



Mr. Tachapong Pravesvararat
Chairman of the Board

Message from the Chairman

In 2010, the Company had operating loss since the Company was unable work towards its goals that caused by the Climate and political turmoil. Restraining influence of delayed and construction costs rise. Especially civil construction was heavily affected by these irregularities. Such decline in performance contrasted with a purple-line sky-train project that the Company was granted a contract. Moreover, the overall construction business sector have not picked up. Although there were a few new large constructions of high-rise buildings from the private sector, the competition in the construction business is still high.

In 2011, whether the construction sector in the private sector will expand is still unclear. Nevertheless, the Government's continuous investment in mega-projects has stimulated more projects in the construction sector. In 2011, it is inevitable that construction costs, namely construction materials cost and fuel charge will be inclined to rise. It is the Company's expectation that the operating performance will be better than that of the previous year if unexpected outside factors do not occur this year. In this regard, the Company would like to thank every party who always support and work side-by-side with the Company and particularly the shareholders who give trust and support as always.

Message from the Chairman of the Executive Board and President

2010 is the year of political dispute of Thailand which significantly affected the Company's works leading to the lower than expected delivery of approximately Baht 1,454 million, decreased from Baht 1,804 million, or decreased by Baht 350 million from 2009. Therefore, the Company's operating results in 2010 reported a loss of around Baht 58 million.

In 2011, with the slowdown of the World's economy from the World's politics or the natural calamity in many regions starting from the beginning of the year, the construction business in Thailand, particularly, the construction of small diameter bored piles which tends to have a bright future due to the government's driving of the Mega Project such as the construction of the subway train and the sky train of my routes which needs a lot of bored piles for the construction. Thus, the Company is confident that it will have an opportunity to join the main contractors in many routes constructions. In addition, as of the end of 2010, the Company's backlog was at approximately Baht 1,254 million which will lead to more work delivery in 2011 than in 2010.

As the Executive of the Company, I am confident that in 2011 will be the opportunity year for the Company's profit making. I'd like to express my sincere appreciation to all level of staff whose dedication to go through all difficulties and obstacles in the past year with me to develop the Company to reach the stability of the operating results and sustainability of the growth. At last, I'd like to thank all executives, shareholders, and customers for their consistent support to the Company.



A handwritten signature in black ink, appearing to be 'N. Thasnanipan'.

Mr. Narong Thasnanipan
Chairman of the Executive
Board and President

ข้อมูลทางการเงินโดยสรุป

		2008	2009	2010
Total Revenue	Million Baht	1,622	1,827	1,461
Income from hire work	Million Baht	1,610	1,804	1,454
Gross Profit	Million Baht	124	177	71
Net(loss) Profit	Million Baht	12	52	(59)
Total assets	Million Baht	1,501	1,640	1,518
Total liabilities	Million Baht	898	986	934
Shareholders' Equity	Million Baht	603	654	584
Gross Margin	(%)	8	10	5
Net (Loss)profit margin	(%)	1	3	(4)
Return on Assets	(%)	2	6	(2)
Return on Equity	(%)	2	8	(10)
Earning per share	Baht	0.05	0.24	(0.27)
Book value per share	Baht	2.80	3.04	2.72

General Information

Company Name : Seafco Public Company Limited
Head Office Address : 144 Prayasuren Rd., Bangchan, Khlong Sam Wah, Bangkok 10510
Company Registration Number : 10 75470 00257
Telephone : (662) 919-0090-7
Facimile : (662) 919-0098, 518-3088
Company Home Page : www.seafco.co.th
E-Mail Address : seafco@seafco.co.th

Security Registrar

Company Name : Thailand Securities Depository Company Limited
Head Office Address : Floor 4, Securities Exchange of Thailand Building
62, Ratchadapisek Road, Klongtoey Sub-District, Klongtoey District,
Bangkok 10110
Telephone : (662) 229-2800
Facimile : (662) 381-5849,
(662)-359-1261, 1257

External Auditor

Name of Auditor : Mrs. Vilairat Rojnuckarin, Certified Public Accountant 3104
Audit Firm : DIA International Auditing
Head Office Address : 316/32 Sukhumvit Soi 22, Sukhumvit Road,
Klongtoey Sub-District, Klongtoey District Bangkok 10110
Telephone : (662)-259-5300
Facimile : (662)-260-1553



คณะกรรมการ

Board of Directors

- | | | |
|---|---|---|
| 1 นายทัชเชพงศ์ ประเวศวรารัตน์
ประธานกรรมการ
Mr.Tachapong Pravesvararat
Chairman | 2 นายณรงค์ ทศนนิพันธ์
รองประธานกรรมการ
Mr.Narong Thasnanipan
Vice Chairman | 3 นายพด็จ รุจิขจรเดธ
กรรมการ
Mr.Padej Rujikhajorndej
Director |
| 4 นางสาวนัตถวรรณ ทศนนิพันธ์
กรรมการ
Miss.Nattawan Thasnanipan
Director | 5 นายกมล สิงห์โตแก้ว
กรรมการ
Mr.Kamol Singtogaw
Director | 6 Mr.Zaw Zaw Aye
กรรมการ
Mr.Zaw Zaw Aye
Director |
| 7 รศ.ดร.สมชาย ภคภาสน์วิวัฒน์
ประธานคณะกรรมการตรวจสอบ
Assoc Prof Dr.Somjai Phagaphasvivat
Chairman of the Audit Committee | 8 นายสมควร วัฒนีกุล
กรรมการตรวจสอบ
Mr.Somkuan Watakeekul
Audit Committe | 9 นายสมควร มุสิกอินทร์
กรรมการตรวจสอบ
Mr.Somkual Musig - In
Audit Committe |



คณะผู้บริหาร

Board of Executive Directors

1 นายณรงค์ ทศนันธิพันธ์
ประธานกรรมการบริหารและ
กรรมการผู้จัดการใหญ่
Mr.Narong Thasnanipan
Chairman of the Executive Board
and President

2 นายเพด็จ รุจิขจรเดช
กรรมการช่วยผู้จัดการใหญ่
Mr.Padej Rujikhajorndej
Executive Vice President

3 นายทมล สิงห์โตแก้ว
กรรมการช่วยผู้จัดการใหญ่
Mr.Kamol Singtogaw
Executive Vice President

4 Mr.Zaw Zaw Aye
กรรมการช่วยผู้จัดการใหญ่
Mr.Zaw Zaw Aye
Executive Vice President

5 นางสาวนัตถวรรณ ทศนันธิพันธ์
กรรมการช่วยผู้จัดการใหญ่
Miss.Nattawan Thasnanipan
Executive Vice President

6 Mr.Aung Win Mang
ผู้ช่วยผู้จัดการใหญ่
Mr.Aung Win Mang
Executive Vice President

7 นายทมล อยู่ยืนพัฒนา
ผู้ช่วยผู้จัดการใหญ่
Mr.Kamol Youyuenpatthana
Executive Vice President

8 นายเอนก ศรีทับทิม
ผู้ช่วยผู้จัดการใหญ่
Mr.Anek Srituptim
Executive Vice President

9 นายมานิตย์ เมฆประสาน
ผู้ช่วยผู้จัดการใหญ่
Mr. Mani Mekprasarn
Executive Vice President



VISION (วิสัยทัศน์)

TO BE THE REPUTABLE LEADER IN CONSTRUCTION INDUSTRY OF ASIA.

เป็นบริษัทรับเหมาก่อสร้างชั้นนำแห่งเอเชีย

MISSION (ภารกิจ)

TO PROVIDE CLIENTS WITH QUALITY SERVICES BY COMPETENT
MANAGEMENT SAFETY AND ENVIRONMENT

บริการลูกค้าด้วยคุณภาพและความชำนาญ โดยคำนึงถึง
ความปลอดภัยและสิ่งแวดล้อม

Executive Summary

SEAFCO Public Company Limited is registered as a company limited on 19 December 1974. The company founders, Mr. Narong Thasnanipan, Mr. Tachapong Pravesvararat and Mr. Songsak Visuttipitakkol, all are well qualified engineers who long possess strong background in large scale domestic foundation work and have been well known among architects, engineering consulting firms and various project owners.

The company provides services in Bored Piles, Diaphragm Wall (D-Wall), Foundation work and Underground Engineering Technique. In 2010, 43 percent of revenue came from Private Sector projects, e.g., office building foundations, condominiums, hotels and shopping malls, while the remaining 57 percent came from government sector projects, e.g., underground parking lots, tunnels, roads and bridges and Government subcontract MRT Projects are normally obtained through either direct bidding with the projects' owners or sub-contract bidding. Moreover, the company also provides Soil Improvement Services, Bored Pile Testings and Foundation Services.

SEAFCO Public Company Limited group consist of :

- Seafo Construction Company Limited in which SEAFCO holds 99.94% share of 1 million bath paid-up capital. While the company purpose is to conduct business in general constructions for small and medium projects, at present, it has not yet come into operation.
- Seafo Co. Ltd. and Prayunchai (1984) JV Construction was set up for the purpose of performing the u-turn tunnel work on the Pattanakarn road with Bangkok Metropolitan Administration. The work has already been completed and delivered. However, the company has no policy to use this JV for bidding any future projects.
- Seafo – Ryobi Co. Ltd. is founded in Singapore in which SEAFCO hold 47.5% share to conduct Diaphragm Wall (D-Wall) business in Singapore.
- Seafo And Prayunchai (1984) JV Construction which has 45 % JV ratio to perform Mitrijit and Kongkao road construction with Bangkok Metropolitan, the company has no policy to use this JV for bidding any future projects.
- Srinakarindhra JV which has 30% JV ratio to perform Srinakarindhra Tunnel and Sukhumvit 103 (Udomsuk) road construction with Bangkok Metropolitan Administration has begun construction in 2008.

From 2008-2010, the company has total revenues in accordance of 1,621.65 million baht, 1,826.92 million baht and 1,461.88 million baht which are mostly service revenues and account for equally 99% for three consecutive years. Revenues from each product line from 2008-2010 are as followed; Revenues from Bored Pile and Diaphragm Wall, accounting for 75 %, 45% and 55% of total revenue, have been decreasing in the past 3 years due to economic slowdown since 2008 and domestic political atmosphere which also affects private sector's Bored Pile projects. Revenues from Civil projects for the past three years ,accounting for 78%, 37% and 43% of total revenues, show an increasing trend due to unfavourable conditions in private sector which forces the company to expand more into government sector's civil projects to subsidize for some missing

revenue. The remaining revenues, accounting for 7%, 18% and 2% of total revenue, are from deep foundation constructions, soil improvement services, bored pile's testing services and other services.

The Company's gross profit margins of 2008 to 2010 consist of Baht 124.23 million, Baht 176.70 million, and Baht 70.66 million, respectively. The gross profit margin in 2009 increased from 2008 by 49%. On the other hand, it decreased from 2009 due to the cost of civil project was higher than the Company's expectation and the revenue of the civil project accounted for 43% of the total revenue.

Net(Loss)Profit from year 2008-2010 equal accordingly to 11.61 million baht, 51.51 million baht and (58.88) million baht. Net profit in 2009 has decreased from 2008 by 344% while net profit in 2010 is increased from 2009 by 214% because increase cost.

