activities			
Interest paid		(461,875)	(1,031,174)
Finance lease payment		(7,312,303)	(18,734,870)
Dividends paid		(150,000,000)	(120,000,000)
Net cash used in financing activities		(157,774,178)	(139,766,044)
Net Increase (Decrease) in cash and cash equivalents		172,566,526	30,055,517
Cash and cash equivalents at January, 1		233,175,206	203,119,689
Cash and cash equivalents at December, 31		405,741,732	233,175,206
Non - cash transactions			
Purchase of equipment under finance lease agreement	13	-	5,594,626
In 2019, Transferred employee benefit obligations due payment to other current liabilities		576,267	-

Notes to financial statements are parts of these financial statements.

Notes to financial statements are parts of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on February 28, 2020.

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

Major shareholder is Nganthavee family with percentage of shareholding in 2019 : 40.16 % (In 2018 : 40.10%)

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

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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 has adopted the revised financial reporting standards and interpretations (revised 2018) and 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 revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. However, the new standard involves changes to key principles, which are summarised below :

TFRS 15 Revenue from Contracts with Customers ("TFRS 15"), which replaced TAS 18 Revenue ("TAS 18"), TAS 11 Construction Contracts ("TAS 11") and related interpretations.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

For a number of new TFRS which are not yet effective for current period, the Company has not early adopted these standards in preparing these interim financial statements before the effective date. Those new TFRS 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.

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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.

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

NOTES TO THE FINANCIAL STATEMENTS

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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.

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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

A receivable is recognized when has an unconditional right to receive consideration.

A receivable incurred by making contract is measured at value less allowance for doubtful accounts and impairment losses which are assessed 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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

3.7 *Impairment of assets*

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

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

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

Calculation of recoverable amount

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

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

Reversals of impairment

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

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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 under assumption relating to future events appropriately defined by the Company. The assumption used in determining net employee benefit of the year include the discount rate, salary increasing rate and employee turnover rate. Changing in these rate has impact to expenses relating to net employee benefit of the year. The Company has review the appropriate discount rate that reflect interest rate used in calculation net present value of future cash flow payment for employee. In determining appropriate discount rate, the Company considers the market yield based on Thai government bond with currency benefit used.

On April 5, 2019, new Labour Protection Act was published in the Royal Gazette which will become effective after 30 days from the date of its publication in the Royal Gazette onwards 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. The Company records the effects from such Labour Protection Act in the financial statements as stated in note 15 to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

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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 is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts.

Sale of goods together with rendering of services

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Revenue from service is recognized when service is completely rendered.

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.

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

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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.

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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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 Service Co., Ltd.	Retail services for oil and consumer products	Related company, some common directors and shareholders
4. Chinteik Brothers Trading	To Provide Land and Building for leases	Related company, some common directors and shareholders
5. Haadyai Tin Dredging Co.,Ltd.	Tin Mines	Related company, some common directors and shareholders
6. Thai Palm Development Co., Ltd.	Produces and distributes plam oil	Related company, some common directors and shareholders
7. Mr. Thada Nganthavee	Land and building for rent	Closed relatives of Nganthavee' group

NOTES TO THE FINANCIAL STATEMENTS

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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 bought from external person
Hammering expense	Price comparable with purchasing price bought 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

4.1 Significant transactions with related parties for the years ended December 31, 2019 and 2018 with related parties were summarized as follows:

	2019	2018
	<i>(in Baht)</i>	
Revenue		
Revenue from sales	1,578,828	1,597,411
Expenses		
Purchase of raw material and other materials	128,041,249	113,184,834
Rental expense	4,812,316	4,712,842
Hammering expense	30,297,354	39,627,530
Repair expense	397,190	831,175
Key management personnel's remunerations		
Short-term benefits	30,811,365	32,282,489
Post-employment benefits	3,203,286	757,121
Total key management personnel's remunerations	34,014,651	33,039,610