On the 7th of July 2003, extraordinary general meeting consensus has approved the decrease of registered capital from 210 million baht to 160 million baht and the increase of capital by 55 million baht (55 million ordinary shares issued at 1 baht per share). Fifty million shares were allocated to public offering and the remaining 5 million shares were reserved without cost for an exercise of Employee Stock Option Program (ESOP). Exercise ratio is set as 1 right per 1 share at exercise price of 5 baht per share. On 15th October 2003, the company has issued these rights to directors and employee whose right expire three year from the issued date.

On 31st October, 2004, the first exercise date of ESOP shares, there was no right exercised on this date.

On 28th April, 2005, the second exercise date of ESOP shares, there was no right exercised on this date.

On 31st October, 2006, the third exercise date of ESOP shares, there were 20 rights exercised and 1,518,000 shares were allocated causing the reserved shares to remain at 3,482,000 shares. Amount received from the third exercise was in total of 7,590,000 baht.

On the 30th April 2007, the forth exercise date of ESOP shares, there were 121 rights exercised and 2,002,000 shares were allocated causing the reserved shares to remain at 1,480,000 shares. Amount received from the third exercise was in total of 10,010,000 baht.

On the 31st October 2008, the fifth exercise of ESOP shares, there were 130 rights exercised and the remaining 1,480,000 shares were all allocated. Amount received from the third exercise was in total of 7,400,000 baht.

On the 13th November 2009, Seafco Public Co., Ltd. Received IR Excellence Award from The Stock Exchange of Thailand (SET) Awards 2009.

On the 19th November 2010, Seafco Public Co., Ltd. Received IR Excellence Award from The Stock Exchange of Thailand (SET) Awards 2010.

Nature of Business

The company engages in the business of being the contractor of foundation and general civil works tendering from both the Government and the Private Sectors. The company is capable of handling direct contract works from project owner or sub-contracting from the main contractor. The overall contract works of the company may be summarized as follow:

- Bored Piling
- Diaphragm Wall Construction
- Civil works including foundation and building construction
- Soil Improvement
- Various Testing Service

Revenue Structure of the Group by Line of Business

Line of Business	Year 2008		Year 2009		Year 2010	
	Baht Million	%	Baht Million	%	Baht Million	%
Contract Revenue						
Bored Piling Revenue	826.13	50.95	712.53	39.00	753.48	51.54
Diaphragm Wall Construction Revenue	288.59	17.80	81.40	4.46	20.34	1.39
Civil Work Revenue	331.32	20.43	677.45	37.08	650.08	44.47
Foundation	77.38	4.77	240.32	13.15	3.45	0.24
Soil Improvement	25.80	1.59	35.50	1.94	(0.06)	-
Pile Testing Service Revenue	16.58	1.02	8.85	0.48	0.28	0.02
Other Service Revenue	44.18	2.72	48.15	2.64	26.51	1.81
Total Contract Revenue	1,609.98	99.28	1,804.23	98.76	1,454.41	99.49
Other Revenue	11.67	0.72	22.71	1.24	7.48	0.51
Total Revenue	1,621.65	100.00	1,862.94	100.00	1,461.88	100.00

Industry and Competition

The business situation of the construction of small diameter bored piles and retaining walls, the important parts of the foundation of building and foundation construction, which are varied with the expansion of the domestic property and construction business from the government and the private sectors. The construction of small diameter bored piles business consists of foundation construction of the office building, condominium, hotel, department store, and the foundation construction of toll way, underpass, road, bridge, and subway train. The large diameter bored pile and the retaining wall constructions need big machinery. The Company's 35 years of experience, with the expertise in the local construction of the foundation and its better familiarity with Thailand's soil when compared to others foreign companies, as well as its stable financial status, and good relationship with the main contractors, designers, customers who are the project owners, and construction material distributors, have led to its creditability from related persons and the Company can enter the auction with only a few competitors.

In 2010, the business of the bored piles for big building and retaining wall of the private factor generally provided more works when compared with the volume in 2009. However, the unsettled political situation in Thailand had caused the delivery to miss the target. Thus, the consolidated operating results of bored pile and retaining wall in 2010 were not as healthy as they should be.

In 2011, the business of the bored piles and retaining wall has regained their balance due to the government's driving of more projects from the Mega project such as the foundation construction of toll way, the sky train, and the subway train of many routes of which need a lots of bored piles. In addition, the private sector has started its investment with the auction of the bored piles for larger building construction projects than in 2010. Thus, the revenue and the profit have started to be obvious since the first quarter.

The retaining wall in Singapore has started to saturate due to the decrease of the government's projects and there have been more foreign enterprises in Singapore. In 2011, the Company will not focus on oversea projects since there are adequate work projects in Thailand.

The situation of the government's projects, most of which the Company works on the Civil work, the Company still receives the projects from Bangkok Metropolitan Administration because of the Company's familiarity with the area. The Company will complete all of its existing construction projects within 2011. Then, the Company, with its works, will register as the major contractor with other government agencies to prepare for additional civil works from the government agencies in the following years.

Social Activities

Seafco Co., Ltd. (Public) has arranged special projects and activities to satisfy the social needs because the company is aware of the need for participation in the social development over the past 30 years. The latest social activities are as follows.

Year 2010

- Seafco Public Co., Ltd., has donated money as a contribution to build the 100-Year Building of the Faculty of Engineering, Chulalongkorn University at the amount of Bt1,000,000.00.
- Seafco Public Co.,Ltd., gave a Bachelor's Degree scholarship of the Faculty of Architecture, King Mongkut's institute of Technology Ladkrabang University (KMITL) at the amount of Bt160,000.00
- Seafco Public Co.,Ltd., gave a master degree scholarship of the Faculty of Architecture, King Mongkut's institute of Technology Ladkrabang University (KMITL) at the amount of Bt100,000.00.
- Seafco Public Co.,Ltd., gave a master degree scholarship of the Faculty Civil Engineering (International Program), Kasetsart University at the amount of Bt100,000.00.

Year 2009

- Seafco Public Co., Ltd. and AIT jointly provided a scholarship named "Supot Thasnanipan (Founder) Scholarship for Foreign Student", a continuing scholarship from 2008, at the amount of Bt268,000.00.
- Seafco Public Co., Ltd. gave gifts to Rajvithi Home for Girls on Children's Day.
- Seafco Public Co., Ltd. supportively provide machinery and manpower to Chachoengsao's Thepparaj Municipal Office in its dig of a pond as water retention for public use.
- Seafco Public Co., Ltd., has donated money to support "Ban Tofan" (Dreaming Home) Camp Project of Issara Samfan Group (Independent Dreaming Group) of Thammasart University, Rungsit Campus.
- Seafco Public Co., Ltd., has donated money to support the 22nd Artistic, Cultural Study and Rural Youth Quality of Life Development Camp Project.
- Seafco Public Co., Ltd., has donated money to help poor elders having been left unattended through Saint Camillo Foundation of Thailand.

Year 2008

- Seafco Public Co., Ltd. and AIT jointly awarded a student to receive a scholarship named "Supot Thasnanipan (Founder) Scholarship for Foreign Student", as a continuing support from 2007, at the amount of Bt 521,500.00.
- Seafco Public Co., Ltd. and KMITL jointly gave a master degree scholarship of the Faculty Civil Engineering of KMITL at the amount of Bt 281,000.00.

- Seafco Public Co., Ltd. donated to KMITT an amount of Bt 600,00.00 for procurement of learning equipment.
- Seafco Public Co., Ltd. donated to Chiangmai University in support of its No.4 Training Program.
- Seafco Co., Ltd. (Public) donated 64,000 baht to the border patrol police-sport media school to support the educational quality project in the border patrol police schools and other schools in the remote area in February.
- Seafco Co., Ltd. (Public) made financial contribution of 50,000 baht to support the project on promotion of creation by the disabled to assist all associations for the disabled in Nakorn Pathom for the fifth year during January 20-27, 2008.
- Seafco Co., Ltd. (Public) Provided 30,000 baht to Suan Kularb Vidhayalai School through Mr.Montri Saenviset, director of the school since the school planned to host the Fifth Mathematic Olympic Contest (Sor Or Vor Nor) at Suan Kularb Vidhayalai School between May 4-9, 2008.
- Seafco Co., Ltd. (Public) provided gifts and foods to 35 children residing in the employee residence in Bangchan on the National Children Day.
- Seafco Co., Ltd. (Public) gave 250 sets of gifts to students of Samwa Mosque School, Hathairad Road, klong Samwa, Bangkok on the National Children Day.
- Seafco Co., Ltd. (Public) gave 250 sets of gifts to Ban Rajavithi Girl Welfare Residence, Rajavithi Road, Bangkok on the National Children Day.

Risk Factors

The Risk of Reliance on Key Management Staff

The founders and core management staff of the company are Mr. Narong Thasnanipan, Mr. Tachapong Pravesvararat, and Mr. Songsak Visutpitakul. (At present, Mr. Songsak Visutpitakul, resigned from the position of the Company's Director.) They are engineers who have acquired more than 30 years of working experiences in the construction industry particularly under ground construction. They have excellent reputation and well accepted among design engineer, engineering consultant, as well as project owners. This represents an important asset to the company in terms of customer introduction and contacts.

The company recognizes the risk of reliance on these three individuals. The company has implemented human resource planning in each function to enable a smooth succession in senior positions. These includes the recruitment of professionals to assist in the management function, the initiative to build a strong relationship between middle management and operational staff with customers' supervisory as well as operational staff both at government agencies and the private sector to maintain the continuing good relationship for the next management generation. Despite of Mr. Songsak's resignation, the Company sought the potential candidate and hired the qualified personnel whose work performance proves satisfactory.

The Risk of Reliance on Engineers

The company's business relies on specialists who possess skill and experiences in design, planning, and operating the construction work according to plan. These mean engineers at the level of Project Director, Project Manager, and Project Engineer or Foreman. If the company fails to retain these engineers, it will adversely affect the company's ability to tender for contract, as well as company's future operating results.

Nonetheless, the majority approximately 90% of the company's Project Director, Project Manager, or Project Engineer have had years of service with the company ranging between 10-20 years. This is because company's good human resource policy through continuing career development, sponsoring employee domestic and overseas participation in seminar, as well as competitive incentive measure to retain needed staff to work for the company. To minimize potential problem, the company has invited universities to send their engineering students for their internship at the company every year. This has resulted in university graduates become interested in joining the company. The Company has also granted scholarships to a number of educational institutions, namely AIT (Asian Institute of Technology), King Mongkut's Institute of Technology Ladkrabang and International Civil Engineering Program, Kasetsart University. In this regard, the Company gave one PhD scholarship to the Company's employee in the field of Soil Mechanics Engineering at Chulalongkorn University. Currently, the employee who received this grant finished the PhD study and has joined the Company's working force.

The Risk of Financing

The risk of the party to the contract defaults on the contract, particularly on payment per contract completion, may cause damage to company's operating result. The company's policy for preventing such risk is to analyze customer's financial position prior to agreeing on the contract. This includes compiling additional customer information or request for advance payment prior to commencement of the contract, or progressive payment on a percentage project completion basis.