NOTES TO THE FINANCIAL STATEMENTS

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

4.2 Balance as at December 31, 2019 and 2018 with related parties were as follows:

	2019	2018
	<i>(in Baht)</i>	
<i>Other current receivables</i>		
Surat Ready Mixed Co., Ltd.	308,571	362,595
Total	308,571	362,595
<i>Available-for-sale investments</i>		
Thai Wire Products PCL.	58,267,080	105,204,450
Total	58,267,080	105,204,450
<i>Trade accounts payable</i>		
Thai Wire Products PCL.	31,850,864	18,669,769
Nganthavee Service Co., Ltd.	18,124	33,830
Surat Ready Mixed Co., Ltd.	6,389	63,014
Total	31,875,377	18,766,613
<i>Other current payables</i>		
<i>Accrued expenses</i>		
Surat Ready Mixed Co., Ltd.	2,918,840	5,701,489
Total	2,918,840	5,701,489

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

4.3 The commitments with related parties

As at December 31, 2019 and 2018, the Company had non-cancellable operating lease commitment as follows:

	2019	2018
	<i>(in million Baht)</i>	
Within 1 year	3	4
Over 1 year but within 3 years	6	-
Total	9	4

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, 2019 to September 30, 2022 with monthly rental of Baht 280,000.

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

	2019	2018
	<i>(in Baht)</i>	
Cash on hand	315,000	315,000
Cash at banks – current accounts	90,957,356	69,679,601
Cash at banks – savings accounts	243,723,622	163,180,605
Cash at banks – fixed accounts	70,745,754	-
Total	405,741,732	233,175,206

NOTES TO THE FINANCIAL STATEMENTS

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

6 Current investments

As at December 31, 2019 and 2018, current investments consisted of the following:

	2019	2018
	<i>(in Baht)</i>	
Fixed deposits	520,789,830	470,000,000
Debenture – Held to maturity	-	30,000,000
Current investments in trading securities		
Bualuang Treasury Fund	41,131,162	55,159,374
Bualuang Infrastructure Fund	-	40,002,306
Bualuang Top-Ten Fund	10,000,279	10,000,279
Add Unrealized gain (loss) from changing in value of investment	(373,815)	(5,191,402)
At fair value of current investment in trading securities	50,757,626	99,970,557
Total	571,547,456	599,970,557

As at December 31, 2019, the Company had current investments represent fixed deposits for the periods of 6-12 months, interest the rates of 1.40-1.95% per annum. (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).

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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

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7 Trade accounts receivable and other current receivables

	2019	2018
	<i>(in Baht)</i>	
Trade accounts receivable		
Other parties	473,719,451	490,349,723
Total	473,719,451	490,349,723
Less allowance for doubtful account	(47,706,608)	(60,186,790)
Trade accounts receivable - net	426,012,843	430,162,933
Other current receivables		
Related parties	308,571	362,595
Other parties	15,353,259	12,852,986
Total	15,661,830	13,215,581
Less allowance for doubtful account	-	-
Other current receivables - net	15,661,830	13,215,581
Total trade accounts receivable and other current receivables	441,674,673	443,378,514

Aging of trade accounts receivable are as follows.

	2019	2018
	<i>(in Baht)</i>	
Within credit terms	256,906,532	252,079,047
Overdue 1 – 90 days	138,434,659	149,071,450
Overdue 91 – 180 days	20,395,788	24,944,835
Overdue 181 – 365 days	12,342,364	3,159,291
Overdue more than 1 year	45,640,108	61,095,100
Total	473,719,451	490,349,723

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

	2019	2018
	<i>(in Baht)</i>	
Beginning	60,186,790	64,637,047
Addition		
- Trade accounts receivable	5,742,682	1,046,144
Decrease		
- Reversal of allowance doubtful account	(2,015,373)	(3,019,606)
- Written - off	(16,207,491)	(2,476,795)
Total	47,706,608	60,186,790

During the year ended December 31, 2019 and 2018, the Company has written off the accounts receivable which had been fully provided for the allowance for doubtful accounts totaling of Baht 16,207,491 and Baht 2,476,795, respectively.