The Risk of the Volatility of Construction Material Cost

There are two types of contract the company has been engaging in namely 1. the contract that includes both costs of labor and construction materials, and 2. the contract that includes labor cost only. In the former case, the company is responsible for both the construction work, and the acquisition of raw materials resulted in the risk that operating costs may rise because of price volatility or shortage. This is because the company tenders for contract prior to commencement of contract works. Nonetheless such risk may not be excessive comparing to other construction businesses because of the following:

- Most of the contracts the company engages in are with short tenor averaging between 3-5 months per project. This enables construction material cost control for the committed project.
- There are only two main materials namely pre-mixed concrete, and iron wire. The company has been the major customer of the said material distributor. The company is therefore able to negotiate based on good relationship with the distributor and be able to fix material cost over a time period. In addition, in the event of high price volatility, the company may purchase the entire materials estimated to be needed for the project and scheduled for gradual delivery per actual work performed.
- As the diesel price was adjusted in a floating manner, the Company's cost structure was affected. The Company, which was affected by this cost burden, has emphasized this issue and closely monitored the price fluctuation. In case that the diesel price is inclined to rise, the Company would adjust the price for future construction projects to compensate the costs appropriately and consider the future potential in market competition.

The Risk of Delay or Failure to Meet Quality Standard

In general, company's construction contract has included penalty clause for delay amounting to 0.01% for value of contract per day. There is also established maximum fine by number of days or as a percentage of contract value for failure to meet quality standard. In such event the company must undertake to remedy the works resulted in higher operating costs and incurring more work time. Nonetheless if the delay is not caused by the company such as Construction not permitted, the change of construction design or the project owner is not ready to take delivery of the works completed, or the changing weather condition not conducive to construction such as the rainy season. All of these result in hardship to the company without prior warning and proper planning. The company has been able to negotiate and reason with project owner and extend the contract terms. Thus far the company has not been fined for reason of delay because of the long years of experience helping plan the work schedule, and preventive measures for problem or obstacles that may arise ahead of time. This includes the preparedness for tools and equipment required for the works, number of engineering supervisor with experience as well as modern construction technique.

Risk from new regulations of the public sector

New regulations to be issued by the public sector will certainly affect the construction of the buildings such as rules and regulations related to environment permit which will delay the issue of the construction permit and will increase the construction cost. However, the piling and earth prevention dyke business of the company would be completed within 3-4 months so the impacts would be in a short term. To prevent the risk, the company would ask for the position of the permission process before the work is accepted. Thus the company will be able to arrange a plan to control the production cost with in the target.

Risk from investment in subsidiary companies, joint ventures and other companies

As the company has already invested in several subsidiary companies, joint ventures and other companies which have undertaken the businesses similar to that of the corporate group which are involved with a number of construction projects and investments. Each project has different investment partners. Most of the joint ventures are incorporated with an objective to undertake a few projects. The joint ventures will be dissolved after the project has completed. The investment risk is limited to the amount of investment in each project. The feasibility study would be conducted for each project or investment carefully, together with the expected return when the company plans to make an investment. Most of the investments by the company have a satisfactory operating results.

Litigation Risk

In performing construction works, the Company might be affected by damages due to several causes, such as damages nearby, near or adjacent to the construction sites, or those from constructions not meeting the standards or construction drawings, which might result in litigation by the injured like nearby site or project owner, eventually detrimental to the Company.

In order to reduce litigation risk, before entering a construction site, the Company will effect insurance covering damages potentially caused by the construction, including conducting a pre-survey before work commencement. In the part of project owner, the Company deposits with it an achievement bond of 1-2 years, as the case may be. In the past, the Company was not subject to any litigation by a project owner because our work quality met international standards. We were somewhat sued by nearby site owners but not affected by it as we had a separate insurance coverage for it.

New-Projects Risk

With their conditions, bored pile and crib wall works in each project take a period of 3-4 months approximately, hence the risk of being unable to seek new projects upon completion of the current ones.

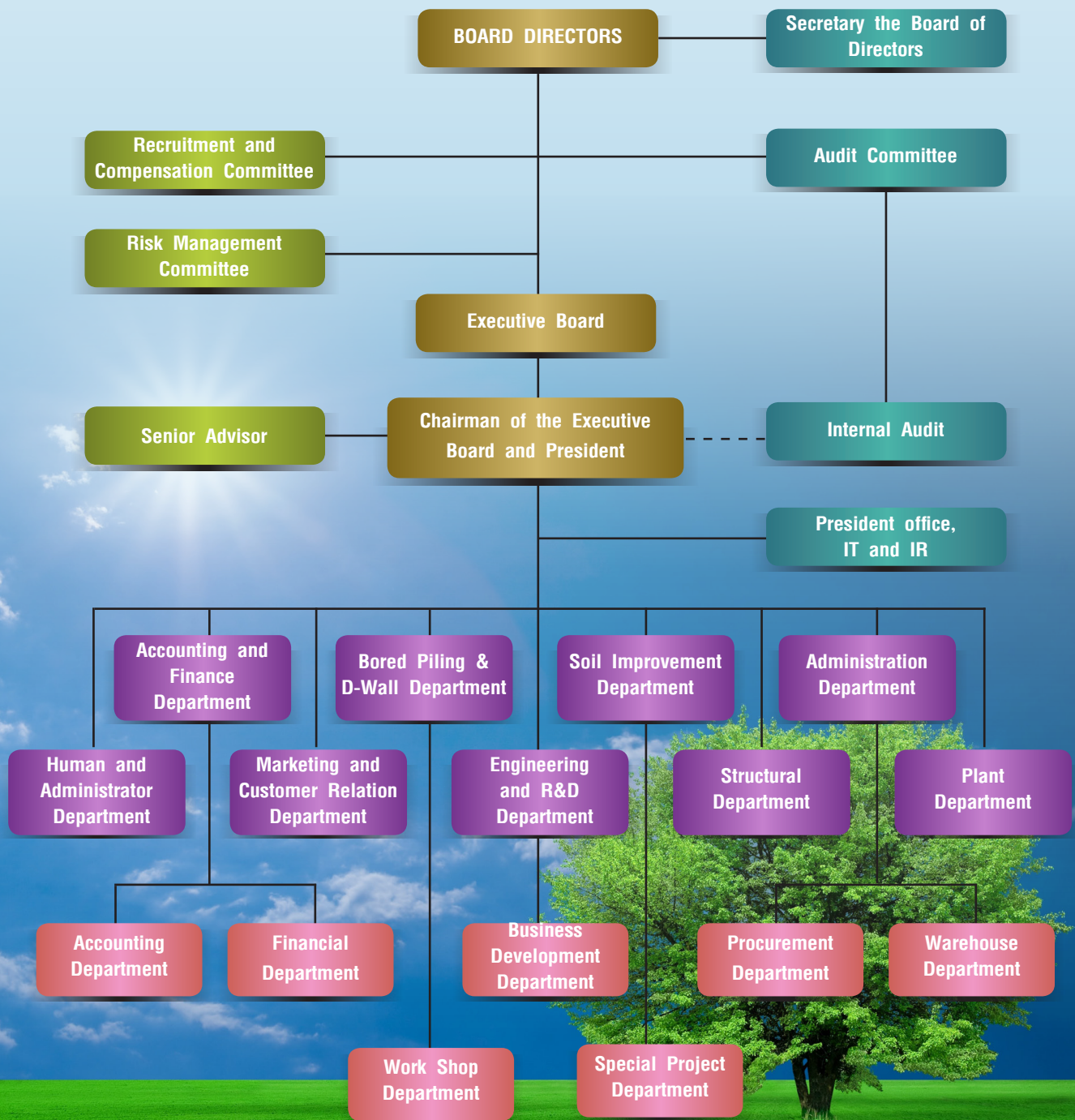
The Company has 42 percent of market share in the bored pile and crib wall market, which market share is considered highest. Therefore, it stays a better chance than competitors in getting projects. With over 30 years of reputation, we well understand the competitive conditions and have expanded more bases in foundation, structural, road and tunnel works, including expansion to Singapore

Structure of Shareholders

List of the Largest Shareholders as at January 18, 2011

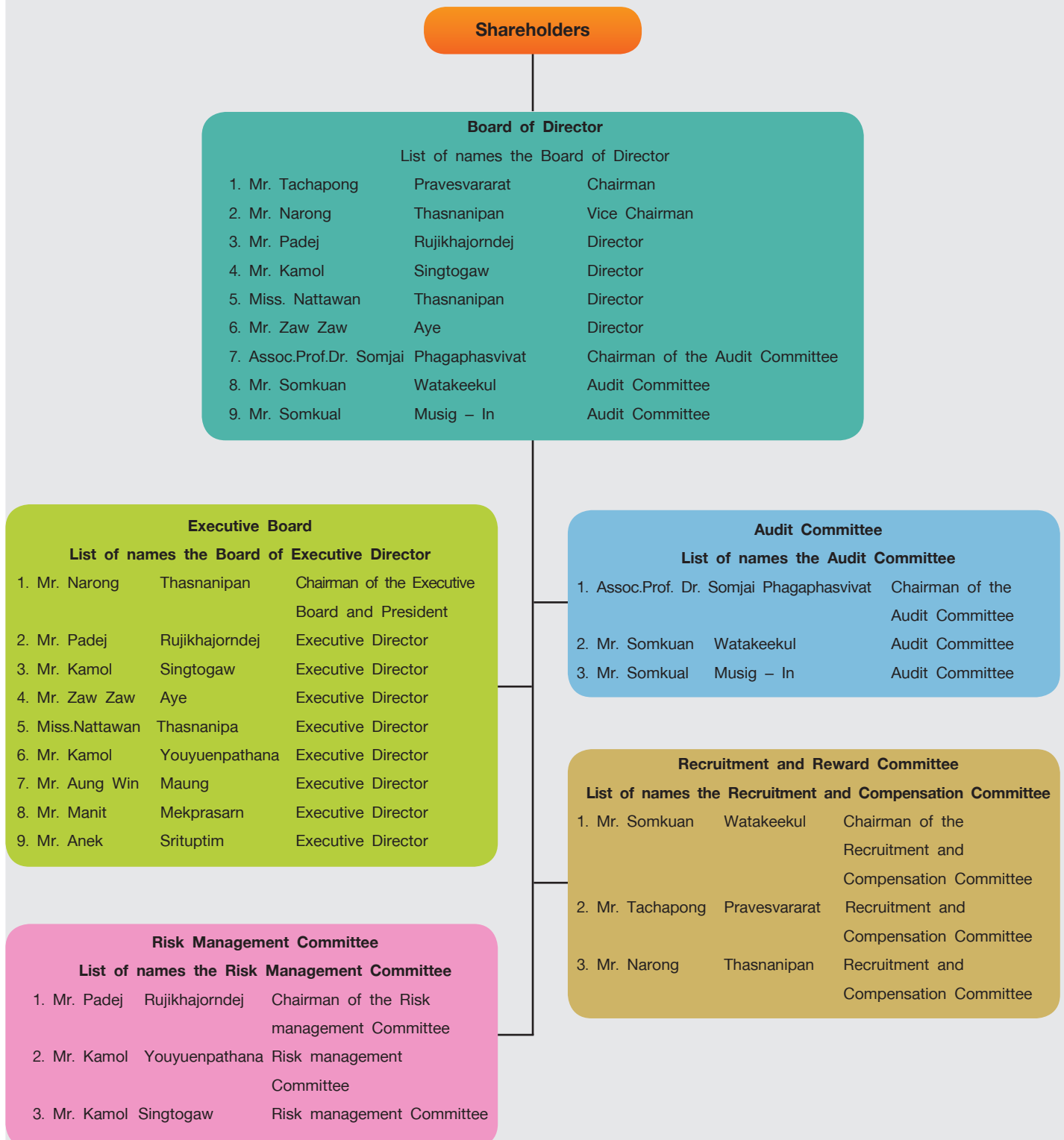
Shareholders' List	Number of Shares	Percentage of Paid Up Capital
1. Thasnanipan Group	62,485,600	29.06
1.1 Mr. Narong Thasnanipan	16,492,000	7.67
1.2 Miss Nuttakarn Thasnanipan	14,978,167	6.97
1.3 Miss Nuttawan Thasnanipan	11,823,833	5.50
1.4 Mrs. Paovana Thasnanipan	6,933,333	3.22
1.5 Mr. Thasapan Thasnanipan	6,800,000	3.16
1.6 Mr. Nuttapol Thasnanipan	4,205,800	1.96
1.7 Mr. Decha Thasnanipan	985,800	0.46
1.8 Mr. Nuttapan Thasnanipan	266,667	0.12
2. Pravesvararat Group	25,949,867	12.07
2.1 Mr. Tachapong Pravesvararat	12,512,000	5.82
2.2 Miss. Chaichana Pravesvararat	3,333,334	1.55
2.3 Miss. Supaporn Pravesvararat	2,251,066	1.05
2.4 Miss. Suriporn Pravesvararat	2,118,999	0.99
2.5 Miss. Puangmali Pravesvararat	2,262,634	1.05
2.6 Mr. Sumeth Pravesvararat	2,050,601	0.95
2.7 Mr. Chaichalard Pravesvararat	890,000	0.41
2.8 Mr. Sanga Pravesvararat	10,000	0.00
2.9 Mr. Aieng Saepueng	521,233	0.24
3. Visutpitakul Group	7,353,470	3.42
3.1 Mr. Songsak Visutpitakul	5,386,667	2.51
3.2 Miss. Chonlakarn Visutpitakul	1,966,800	0.91
3.3 Mr. Tanusakkarn Visutpitakul	3	0.00
4. Mr. Chaiya Sakhunchaiwanich	3,000,000	1.40
5. Others	116,211,063	54.05
Total	215,000,000	100.00