8 Inventories

	2019	2018
	<i>(in Baht)</i>	
Finished Goods	125,638,589	127,617,626
Work in process	444,233	599,963
Raw materials	86,329,673	119,726,068
Spare parts and supplies	14,866,118	14,748,488
Total	227,278,613	262,692,145
<i>Less allowance for obsolete stock</i>	<i>(15,820,455)</i>	<i>(13,194,363)</i>
Net	211,458,158	249,497,782
Loss from obsolete stock	2,626,092	4,177,446

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

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Cost of inventories for the years ended December 31, 2019 and 2018 are recorded as expenses in cost of sales as follows:

	2019	2018
	<i>(in Baht)</i>	
Cost of sales	1,047,824,587	1,097,288,770
Loss from obsolete stock	2,626,092	4,177,446
Net	1,050,450,679	1,101,466,216

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

	2019	2018
	<i>(in Baht)</i>	
Beginning balance	13,194,363	9,016,917
Increase	2,626,092	4,177,446
Decrease	-	-
Ending balance	15,820,455	13,194,363

For the year ended December 31, 2019 and 2018, the Company has additionally provided allowance for obsolete Baht 2.63 million and Baht 4.18 million, respectively for non-moving stock more than 1 year.

9 Other long-term investments

	At cost		At fair value	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	<i>(in Baht)</i>			
Marketable equity securities	65,876,340	65,876,340	58,267,080	105,204,450
Debenture - Held to maturity	20,000,000	20,000,000	20,000,000	20,000,000
Total	85,876,340	85,876,340	78,267,080	125,204,450

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Movements during the year ended December 31, 2019 and 2018 of other long-term investments were as follows:

	2019	2018
	<i>(in Baht)</i>	
<i>Marketable equity securities</i>		
At January 1, at cost	65,876,340	65,876,340
Valuation adjustment	(7,609,260)	39,328,110
At December 31, at fair value	58,267,080	105,204,450
Unrealized gains (losses) from change in value of investment for the		
year recognized directly in equity	(46,937,370)	(7,013,630)
<i>Less</i> Deferred tax	9,387,474	1,402,726
Value of investment for the year recognized directly in equity	(37,549,896)	(5,610,904)

As at December 31, 2019 and 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.

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10 Property, plant and equipment

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	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
						(in Baht)					
As at December 31, 2018	14,875,267	154,486,207	254,861	82,103,643	209,742,433	183,062,883	174,790,546	15,652,006	161,414,251	-	996,382,097
Depreciation for the year	1,080,056	7,570,091	-	2,011,247	13,397,379	17,346,144	24,489,003	1,563,338	7,929,299	-	75,386,557
Transfer in (out)	-	-	-	-	-	-	-	-	-	-	-
Disposal/Write off	-	-	-	-	(2,921,341)	(113,732)	(34,418)	(677,857)	(1,615,048)	-	(5,362,396)
As at December 31, 2019	15,955,323	162,056,298	254,861	84,114,890	220,218,471	200,295,295	199,245,131	16,537,487	167,728,502	-	1,066,406,258
Accumulated impairment losses											
As at December 31, 2017	-	2,752,309	-	1,844,413	292,324	-	2,131	28,072	-	898,752	5,818,001
Change during the year	-	(635,785)	-	(1,844,413)	-	-	-	-	-	-	(2,480,198)
As at December 31, 2018	-	2,116,524	-	-	292,324	-	2,131	28,072	-	898,752	3,337,803
Change during the year	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2019	-	2,116,524	-	-	292,324	-	2,131	28,072	-	898,752	3,337,803
Net assets value – book value											
As at December 31, 2019	153,003,248	131,603,303	6	22,355,526	61,059,760	98,853,956	81,697,840	3,614,911	35,640,993	18,442,520	606,272,063
As at December 31, 2018	154,083,304	138,526,708	6	22,834,903	60,881,271	83,518,583	87,681,597	2,940,050	42,928,732	10,815,343	604,210,497
Depreciation for the year ended December 31, 2019											75,386,557
Depreciation for the year ended December 31, 2018											65,719,391

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

Depreciation for the year was included in

	2019	2018
	<i>(in Baht)</i>	
Cost of sales of goods	43,898,997	38,121,246
Cost of rendering of services	20,398,197	16,728,944
Administrative expenses	11,089,363	10,869,201
Total	75,386,557	65,719,391

The gross amount of the Company's fully depreciated building and equipment that was still in use as at December 31, 2019 and 2018 amounted to Baht 875.94 million and Baht 858.76 million, respectively.