Organization Chart



Management

Board of Directors as of March 1, 2011



Board of Directors

Authorized directors consist of Mr. Narong Thasnanipan, Mr. Tachapong Pravesvararat, Miss Nattawan Thasnanipan, Mr. Padet Rujikhajorndej, Mr. Kamol Singtogaw and Mr. Zaw Zaw Aye. Two out of the six directors may sign jointly, and affix with company seal to bind the company.

Board Elements

1. The Board of Directors consists totally of not less than 9 persons with qualifications as required by law and the Articles of Association of the Company.
2. The Board of Directors consists of not less than 3 independent directors with the following qualifications:
 - 1.1 Holding no more than 1 percent of the total shares with voting rights in the Company, its group companies, associated companies, subsidiaries, or being a potentially conflicting person.
 - 1.2 Having had no managerial participation; being not an employee, staff, regularly paid advisor, person providing professional service to the Company, such as auditor or lawyer, or a person empowered to control the Company, its group companies, associated companies, subsidiaries, or being a potentially conflicting person, without aforesaid interests or conflicts of interests for a period of not less than 2 years.
 - 1.3 Having no business relationships, interests, conflicts of interests, directly or indirectly, in finance and management, and being not a customer, partner, raw materials supplier, trade creditor/debtor, loan creditor/debtor of the Company, its group companies, associated companies, subsidiaries, or being a potentially conflicting person which could lead to lack of independence.
 - 1.4 Being not a close relative of the management or major shareholders of the Company, its group companies, associated companies, subsidiaries, or a potentially conflicting person and not appointed as its fiduciary representative.
3. Appointment of directors is in accordance with a specifically included agenda focusing on transparency and clearness. Nominating a candidate should be made along with an adequate provision of his/her background information and details for the benefit of selection.
4. Backgrounds of all directors are publicly disclosed thoroughly and each time of director change.
5. Board Chairman is not a chairman or member of any sub-committees in order to leave their undertakings independent.
6. Sub-committees have to arrange a meeting on a regularly basis at least once a year.

Board Qualifications

1. Board qualifications must not be contrary to the Public Limited Companies Act.
2. Having leadership, broad vision, virtue, ethic, and good record of employment.
3. Having interest in the Company's business and being able to provide adequate dedication.
4. Directors must be nominated by the Recruitment and Compensation Committee and appointed by the shareholders' meeting.
5. Neither conducting nor participating in any businesses of the same conditions and competing with Company business, whether for personal or others' gain.

Roles, Duties and Responsibilities of Board of Directors

1. Perform duties in compliance with laws, the objects, Articles of Association, and shareholders meeting resolutions with honesty and integrity, Company interests carefully maintained, and responsibility toward the shareholders.

2. Define policies and operational direction of the Company and supervise to ensure that managerial implementations are effective and efficient based on the policies under good corporate governance and toward the best interest of the Company and its shareholders.
3. Provide the Company with an effective and reliable accounting system, financial reporting, internal control and internal audit.
4. Participate in risk management implementation by providing a guideline and suitably adequate risk management measure regularly monitored.
5. Regulate to ensure that all stakeholder parties are treated ethically and equitably by the management team.
6. Independent directors are ready to use their own discretion independently in their consideration of strategy determination plan, management, resources use, director appointment, and operational standard establishment so as to raise highest the economic value for the Company and its shareholders.
7. Review the good corporate governance policy regularly.
8. Make available a Company secretary to assist in implementing several board activities, such as Board and shareholders meeting, give the Board and Company advices about their personal performance and carrying out in compliance with applicable laws and ordinance on a regular basis, and ensure proper disclosure by the Board and Company of data and information.
9. Provide as guidelines for internal performance, provisions about the Code of Conduct and business ethics, and ethics for directors, executives and staff.
10. Stop trading securities at least 1 month prior to a news release of financial statements and at least 3 days subsequent to such release.
11. Report securities holding by them, their spouses and children of an illegal age to a Board meeting at every occurrence of change, and to the Company without delay on the following cases:
 - 11.1 Having a conflict of interest, directly or indirectly, in any contract executed by the Company during a financial year.
 - 11.2 Holding stocks, debentures or preference shares of the Company and its group companies.
12. Conduct a self-performance evaluation regularly on a yearly basis.

In 2010, there were four meetings of the Board of Directors as follows :

Board of Directors	No. 1	No. 2	No. 3	No. 4	Total
Mr. Tachapong Pravesvararat	✓	✓	✓	✓	4
Mr. Narong Thasnanipan	✓	✓	✓	✓	4
Assoc.Prof.Dr. Somjai Phagaphasvivat	✓	✓	✓	✓	4
Mr. Somkuan Watakeekul	✓	✓	✓	✓	4
Mr. Somkual Musig – In	✓	✓	✓	✓	4
Mr. Songsak Visutpitakul	✓	✓	✓	✓	4
Mr. Padej Rujikhajorndej	✓	✓	✓	✓	4
Mr. Kamol Singtogaw	✓	✓	✓	✓	4
Miss NattawanThasnanipan	✓	✓	✓	✓	4

✓ Means attend the meeting

X Means not attend the meeting

Audit Committee

The Audit Committee must consist of not less than 3 independent directors, at least one being knowledgeable and experienced in financial review.

Scope of Powers and Duties of Audit Committee

1. Review to ensure proper financial reporting and adequate disclosure by coordinating with an auditor from outside, with the management being responsible for producing financial reports both quarterly and annually. The Audit Committee might suggest the auditor to review or audit any transactions deemed necessary and important during an audit.
2. Review to ensure the having of a suitably efficient internal control and internal audit, jointly with external and internal auditors.
3. Review to ensure that Company performance conforms to the law on securities and stock exchange, Stock Exchange's requirements, or laws related to securities business.
4. Consider, select and nominate for appointment, a Company auditor and propose auditor emolument with regard to credibility, resourcefulness and amount of audit works of such auditing firm, including the experience of the person designated for auditing.
5. Consider the Company's disclosure in the event of party-related transactions or those potentially with conflicts of interests to ensure accuracy and completeness and consider approving such transactions for further proposing to the Board's and/or shareholders' meeting.
6. Carry out anything else as designated by the Board of Directors and agreed to by the Audit Committee, such as review of financial management and risk management, review of adherence by executives to the Code of Conduct, joint review with the management of important reports legally required to be presented to the public such as executive reports and analysis, etc.
7. Produce and disclose an Audit Committee activity report in the Company's annual report, which is signed by the Chairman of Audit Committee and should consist of the following particulars:
 - 7.1 Opinion toward the accuracy, completeness and reliability of the production process and disclosure of financial reports.
 - 7.2 Opinion toward the adequacy of the internal control.
 - 7.3 Decent reason justifying the appointment of the auditor for another term.
 - 7.4 Opinion toward compliance with the law on securities and stock exchange, Stock Exchange requirements, and laws related to Company business.
8. Any other reports that in its opinion should be known by the shareholders and general investors, under the scope of duties and responsibilities assigned by the Board of Directors.
9. Report the Audit Committee's performance to the Board of Directors at least 4 times a year.
10. Arrange a meeting between the Audit Committee and the external auditor at least once a year.

The Executive Committee

The Duty and Authority of the Executive Committee

The Executive Committee is to establish policy, guideline, strategy, and core management structure to operate the business of the company corresponding and supportive to the economic environment and competition as announced at the General Shareholders' Meeting. The Executive Committee is to report to the Board of Directors for approval its business plan, budget, and delegation of authority, to enable the Board to follow-up on the policy, the efficient conduct of the company's business, and the operating results according to the approved business plan. The Committee is to engage in financial transaction with financial institution and perform other matters as assigned by the Board of Directors.

The Recruitment and Compensation Committee

The Duty and Authority of the Recruitment and Compensation Committee

1. Review and establish qualification and recruit individuals for the positions of
 - company director and submit to the Board for appointment consideration at the General Shareholders' Meeting
 - executive committee member and submit to the Board for appointment consideration
2. Establish criteria for compensation to directors, managing director, and submit to the Board for approval consideration at the General Shareholders' Meeting
3. Conduct other matters as assigned by the Board of Directors.