As at December 31, 2019, the Company has vehicles at net book value in amount of Baht 5 million with commitments to pay liabilities under finance leases as stated in note 13.

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.

Guarantee

As at December 31, 2019 and 2018, the Company's land with structures and certain machinery with book value of Baht 231 million and Baht 236 million, respectively were registered to mortgage as collateral disclosed in note to financial statements No.25.

11. Other non-current assets

	2019	2018
	<i>(in Baht)</i>	
Deposit	1,797,748	12,922,542
Property foreclosed	6,913,969	6,913,969
Less allowance for impairment	(2,430,969)	(2,430,969)
Net	6,280,748	17,405,542

NOTES TO THE FINANCIAL STATEMENTS

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

12. Trade accounts payable and other current payables

	2019	2018
	<i>(in Baht)</i>	
Trade accounts payable		
Related parties	31,875,377	18,766,613
Other parties	114,096,849	127,545,374
Total trade accounts payable	145,972,226	146,311,987
Other current payables		
Related parties		
Accrued expenses	2,918,840	5,701,489
Other parties		
Accrued expenses	66,110,180	78,943,894
Deposit from customer	33,393,411	48,866,209
Revenue Department payable	5,250,277	5,783,989
Other payables	1,472,288	965,965
Total other current payables	109,144,996	140,261,546
Total trade accounts payable and other current payables	255,117,222	286,573,533

13. Financial lease liabilities

Details of financial lease agreement net book value as at December 31, 2019 and 2018

	2019	2018
	<i>(in Baht)</i>	
Vehicles	5,744,467	12,089,865
Machinery and equipment for piling	-	3,188,151
Total net book value of the asset under a finance lease	5,744,467	15,278,016

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

	2019		2018			
	Future value		Present		Future	
	of the		value of the		value of the	
	minimum		minimum		minimum	
	lease		lease		lease	
	payment	Interest	payment	Interest	payment	Interest
	<i>(in Baht)</i>					
Within one year	3,847,341	195,122	3,652,219	7,790,755	463,082	7,327,673
After one year but within						
five years	2,498,829	59,607	2,439,222	6,329,495	253,424	6,076,071
Total	6,346,170	254,729	6,091,441	14,120,250	716,506	13,403,744

As at December 31, 2019, financial lease liabilities of Baht 6 million represented the creditors under hire purchase agreements to purchase vehicle of 14 agreements. The period of agreement covered for 3-5 years, requiring the monthly installments of Baht 260,750.

As at December 31, 2018, financial lease liabilities of Baht 13 million, represented the creditors under hire purchase agreements to purchase vehicle, machinery and equipment for piling of 26 agreements. The period of agreement covered for 3-5 years, requiring the monthly installments of Baht 582,645.

14 Deferred tax

Deferred tax assets and liabilities as at December 31, 2019 and 2018 were as follows:

	2019	2018
	<i>(in Baht)</i>	
Deferred tax assets	13,959,064	12,614,789
Deferred tax liabilities	(4,329,127)	(12,391,759)
Net	9,629,937	223,030

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

	Recognized as (expenses)			
	revenues in			
	January 1,	Profit or	Other	December 31,
	2019	loss	comprehensive	2019
			income	
			(in Baht)	
<i>Deferred tax assets</i>				
Inventory	1,002,772	199,583	-	1,202,355
Other long-term investments	-	-	1,521,851	1,521,851
Financial lease liabilities	-	69,395	-	69,395
Non - current provisions for				
employee benefits	11,612,017	3,460,483	(3,907,037)	11,165,463
Total	12,614,789	3,729,461	(2,385,186)	13,959,064
<i>Deferred tax liabilities</i>				
Current investments in trading securities	(67,339)	(8,127)	-	(75,466)
Other long-term investments	(7,865,623)	-	7,865,623	-
Property, plant and equipments	(4,083,647)	(170,014)	-	(4,253,661)
Financial lease liabilities	(375,150)	375,150	-	-
Total	(12,391,759)	197,009	7,865,623	(4,329,127)
Net	223,030	3,926,470	5,480,437	9,629,937

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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

	2019	2018
	<i>(in Baht)</i>	
Defined benefit obligations at January 1,	58,060,089	53,188,257
Recognized in profit or loss		
Current service costs	4,596,657	5,189,768
Interest cost	1,228,844	1,564,764
Past service costs	12,463,363	-
Compensation to employees	(410,184)	(1,882,700)
Transfer to other current liabilities	(576,267)	-
Total	75,362,502	58,060,089
Recognized in other comprehensive income		
Recognized in other comprehensive income actuarial gains	(19,535,187)	-
Defined benefit obligation at December 31,	55,827,315	58,060,089

The above expense is recognized in profit or loss for the years ended December 31, 2019 and 2018 included in the following line items:

	2019	2018
	<i>(in Baht)</i>	
Cost of sales	1,852,416	611,967
Cost of services	3,762,544	1,784,816
Selling expenses	992,023	619,106
Administrative expense	11,681,881	3,738,643
Total	18,288,864	6,754,532

As stated in note 3.9.2 to financial statements, the Company records the effects from new Labour Protection Act Baht 12.46 million.

NOTES TO THE FINANCIAL STATEMENTS

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

	2019	2018
	(%)	
Discount rate	2.41	2.82
Future salary growth	3.00	7.00
Retirement (year)	60	60
Staff turnover rate	0 - 14	0 - 15

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2017 (“TMO2017”).

15.3 Actuarial gain recognized in other comprehensive income before income tax :

	2019
	(in Baht)
Included in retained earnings as at January 1,	6,271,669
Recognized during the period	19,535,187
Included in retained earnings as at December 31,	<u>25,806,856</u>

Actuarial gain (losses) recognized in other comprehensive income before income tax arising from:

	2019
	(in Baht)
Loss from changing mortality rate and turnover rate	(2,026,827)
Gain from decreasing in salary increasing rate	20,713,787
Gain from changing employees	848,227
Total	<u>19,535,187</u>

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

15.4 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.

	2019	2018
	<i>(in Baht)</i>	
Defined benefit obligation		
Discount rate		
- Increase rate (1% movement)	(4,440,763)	(5,368,789)
- Decrease rate (1% movement)	5,103,862	6,239,151
Future salary growth		
- Increase rate (1% movement)	5,020,214	7,182,387
- Decrease rate (1% movement)	(4,457,424)	(6,264,879)
Mortality rate		
- Increase rate (1% movement)	308,782	534,933
- Decrease rate (1% movement)	(306,636)	(529,299)
Staff turnover rate		
- Increase rate (1% movement)	(4,658,280)	(5,677,812)
- Decrease rate (1% movement)	1,365,727	1,952,764

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

16 Legal reserve

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

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, 2019

17 Dividend

The Ordinary Meeting of Shareholders held on April 29, 2019, approved to pay dividend from profit for the year 2018 of Baht 0.50 per share, of 300 million shares, totaling Baht 150 million, were paid on May 29, 2019.

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.

18 Employee benefit expenses

	2019	2018
	<i>(in Baht)</i>	
Management		
Salaries and bonuses	28,460,849	29,931,973
Others	3,203,286	757,121
	<u>31,664,135</u>	<u>30,689,094</u>
Other employees		
Salaries and bonuses	218,019,809	223,092,791
Others	123,365,715	115,437,972
	<u>341,385,524</u>	<u>338,530,763</u>
Total	<u>373,049,659</u>	<u>369,219,857</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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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:

	2019	2018
	<i>(in Baht)</i>	
Change in inventories of finished goods and work in process	4,456,827	(9,217,677)
Raw materials and supplies used	895,312,323	999,329,110
Employee benefit expense	373,049,659	369,219,857
Directors remunerations	34,014,651	33,039,610
Depreciation	75,386,557	65,719,391
Advice and manage	11,357,744	8,527,150
Transportation	43,642,553	50,603,124
Piling prestressed concrete	102,671,154	101,567,925
Doubtful accounts	5,742,682	1,046,144