Risk management committee

Scope of authority and duty of the risk management committee

1. To formulate a policy on risk management covering various risk management for consideration by the board of directors
2. To follow up the risk management since the commencement of the process to identify the risk and to analyze, assess, monitor and report the risk management systematically
3. To advise internal units in the organization with the risk management process and to monitor and assess the outcome consistently
4. To prepare a report to the audit committee on the improvements needed in compliance with the policy and strategy of the company

Compensation to Directors and Management

	2008		2009		2010	
	Number of Persons	Compensation in Baht	Number of Persons	Compensation in Baht	Number of Persons	Compensation in Baht
Director Compensation	1		1		1	
Salary		858,000		464,500		600,000
Management Compensation	9		9		9	
Salary		24,445,000		24,456,000		25,176,000
Director Compensation and Director Fee	8		9		9	
- Assoc. Prof.Dr.Somjai Phagaphasvivat		640,000		640,000		640,000
- Mr. Somkuan Watakeekul		480,000		480,000		480,000
- Mr. Somkual Musig-in		480,000		480,000		480,000
- Mr. Tachapong Pravesvararat		400,000		360,000		360,000
- Mr. Narong Thasnanipan		340,000		300,000		300,000
- Mr. Songsak Visutoutakul		340,000		300,000		300,000
- Mr. Padet Rujikhajorndej		260,000		220,000		220,000
- Mr. Kamol Singtogaw		260,000		220,000		220,000
- Miss Nattawan Thasnanipan		0		200,000		200,000
Total		3,200,000		3,200,000		3,200,000
Bonus					3	
- Assoc. Prof.Dr.Somjai Phagaphasvivat		0		0		160,000
- Mr. Somkuan Watakeekul		0		0		120,000
- Mr. Somkual Musig-in		0		0		120,000
Total		0		0		400,000

Good Governance

The board of director has put its focus on the good governance practice to ensure transparency, responsibility under the authority and duty of the board of directors and the executives and confidence of the shareholders and all investors. Thus the policy has been arranged to support the corporate supervision on key areas as follows:

1. Governance Policy

The company recognizes good governance in order to keep investors and the general public informed and be able to examine the operation of the company. The company has established supervision policy emphasizing matters related to directors, transparency in company's conduct, the disclosure of information, and risk management to build confidence among shareholders, investor, and all relevant parties.

2. Right of Shareholders

As a matter of policy, the company recognizes shareholders' right by arranging to send out meeting invitation including meeting information and agenda to all shareholders in advance. The company will also record and prepare minutes of the meeting so shareholders may review and examine the results of the meeting.

3. Right of Interested Parties

The company recognizes the right of all interested parties particularly the community and employees. Over the past years, the company has recognizes the importance of the environment because the business of the company may create vibration and noise disturbing the nearby community. The company undertakes to implement various measures to reduce such impact as well as avoiding creation of nuisance to the community as much as it can. Concurrently, for its own employees, measures have been taken to prevent possible danger which may arise by providing them with appropriate protective gear and the company has always returned the society with educational scholarships and contributions.

4. General Shareholders' Meeting

The company has policy to facilitate the meeting of shareholders by organizing the meeting in a place and at a time convenient to all shareholders to participate in the meeting. The company shall provide information with sufficient time to study as well as preparing proxy document for shareholders who are not able to attend the meeting by themselves.

5. Leadership and Vision

The Board of Directors has participated in the establishment of vision, mission statements, strategy, goal, business plan, and budget of the company as well as supervising the management to perform according to its business plan, and established budget efficiently and effectively in order to maximize the economic value, and security to the shareholders.

6. Conflict of Interests

The company has policy to prevent conflict of interest by establishing policy and procedures in writing for the approval of related party transaction. The Board of Directors and the Audit Committee shall control and examine said transactions and provide disclosure within the Note to Financial Statement, Annual Report, and Form 56-1. In addition, the Board and the Committee shall supervise management and related party to comply to Section 59 of the Securities and Securities Exchange Act of BE 2535 relating to Disclosure of Security Holding and the Prohibition of Exploiting Insider Information for Self Interest.

7. Business Ethics

The Board and management have established policy and informed all employees to be conscientious to perform their duty with honesty, and be responsible to interested parties, the shareholders, and relevant parties consistently.

8. Balance of Voting Power of Non-Executive Directors

The Board of Directors consists of 9 directors broken down into

Executive Directors	5 individuals
Non-Executive Directors	1 individual
Independent Directors	3 individuals

Non-Executive directors and independent directors combined accounted for 44.4% of all directors, and provided appropriate check and balance in the management of the company.

9. Combined or Isolated Position

The company has isolated the positions of the Board Chairman, and the Managing Director distinctively with the check and balance provided by independent directors.

10. Compensation for Directors and Management

The company has clear and transparent policy on director compensation at the same level as other companies in the industry and sufficiently high to retain qualified directors with proper approval at the General Shareholders' Meeting.

The company has established policy on management compensation at an appropriate level commensurate to duty and responsibility, sufficiently high to provide incentive for management to perform their duty to the highest of their ability.

11. Board of Directors' Meeting

The Board convenes regularly at least quarterly with meeting invitation including information and clear agenda of the meeting delivered to all directors at least 7 days in advance. The company arranges to record minute of the meeting in writing to report the result of the meeting and retains the minute for the Board and relevant parties viewing and examining. During the year 2008, there were 4 Board Meeting with all directors attended in all the meetings.

12. Sub-Committee

The company has formed three sub-committees comprising the Audit Committee, Recruitment and Compensation Committee and Risk Management Committee.

The Audit Committee

The company appointed its Audit Committee on March 2, 2004 with tenor of 3 years. The Audit Committee shall convene its regular meeting and report to the Board of Directors

The Recruitment and Compensation Committee

The Board appointed the Recruitment and Compensation Committee in accordance with its resolutions passed at the Board Meeting 4/2547, dated November 8, 2004, and 1/2547, dated February 25, 2004. The Committee was formed in order to consider recruiting qualified and appropriate individuals to be appointed as executive directors including consideration for an appropriate level of compensation for directors.

Risk Management Committee

The board of directors has appointed risk management committee in accordance with the resolution of the board of directors No. 3/2550 on August 14, 2007, to formulate the risk management policy of the company in accordance with the policy and strategy of the company and to assess and report the risk possibly incurred to the board of directors of the company

13. System Control and Internal Audit

An Internal Audit Department has been established with help of KPMG Phoomchai was to assist in providing counsel to rectify weaknesses found in the company's system of internal control, to ensure the company maintains a good system of internal control, and conducting its business in full compliance with the law and regulation relevant to the company.

14. Board of Directors' Report

The Board of Directors is responsible for the consolidated financial statements of the company and its subsidiaries, and financial information presented in the Annual Report. The Board assigned the Audit Committee to review financial statements and related party transaction prior to its presentation. Said financial statements are prepared based on Generally Accepted Accounting Principles in Thailand applying appropriate accounting policy, and adequate disclosure within Notes to Financial Statement.

15. Investor Relation

The Board of Directors recognizes the importance of disclosure of information which is accurate, complete, and transparent both for financial information and general information as well as important information which may affect company's stock price. The company distributes essential information via channel of communication in accordance with the Securities Exchange of Thailand requirement. Furthermore, the company has established specific unit for investor relation reporting directly to the Managing Director to provide news and information about the company for investors, shareholders, analyst, and the general public. Investor may contact for information at phone number 029-190-090-97 or visit company website: www.seafco.co.th or at e-mail address: seafco@seafco.co.th

Measure or Approval Procedure for Party-Related Transactions

It is stipulated that any transactions to be made between the Company, its subsidiaries and directors, executives or related persons must be referred to the Board of Directors for approval or approval in principle before conducting such transactions, despite being a normal business item or normal business supportive item with general trade conditions which originally can be approved by the management team without Board approval. Therefore, an approval in principle is required respecting general trade conditions for conducting transactions between the Company, its subsidiaries and directors, executives or related persons, including, but not limited to, property rent item, utility cost item, service charge items, party-related borrowing, raw materials purchase and sale, provided that the general trade conditions should be in the same manner as a due person would treat his general counterparty under the same circumstance, with commercially negotiation power freed from influences derived from holding a directorship or managerial position or being a related person.

Related Party Transaction

During the year 2010, there was related party transaction which might create situation of conflict of interest reported by the Auditor within Note 24 to Financial Statement.

Business Ethics.

1. Transparency and disclosure of data:

Work administrations, account entries and keepings, financial report preparations have been made properly in accordance with the law and internationally accepted standard. Data are disclosed accurately and expressly, and they are up to date, to the investors and related parties.

2. All parties have been equitably treated:

The Company has given importance on the rights of all interested groups including shareholders, customers, trading partners, creditors, staffs, communities and the overall societies with justice and equality. Notwithstanding on the consideration of their statuses of being either major or small shareholders, they have been treated equally and that the importance is extremely given to the environment because of the reason the Company's business may cause disturbances to neighboring communities which, as a result, the Company has implemented various measures to reduce such environmental impacts.

3. Risk Management:

Risk management has been provided in connection with the effectiveness, efficiency and accuracy of the Financial Report and that various laws, regulations and orders have firmly adhered to in good relations with the internal control frame which, in this connection, business operation risk analysis is conducted, importance of risk level prescribed in order to find control measure to reduce risk rate to the minimum.

4. Adopting morals and ethics in all organizational levels:

Morals and ethics are important factors of corporate governance of the Company traditionally practiced in all organizational levels, from Directors Executives and all staff levels because the Board of Directors is quite confident that if there should be no morals and ethics, the business cannot be carried out in a sustainable manner.



Recently, Mr. Narong Thasnanipan, President of Seafco Public Company Limited, received IR Excellence Award from Deputy Finance Minister Pradit Pataraprasit presided over The Stock Exchange of Thailand (SET) Awards 2009 ceremony held on 13th November 2009 at Siam Paragon.



Mr. Sompon Kertpaiboon, Chairman of the Board of Directors of Stock Exchange of Thailand (SET), jointly presented awards to listed companies who won the SET Award of Honor during the SET Awards 2010, organized by the Stock Exchange of Thailand and Money & Banking Magazine, at Royal Paragon Hall, 5th Floor, SIAM Paragon, November 19 2010. Mr. Narong Thasnanipan, CEO of SEAFCO PLC. had been awarded IR Excellence Awards in second consecutive year.

Operating results and financial position

Analysis of the operating results

Incomes from the contracted work

Revenues of the Company Group consist of the taking of employments from the work of Bored piling, diaphragm wall, civil work constructions, foundations, soil quality improvements, piling test services, other services and other revenues acquired apart from the operational works: such as, sales of various materials, profits derived from sales of the assets, interest receivable, profits derived from currency exchange rates.

In 2010, the Company group a total revenues of 1,461.88 million Baht consisting of the revenue derived from the work of Bored piling & diaphragm wall to be the rate 53%, civil work constructions to be the rate 44%, foundations to be the rate 0.24%, soil improvements to be the rate (0%), test services to be the rate 0.20% and other services to be the rate 2%. The revenue generated from the taking of employment in comparison with 2009 is decreased by 20%. As revenue in the Bored piling & diaphragm wall in 2010 and received only wages excluding raw materials mainly

Employment Work Cost

Employment work cost in 2010 is equal to 1,383.74 million Baht comparing with that of the year 2009 which is 1,627.51 million Baht is decreased by 19% or at the gross profit of 2009 rate of 5% and at the gross profit of 2009 rate of 10%, at the gross profit with 2009 is decreased by 50% because cost civil work constructions increase.

Sale and Administrative Expenses

Sale and management expenses in 2010 is equal to 96.98 million Baht comparing with that of the year 2009 which is 84.12 million Baht, is increased by 15% from the company increase salary and estimate retirement funds.

Bad Debt

In 2010, the Company set aside an allowance for bad debt in the amount of 8.92 million Baht which was 0.6% of the total revenues which are outstanding receivables in excess of 12 months, however, it is anticipated a call for repayment in full amount can be made.

Gross and Net Profit

Company's gross profit in 2009 and 2008 was 157.93 million Baht and 104.07 million Baht, respectively, which was an increase by 52% because of the company can controlled cost of production improved and net profit in 2009 and 2008 was 51.51 million baht and 11.61 million baht, respectively, which was an increase 343.53% or at the rate 3% and 1%. That was because of the reason that the Company had better control over the sale and Administrative expenses than in the preceded year.

Company's gross profit in 2010 and 2009 was 70.64 million Baht and 176.70 million Baht, respectively, which was an decrease by 60% because of cost civil work constructions increase and net(loss) profit in 2010 and 2009 was (58.88) million baht and 51.51 million baht, respectively, which was an decrease 214%. That was because of sale and Administrative expenses than in the preceded year.

Shareholders' Returns

In 2008 and 2009, the Company's shareholders' rate of returns was 1.9% and 7.9%, respectively, which was an increase by 316%. The Company has net profit of increased to 51.51 million Baht to 11.61 million Baht by 343.53%

In 2009 and 2010, the Company's shareholders' rate of returns was 7.9% and (10.1%), respectively, which was decrease by 228%. The company has net (loss) profit of (58.88) million baht and net profit of 51.51 million baht, respectively, which was and decrease by 20%.

Liquidity.

In 2010, the Company's Group had 0.83 times liquidity ratio compared to 2009 when the liquidity ratio stayed at 0.97 times. The liquidity ratio in 2010 decreased by 14.43% compared to 2009. In the same year, the cash flow also decreased by Baht 17.33 million. This enabled the cash and cash equivalents at the end of 2010 equal to Baht 23.87 million. In 2009, the Company's Group had an increase in cash flow of Baht 10.76 million. As a result, cash and cash equivalents at the end of 2009 of Baht 41.21 million. Hence, cash flow in 2010 decreased by 42.30% from year 2009.

Source of Capital.

In 2010, the Company's Group had total liabilities of Baht 933.95 million, which consist of current liabilities of Baht 803.71 million and long-term liabilities of Baht 130.23 million. This figure decreased from the year 2009, total liabilities of Baht 986.10 million, which consist of current liabilities of Baht 937.10 million and long-term liabilities of Baht 130.23 million.

In 2009, the Company's Group had shareholders' equity of Baht 584.25 million, which is lower than in 2009 with Baht 654.02 million. In addition, D/E ratio in 2010 and 2008 increased by 0.95 and 0.63, respectively compared to 2009.

Audit Fee

As at December 31, 2010. The company and its subsidiaries paid audit fee as follow:

Audit Fee

Companies	Audit's name	Audit's Fee
Seafco Public Company Limited	Mrs. Vilairat Rojnuckarin	1,180,000
Seafco Construction Co., Ltd	Mrs. Vilairat Rojnuckarin	60,000
Seafco and Prayoonchai Co. Joint Venture (1984)	Mrs. Vilairat Rojnuckarin	60,000
SEAFECO-RYOBI PTE LTD.	Mrs. Vilairat Rojnuckarin	190,000
Seafco & Prayoonchai (1984) Joint Venture	Mrs. Vilairat Rojnuckarin	220,000
Srinakaran Joint Venture	Mrs. Vilairat Rojnuckarin	220,000
Total		1,930,000

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of SEAFCO Public Company Limited was appointed by the Company's Board of Directors on March 2, 2004, which shall serve for a period of three years. One-third of the Committee shall be retired by rotation every year. The Audit Committee consists of three independent directors, namely,

Prof. Dr. Somjai Phagaphasvivat	Chairman of the Audit Committee
Mr. Somkuan Watakeekul	Audit Committee
Mr. Somkual Musig-In	Audit Committee

With the scope of duties and responsibilities according to the Charter of the Audit Committee has approved and delegated by the Board of Directors and the regulations of the Securities and Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)

During the year 2010, the Audit Committee held four Audit Committee meetings. The Committee agreed upon the fact to organize the meeting with the Independent Auditors and Internal Auditing Department by holding meetings every quarter without the executives and management to participate in the meeting except the agenda in relation to review of financial statements has invited the Assistant Vice President to participate the meeting and the agenda in relation to the risk management has invited the Chairman of Risk Management Committee to participate the meeting in order to clarify and answer inquiries raised by the Audit Committee. The Audit Committee also provides the managements with a consultation and advice apart from the quarterly meetings.

The operating results and opinion are summarized as follows;

- **The Audit Committee has reviewed on both the quarterly financial statements and annual financial statements of the Company and its subsidiaries for the year ended 31 December 2010.** The Committee has considered and coordinated with the auditor and director of the Company's internal audit department and giving an opinion that the Company's financial statements were prepared in accordance with generally accepted accounting principles and the disclosure of information was adequate and appropriate. The auditor's opinions were mentioned in the report of auditor has presented to the Board of Directors and Shareholders.
- **The Audit Committee has reviewed and considered the results of risk management** of the Risk Management Committee every quarter, as well as to provide the guidelines to mitigate and prevent the significant risks to the Board of Directors.
- **The Audit Committee is confident that the Company's internal control system has an adequate, appropriate and developed continuously.** The Audit Committee has considered the results of review of between the auditor, the management department and internal audit department regularly, as well as has been evaluated to ensure that the Company performs its operation in compliance with laws and regulations.

- **The Audit Committee assigned the Company's internal audit department to review the transactions between the Company, its subsidiaries and affiliated companies, including the Company with a close relative of directors of the company** that the transactions shall stipulated in the Notification of Securities and Exchange Commission of Thailand Re: Information Disclosure and Conduct of Listed Companies on Connected Transactions. The Committee found that disclose complete information of the transactions to ensure that they are appropriate and most beneficial to the Company.
- **The Audit Committee has considered the scope of work and performance of Internal Audit** according to the internal audit plan for 2010 has approved by the Audit Committee on February 26, 2010, including approved the Internal Audit Plan for the fiscal year by acknowledged results of the audit, review and monitor regularly. In this regard, the Audit Committee has an opinion that the Company has adequate, appropriate and efficient internal audit systems in accordance with international standards and as specified by the Stock Exchange of Thailand. The Committee also made a recommendation for internal audit with efficiency and effectiveness.
- **The Audit Committee has reviewed and supervised the Company's operations in compliance with the business ethics and standard of Good Corporate Governance** as specified by the Stock Exchange of Thailand (SET) and the regulations of the Securities and Securities Exchange Commission (SEC), including applicable laws.
- **The Audit Committee has proposed the appointment of the Company's auditor and the audit fee** to the Company's Board of Directors to propose to the Shareholders for approval.

The Audit Committee has performed its duties with diligence and express opinions independent in order to the benefit of the organization without limitation to receive any information, resources and cooperation provided by the Company's Board of Directors, executive committee and related officers. As the results, the Audit Committee able to perform their duties with efficiently and effectively and achieve the objectives specified in the plan. In this occasion, the Committee would like to thank the supporters for such cooperation.



(Assoc. Prof. Dr. Somjai Phagaphasvivat)

Chairman of the Audit Committee

16 February 2011

Auditor's Report

To The Shareholders of
 SEAFCO PUBLIC COMPANY LIMITED

I have audited the consolidated balance sheets of SEAFCO PUBLIC COMPANY LIMITED AND SUBSIDIARIES and the separate balance sheets of SEAFCO PUBLIC COMPANY LIMITED as at December 31, 2010 and 2009, and the related consolidated statements of income and separate statements of income, consolidated statements of changes in shareholders' equity and separate statements of changes in shareholders' equity, and consolidated statements of cash flows and separate statements of cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated financial statements and the separate financial statements referred to above present fairly in all material respects, the consolidated financial position of SEAFCO PUBLIC COMPANY LIMITED AND SUBSIDIARIES and the separate financial position of SEAFCO PUBLIC COMPANY LIMITED as at December 31, 2010 and 2009 and the results of their and its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Office of D I A International Auditing



(Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)

Registration No. 3104

February 28, 2011

Balance Sheets

Seafco Public Company Limited and Subsidiaries

As at December 31, 2010 and 2009

(Unit : Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Current assets					
Cash and cash equivalents	6.1	23,871,039.45	41,205,458.09	1,209,119.13	8,300,839.13
Trade accounts receivable - net	7	206,819,343.38	302,365,553.26	200,338,980.43	287,097,221.53
Unbilled receivable		328,844,379.69	456,511,761.65	323,469,685.22	461,572,121.13
Inventories - net	8	78,432,395.59	73,349,219.57	78,432,395.59	73,322,771.03
Other current assets					
Prepayment to contractor		3,943,921.92	10,778,412.36	3,943,921.92	6,552,697.63
Deposit for purchasing goods		8,673,743.76	6,004,693.48	8,673,743.76	6,004,693.48
Others		16,943,970.76	22,244,646.86	14,269,384.90	19,764,884.28
Total current assets		667,528,794.55	912,459,745.27	630,337,230.95	862,615,228.21
Non-current assets					
Pledged bank deposits	9	86,717,898.12	83,035,913.20	86,717,898.12	83,035,913.20
Investment in subsidiaries and joint venture	10	0.00	0.00	5,050,299.40	5,050,299.40
Other long - term investment		5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Property, plant and equipment - net	11	559,170,182.07	467,332,531.84	555,724,290.22	466,877,802.22
Other non-current assets					
Withholding income tax		37,594,960.70	21,823,474.91	37,594,960.70	21,823,474.91
Retentions receivable - net	12	144,112,877.62	131,117,097.68	145,786,036.29	130,055,700.07
Property held for sales	13	15,047,637.39	15,047,637.39	15,047,637.39	15,047,637.39
Others		3,027,673.90	4,307,041.32	3,027,673.90	3,507,360.55
Total non-current assets		850,671,229.80	727,663,696.34	853,948,796.02	730,398,187.74
Total assets		1,518,200,024.35	1,640,123,441.61	1,484,286,026.97	1,593,013,415.95

Notes to financial statements are parts of these financial statements.

Balance Sheets (Continued)

Seafco Public Company Limited and Subsidiaries

As at December 31, 2010 and 2009

(Unit : Baht)

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Current liabilities					
Overdrafts and short - term loans					
from financial institutions	14	248,680,057.54	196,973,799.10	248,680,057.54	180,564,878.97
Trade accounts payable		228,119,999.96	417,816,263.21	215,663,963.15	411,185,156.95
Current portion of long - term debt	15	50,654,596.47	34,241,926.83	50,654,596.47	34,241,926.83
Short-term loans from other persons	16	130,000,000.00	130,000,000.00	130,000,000.00	130,000,000.00
Short-term provisions		25,440,794.54	6,086,654.57	17,986,440.49	6,086,654.57
Other current liabilities					
Advance received under agreement		80,267,071.50	117,505,294.58	76,975,305.33	109,392,546.25
Accrued expenses		9,834,166.56	6,321,053.26	9,801,806.48	6,096,763.26
Retentions payable - contractor		23,335,648.10	23,522,338.90	23,335,648.10	23,122,809.87
Others		7,382,195.83	4,637,422.04	6,009,236.06	3,913,269.84
Total current liabilities		803,714,530.50	937,104,752.49	779,107,053.62	904,604,006.54
Non-current liabilities					
Long-term loans from other					
parties - net	17	18,480,000.00	0.00	18,480,000.00	0.00
Liabilities under financial lease					
agreement - net	18	111,754,623.91	48,999,454.74	111,754,623.91	48,999,454.74
Total non-current liabilities		130,234,623.91	48,999,454.74	130,234,623.91	48,999,454.74
Total liabilities		933,949,154.41	986,104,207.23	909,341,677.53	953,603,461.28

Notes to financial statements are parts of these financial statements.