20 Income tax expense (income)

Income tax expenses for years ended December 31, 2019 and 2018 recognized in profit or loss were summarized as follows:

20.1 Current income tax expense (income)

	2019	2018
	<i>(in Baht)</i>	
Income tax expenses	65,586,700	72,668,937
Deferred tax expense (income)		
Deferred tax expense (income) concern deductible		
temporary difference with initial recognized and reversed	(3,926,470)	(2,569,777)
Income tax expense represented in the profit or loss	61,660,230	70,099,160

NOTES TO THE FINANCIAL STATEMENTS

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

20.2 Income tax recognized in other comprehensive income or loss for the years ended 31 December 2019 and 2018 are as followings.

	2019			2018		
	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>					
Net change in fair value of available-for-sale investments	(46,937,370)	9,387,474	(37,549,896)	(7,013,630)	1,402,726	(5,610,904)
Actuarial gains (losses)	19,535,187	(3,907,037)	15,628,150	-	-	-
Total	(27,402,183)	5,480,437	(21,921,746)	(7,013,630)	1,402,726	(5,610,904)

20.3 Reconciliation of effective tax rate

	2019	2018
	<i>(in million Baht)</i>	
Profit before income tax expense	305	357
Corporate income tax rate	20%	20%
Income tax using the Thai corporation tax rate	61	71
Income not subject to tax	-	-
Expenses not deductible for tax purposes	5	1
Effect from revenue recognition in different period between accounting and taxation method.	(4)	(2)
Income tax expenses reported in the profit or loss	62	70
Effective income tax rate	20%	20%

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

21 Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2019 and 2018 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:

	2019	2018
	<i>(in Baht/Share)</i>	
Profit for the year attributable to ordinary shareholders		
of the Company (basic)	243,837,088	287,390,838
Number of ordinary shares outstanding	300,000,000	300,000,000
Basic earnings per share	0.81	0.96

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

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

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

2019 2018

(in Million Baht)

Non-cancellable operating lease commitment

Within 1 year	1	1
Over 1 year within 3 years	-	-
Total non-cancellable operating lease commitment	1	1

Other commitments

Letters of guarantee issued by banks	137	167
Purchase goods and services	1	20
Total other commitments	138	187
Total commitments with non - related parties	139	188

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

Significant agreements with non-related parties

The Company has made non-cancellable operating lease agreement for vehicle, security fee and xerox machine ended in 2023.

25 Pledged assets

As at December 31, 2019 and 2018, 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, 2019 and 2018, the Company's land with structures and certain machinery with book value of Baht 231 million and Baht 236 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 28, 2020, the Board of Director meeting passed resolution to propose the Ordinary Shareholder meeting for approval the dividend for the year 2019 by the rate of Baht 0.40 per share, totally Baht 120 million. Such approval depends on the Ordinary Shareholder meeting on April 21, 2020.

According to the Board of Director meeting held on February 28, 2020, the Company passed resolution to purchase land located in factory Suratthani branch amount of Baht 58 million.

27 Financial reporting standards that will become effective in the future

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after January 1, 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS9*	Financial Instruments
TFRS16	Leases
TAS32*	Financial Instruments: Presentation
TFRIC16*	Hedges of a Net Investment in a Foreign Operation
TFRIC19*	Extinguishing Financial Liabilities with Equity Instruments

*TFRS - Financial instruments standards

NOTES TO THE FINANCIAL STATEMENTS

SOUTHER CONCRETE PILE PUBLIC COMPANY LIMITED

For the year ended December 31, 2019

27.1 TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management has considered the potential impact of adopting and initially applying TFRS-Financial instruments standards on the financial statements and found that there is no material impact on the financial statements in the period of initial application.

27.2 TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Company recognises payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Company will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 4.3. As a result, the nature of expenses related to those leases will be changed because the Company will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before January 1, 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements as at January 1, 2020. It is expected that right-of-use assets and lease liabilities will be increased at the same amount approximately Baht 26 million.

SOUTHERN CONCRETE PILE

The Prestressed Concrete Leader



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