Balance Sheets (Continued)

Seafco Public Company Limited and Subsidiaries

As at December 31, 2010 and 2009

(Unit : Baht)

Liabilities and shareholders' equity (Cont.) Note	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Shareholders' equity				
Share capital				
Authorized share capital				
215,000,000 common shares				
of Baht 1 each	215,000,000.00	215,000,000.00	215,000,000.00	215,000,000.00
Issued and paid-up share capital				
215,000,000 common shares				
of Baht 1 each	215,000,000.00	215,000,000.00	215,000,000.00	215,000,000.00
Premium on share capital	164,000,000.00	164,000,000.00	164,000,000.00	164,000,000.00
Exchange difference of				
financial statements	522,170.37	662,550.86	0.00	0.00
Retained earnings				
Appropriated				
Legal reserve	19 19,142,134.19	19,142,134.19	19,142,134.19	19,142,134.19
Unappropriated	20 185,586,550.55	255,214,522.18	176,802,215.25	241,267,820.48
Total equity holders of the parent	584,250,855.11	654,019,207.23	574,944,349.44	639,409,954.67
Minority interest	14.83	27.15	0.00	0.00
Total shareholders' equity	584,250,869.94	654,019,234.38	574,944,349.44	639,409,954.67
Total liabilities and shareholders' equity	1,518,200,024.35	1,640,123,441.61	1,484,286,026.97	1,593,013,415.95

Notes to financial statements are parts of these financial statements.

Statements of Income

Seafco Public Company Limited and Subsidiaries
For the Years Ended December 31, 2010 and 2009

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Hire of work income		1,426,292,747.61	1,785,434,985.73	1,358,586,668.24	1,756,227,856.37
Sales of materials and services		28,112,369.39	18,776,659.01	26,511,622.55	18,776,659.01
Total revenues		1,454,405,117.00	1,804,211,644.74	1,385,098,290.79	1,775,004,515.38
Cost of hire of work, sales of materials and services		(1,383,740,467.00)	(1,627,509,040.53)	(1,312,445,638.48)	(1,598,876,759.97)
Gross profit		70,664,650.00	176,702,604.21	72,652,652.31	176,127,755.41
Other income					
Reversed doubtful accounts		0.00	20,542,479.33	0.00	20,542,479.33
Others		7,478,240.74	2,170,024.79	7,431,947.72	1,780,440.97
Profit before expenses		78,142,890.74	199,415,108.33	80,084,600.03	198,450,675.71
Administrative expenses		(66,060,469.60)	(54,981,452.11)	(64,800,430.74)	(53,391,515.26)
Directors' remuneration	21	(4,200,000.00)	(3,664,500.00)	(4,200,000.00)	(3,664,500.00)
Management benefit expenses	22	(26,714,680.00)	(25,474,480.00)	(26,714,680.00)	(25,474,480.00)
Bad debt and doubtful accounts		(8,917,604.09)	(19,497,410.07)	(8,917,604.09)	(19,497,410.07)
Total expenses		(105,892,753.69)	(103,617,842.18)	(104,632,714.83)	(102,027,905.33)
Profit (Loss) before finance costs and income tax		(27,749,862.95)	95,797,266.15	(24,548,114.80)	96,422,770.38
Finance costs		(29,609,847.83)	(24,108,483.93)	(29,167,590.43)	(23,852,959.74)
Profit (Loss) before income tax		(57,359,710.78)	71,688,782.22	(53,715,705.23)	72,569,810.64
Income tax	23	(1,518,373.17)	(20,176,161.49)	0.00	(20,092,124.31)
Net profit (loss)		(58,878,083.95)	51,512,620.73	(53,715,705.23)	52,477,686.33
Attribution to :					
Equity holders of the parent		(58,878,071.63)	51,512,632.94	(53,715,705.23)	52,477,686.33
Minority interest of subsidiaries		(12.32)	(12.21)	0.00	0.00
		(58,878,083.95)	51,512,620.73	(53,715,705.23)	52,477,686.33
Earnings (Loss) per share					
Basic earnings (loss) per share		(0.27)	0.24	(0.25)	0.24
Weighted average number of common shares (shares)		215,000,000	215,000,000	215,000,000	215,000,000

Notes to financial statements are parts of these financial statements.

Statements of Changes in Shareholders' Equity

Seafo Public Company Limited and Subsidiaries
For the Years Ended December 31, 2010 and 2009

(Unit : Baht)

	Note	Consolidated financial statements						Total
		Issued and paid-up share capital	Premium on share capital	Exchange difference of financial statements	Retained earnings	Equity holders of the parent	Minority interest	
					Appropriated	Unappropriated		
Balance as at December 31, 2008		215,000,000.00	164,000,000.00	996,043.26	16,518,249.87	206,325,773.56	602,840,066.69	39.36
Exchange difference of financial statements		0.00	0.00	(333,492.40)	0.00	0.00	(333,492.40)	0.00
Net profit for the year		0.00	0.00	0.00	0.00	51,512,632.94	51,512,632.94	(12.21)
Legal reserve	19	0.00	0.00	0.00	2,623,884.32	(2,623,884.32)	0.00	0.00
Balance as at December 31, 2009		215,000,000.00	164,000,000.00	662,550.86	19,142,134.19	255,214,522.18	654,019,207.23	27.15
Dividend paid	20	0.00	0.00	0.00	0.00	(10,749,900.00)	(10,749,900.00)	0.00
Exchange difference of financial statements		0.00	0.00	(140,380.49)	0.00	0.00	(140,380.49)	0.00
Net loss for the year		0.00	0.00	0.00	0.00	(58,878,071.63)	(58,878,071.63)	(12.32)
Balance as at December 31, 2010		215,000,000.00	164,000,000.00	522,170.37	19,142,134.19	185,586,550.55	584,250,855.11	14.83

Notes to financial statements are parts of these financial statements.

Statements of Changes in Shareholders' Equity

Seafo Public Company Limited and Subsidiaries
For the Years Ended December 31, 2010 and 2009

(Unit : Baht)

		Separate financial statements			
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings	Total
				Appropriated	Unappropriated
Balance as at December 31, 2009		215,000,000.00	164,000,000.00	16,518,249.87	191,414,018.47
Net profit for the year		0.00	0.00	0.00	52,477,686.33
Legal reserve	19	0.00	0.00	2,623,884.32	(2,623,884.32)
Balance as at December 31, 2009		215,000,000.00	164,000,000.00	19,142,134.19	241,267,820.48
Dividend paid	20	0.00	0.00	0.00	(10,749,900.00)
Net loss for the year		0.00	0.00	0.00	(53,715,705.23)
Balance as at December 31, 2010		215,000,000.00	164,000,000.00	19,142,134.19	176,802,215.25
					574,944,349.44

Notes to financial statements are parts of these financial statements.

Statements of Cash Flow

Seafco Public Company Limited and Subsidiaries
For the Years Ended December 31, 2010 and 2009

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Profit (Loss) before income tax	(57,359,710.78)	71,688,782.22	(53,715,705.23)	72,569,810.64
Adjustment				
Depreciation	85,524,504.43	75,088,127.12	85,020,100.67	74,951,870.69
Bad debt and doubtful accounts	8,917,604.09	19,497,410.07	8,917,604.09	19,497,410.07
Reversed doubtful accounts	0.00	(20,542,479.33)	0.00	(20,542,479.33)
(Increase) Decrease in unbilled receivable	126,660,828.22	(132,996,603.29)	137,095,882.17	(140,823,895.30)
Amortized prepayment expense	5,127,558.99	5,274,247.81	4,698,959.12	4,949,969.25
Unrealized (gain) loss from exchange rate	(8,768.34)	0.00	(8,768.34)	0.00
(Gain) Loss on disposal of fixed assets	(1,316,335.94)	154,998.05	(1,249,711.16)	154,998.05
Loss on write - off of fixed assets	1,221,703.78	957,146.19	1,220,993.71	954,465.16
Gain on negotiation for debt reduction	(4,070,303.36)	0.00	(4,070,303.36)	0.00
Increase (Decrease) in short-term provisions	19,354,139.97	2,995,000.00	11,899,785.92	2,995,000.00
Reversal of accrued income tax estimates	0.00	(289,132.19)	0.00	0.00
Interest expenses	29,609,847.83	24,108,483.93	29,167,590.43	23,852,959.74
	213,661,068.89	45,935,980.58	218,976,428.02	38,560,108.97
(Increase) Decrease of change in operating assets				
Trade accounts receivable	92,968,819.23	(58,373,432.62)	84,190,300.45	(48,070,594.06)
Inventories	(5,083,176.02)	20,698,076.30	(5,109,624.56)	20,521,765.64
Prepayment to contractor	6,834,490.44	2,314,182.07	2,608,775.71	984,446.45
Deposit for purchasing goods	(2,669,050.28)	(3,227,392.34)	(2,669,050.28)	(3,227,392.34)
Other current assets	(8,627,509.45)	(7,910,143.62)	(7,895,166.53)	(7,384,801.25)
Retentions receivable	(12,995,779.94)	1,988,154.47	(15,730,336.22)	(527,120.38)
Other non-current assets	1,573,865.98	(581,168.62)	479,686.65	216,702.87

Notes to financial statements are parts of these financial statements.

Statements of Cash Flow (Continued)

Seafco Public Company Limited and Subsidiaries
For the Years Ended December 31, 2010 and 2009

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Increase (Decrease) of change in operating liabilities				
Trade accounts payable	(185,617,191.55)	103,024,815.86	(191,442,122.10)	99,726,920.80
Advances received under agreement	(37,238,223.08)	29,373,839.59	(32,417,240.92)	29,065,433.14
Accrued expenses	3,513,113.30	(377,592.35)	3,653,019.66	843,169.10
Retentions payable - contractor	(186,690.80)	3,054,400.94	212,838.23	5,842,850.48
Other current liabilities	1,567,129.90	3,006,256.72	1,586,382.58	1,238,601.21
Cash generated (paid) from operation	67,700,866.62	138,925,976.98	56,443,890.69	137,790,090.63
Interest paid	(29,760,514.74)	(23,392,234.99)	(29,435,809.71)	(23,136,710.80)
Income tax	(17,767,184.20)	(2,607,573.35)	(15,771,485.79)	(744,876.43)
Net cash provided by (used in) operating activities	20,173,167.68	112,926,168.64	11,236,595.19	113,908,503.40
Cash flows from investing activities				
(Increase) Decrease in pledged bank deposits	(3,681,984.92)	(20,182,126.46)	(3,681,984.92)	(20,182,126.46)
Payments for long-term investment	0.00	(1,250,000.00)	0.00	(1,250,000.00)
Payments for purchase of fixed assets	(126,225,681.96)	(25,426,391.86)	(123,192,152.43)	(25,422,959.87)
Proceeds from sales of fixed assets	3,597,743.82	129,330.42	3,194,184.80	129,330.42
Payments for purchase of fixed assets payable	(274,690.40)	(1,051,475.20)	(274,690.40)	(1,051,475.20)
Net cash provided by (used in) investing activities	(126,584,613.46)	(47,780,663.10)	(123,954,642.95)	(47,777,231.11)

Notes to financial statements are parts of these financial statements.

Statements of Cash Flow (Continued)

Seafco Public Company Limited and Subsidiaries
For the Years Ended December 31, 2010 and 2009

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from financing activities				
Increase (Decrease) in overdrafts and short - term loans from financial institutions	51,706,258.44	(61,009,036.61)	68,115,178.57	(71,702,956.74)
Increase (Decrease) in short - term loans from other persons	0.00	(20,000,000.00)	0.00	(20,000,000.00)
Increase (Decrease) in long - term loans from other parties	11,630,000.00	(16,080,000.00)	11,630,000.00	(16,080,000.00)
Payments for liabilities under financial lease agreements	(62,615,457.81)	(23,857,966.44)	(62,615,457.81)	(23,857,966.44)
Proceeds from entering into financial lease agreements	99,246,507.00	66,898,775.52	99,246,507.00	66,898,775.52
Payments for dividend	(10,749,900.00)	0.00	(10,749,900.00)	0.00
Net cash provided by (used in) financing activities	89,217,407.63	(54,048,227.53)	105,626,327.76	(64,742,147.66)
Effects of exchange on financial statements	(140,380.49)	(333,492.40)	0.00	0.00
Net increase (decrease) in cash and cash equivalents	(17,334,418.64)	10,763,785.61	(7,091,720.00)	1,389,124.63
Cash and cash equivalents as at January 1	41,205,458.09	30,441,672.48	8,300,839.13	6,911,714.50
Cash and cash equivalents as at December 31	23,871,039.45	41,205,458.09	1,209,119.13	8,300,839.13

Notes to financial statements are parts of these financial statements.

Notes to Financial Statements

Seafco Public Company Limited and Subsidiaries

As at December 31, 2010 and 2009

1. GENERAL INFORMATION

- 1.1 The Company was registered as a company limited on December 19, 1974 with registration no. 1385/2517. On March 18, 2004, the Company has changed its status to public company limited with registration no. 0107547000257 (formerly no. 010754700255).
- 1.2 The Company is located at 144 Prayasuren Road, Bangchan, Khlong Sam Wah, Bangkok 10510.
- 1.3 The Company engaged in business of contractual construction work.

2. FINANCIAL STATEMENTS PREPARATION BASIS

The financial statements have been prepared in conformity with generally accepted accounting principles enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated January 30, 2009 regarding the condensed form should be included in the financial statements B.E. 2552 and the regulation of the Securities and Exchange Commission regarding the preparation and presentation of the financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

3. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

The consolidated financial statements have been prepared by including the financial statements of its subsidiaries and joint venture (under proportionate consolidated method) in which Seafco Public Company Limited has ability to control in making financial and operating decisions as follows :

	Country	Percentage of shareholding %		Type of Business
		2010	2009	
Subsidiaries				
Seafco Co., Ltd. and Prayoonchai (1984) Co., Ltd. Joint venture	Thailand	100	100	Construction contractual
Seafco Constructions Co., Ltd.	Thailand	99.99	99.99	Construction contractual
Joint Venture				
Seafco - Ryobi Pte. Ltd	Singapore	47.50	47.50	Construction contractual
Srinakarin Joint Venture	Thailand	30	30	Construction contractual
Seafco Co., Ltd. and Prayoonchai (1984) Co., Ltd. Joint venture	Thailand	45	45	Construction contractual

Seafco - Ryobi Pte. Ltd was incorporated in Singapore for the engage in construction contractual business in Singapore which the Company made contractual arrangement whereby the shareholders in Thai and overseas have jointly control, therefore, that company is a joint venture in the Company's accounting records.

The financial statements of joint venture which operated in an overseas is converted into Thai Baht by using the exchange rate ruling on the balance sheets date for assets and liabilities and average monthly exchange rate for revenues and expenses. Different from conversion of those transaction is stated as "Exchange difference of financial statements".

The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

The balance of accounts and transactions between Seafco Public Company Limited and its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

The consolidated financial statements as at December 31, 2010 and 2009 have been included assets, liabilities, revenues and expenses of joint ventures by using proportionate consolidation method as detailed following :

	2010	Baht	2009
Balance sheets			
Current assets	69,705,075.10		82,020,053.03
Non - current assets	4,872,378.35		3,109,462.63
Current liabilities	34,827,184.87		49,515,583.63
Statements of income			
Revenues	157,929,056.81		82,658,195.11
Expenses	74,330,791.63		30,291,246.44

4. NEW ACCOUNTING STANDARDS ISSUANCE

The Federation of Accounting Professions issued Notification 17/2553, 50/2553 through 55/2553, as pertinent to Accounting Standards (Revised 2009), Financial Reporting Standards (Revised 2009), and Interpretation of Financial Reporting Standards announced through the Royal Gazettes on May 26, 2010 and December 15, 2010 respectively implementing 32 accounting standards, financial reporting standards, and interpretation of financial reporting standards. These comprise 25 standards replacing the previous versions with identification numbers rearranged to be identical to international accounting standards, of which certain standards were unchanged in principle, certain others were with partial change in principle, and 7 standards were newly implemented detailed as follows:

4.1 Accounting and financial reporting standards replaced the previous versions

<u>Accounting standards/Financial reporting standards</u>		<u>Effective date</u>
Framework for the Preparation and Presentation of Financial Statements (Revised 2009)		May 26, 2010
TAS 1 (Revised 2009)	Presentation of Financial Statements	January 1, 2011
TAS 2 (Revised 2009)	Inventories	January 1, 2011
TAS 7 (Revised 2009)	Statements of Cash Flows	January 1, 2011
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2011
TAS 10 (Revised 2009)	Events After the Reporting Period	January 1, 2011

<u>Accounting standards/Financial reporting standards</u>		<u>Effective date</u>
TAS 11 (Revised 2009)	Construction Contracts	January 1, 2011
TAS 16 (Revised 2009)	Property, Plant and Equipment	January 1, 2011
TAS 17 (Revised 2009)	Leases	January 1, 2011
TAS 18 (Revised 2009)	Revenue	January 1, 2011
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate	January 1, 2013
TAS 23 (Revised 2009)	Borrowing Costs	January 1, 2011
TAS 24 (Revised 2009)	Related Party Disclosures	January 1, 2011
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements	January 1, 2011
TAS 28 (Revised 2009)	Investments in Associates	January 1, 2011
TAS 31 (Revised 2009)	Interests in Joint Venture	January 1, 2011
TAS 33 (Revised 2009)	Earnings per Share	January 1, 2011
TAS 34 (Revised 2009)	Interim Financial Reporting	January 1, 2011
TAS 36 (Revised 2009)	Impairment of Assets	January 1, 2011
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2011
TAS 38 (Revised 2009)	Intangible Assets	January 1, 2011
TAS 40 (Revised 2009)	Investment Property	January 1, 2011
TFRS 3 (Revised 2009)	Business Combination	January 1, 2011
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2011

The Company's management has assessed the effect of these standards and believes that TAS 20 (Revised 2009), TAS 28 (Revised 2009), TAS 40 (Revised 2009), TFRS 3 (Revised 2009) and TFRS 5 (Revised 2009) are not relevant to the Company's business. As for relevant accounting standards, and financial reporting standards, the management has assessed the effect and found to have no material impact on financial statements. The Company shall adopt these relevant standards beginning on the effective dates.

4.2 New accounting standards and financial reporting standard in issue for adoption

<u>Accounting standards/Financial reporting standards</u>		<u>Effective date</u>
TAS 12	Income Taxes	January 1, 2013
TAS 19	Employee Benefits	January 1, 2011
TAS 26	Accounting and Reporting by Retirement Benefit Plans	January 1, 2011
TAS 29	Financial Reporting in Hyperinflationary Economies	January 1, 2011
TFRS 2	Share Based Payment	January 1, 2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	January 1, 2011
TIFRS 15	Construction Contract	January 1, 2011

TAS 26, TAS 29, TFRS 2, TFRS 6 and TIFRS 15 are not relevant to the Company's business. The Company will apply TAS 12 and TAS 19, on the effective date which the management of the Company is being evaluated the effect of those standards on the financial statements. During the period, the Company calculated employee benefits by using actuarial method which had accumulated employee benefits up to December 31, 2010 approximately amount of Baht 20.90 million.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Income and Expense Recognition

5.1.1 Income and expenses are recognized on an accrual basis.

5.1.2 Income from piling and foundations are recognized on the percentage of completion. If there is indication that total actual cost over than contractual income, the Company will recognized such loss as expenses in statements of income.

5.1.3 Cost of piling and foundations consist of materials, wages, contractor wage and other costs are recorded on accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand and at banks of which are due within three months from the deposit date without restriction on withdrawal.

5.3 Allowance for Doubtful accounts

The Company provides the allowance for doubtful accounts from the estimated loss of uncollectable receivable. The estimated loss is based on a review of collection experience and current financial status of each receivable.

5.4 Inventory

Inventories are valued at the lower of cost on a first-in first-out (FIFO) basis or net realizable value.

5.5 Investment

Investment in subsidiaries, joint venture and other companies are stated at cost less provision for impairment of investment (if any).

5.6 Property, plant and equipment

Land is stated at cost. Building and equipments are stated at cost less accumulated depreciation and provision for impairment of assets (if any).

Building and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets as follows :

	Number of years
Building and building improvement	20
Machinery and equipment	5 and 10
Furniture, fixtures and office equipment	5 and 10
Vehicles	5

Land and assets under construction were not depreciated.

5.7 Impairment of assets

The Company, subsidiaries and joint venture have assessed the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its net recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). They will consider the impairment for each asset item or each asset unit generating cash flows, whenever is practical. In case of the carrying amount of an asset exceeds its net recoverable value, an impairment will be recognized in the statements of income for the period. The Company, subsidiaries and joint venture will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment

5.8 Transaction in foreign currencies

The Company, subsidiaries and joint venture record its transactions in foreign currencies converted into Thai Baht by using the exchange rates ruling on the transaction dates. The balance of assets and liabilities in foreign currencies as at the balance sheets date are converted into Thai Baht on the average commercial bank buying and selling rate except forward contracts which are based on contractual rate.

Gain or Loss on exchange rate are included in the results of its operation.

5.9 Financial instruments

Financial instruments are presented in balance sheets, consist of cash and cash equivalents, trade accounts receivable, long-term investment, pledged bank deposit, other receivables, bank overdrafts and short-term loans from financial institutions, trade accounts payable, other short-term loans, liabilities under long-term financial lease agreement and other payables. The basis of recognition and measurement of each item are separately disclosed in the related transactions.

5.10 Long - term lease agreement

The Company, subsidiaries and joint venture recorded machineries and vehicles under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

5.11 Employee benefits

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 payments to the provident fund were recorded as expenses in statements of income in the period in which they are incurred.

Retirement benefit

This obligation is to provide retirement benefit to retired employees under the defined retirement plan, determined by the labor law. The Company will record the retirement cost in the period in which the employees retired.

5.12 Corporate income tax

The Company, subsidiaries and joint venture recorded corporate income tax by calculating from taxable net profit on the condition described in the Revenue Code. Joint venture operated in overseas recorded corporate income tax by calculating from taxable net profit as described by the law of that Country.

5.13 Accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the reported amount in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

The Company made estimates and assumptions concerning the future factors. The results of accounting estimates may be differed from the related actual results. The estimates and assumptions that may have a risk of causing an adjustment to the assets in the next financial year related to allowance for doubtful accounts at the balance sheet date. Other estimates are described in the corresponding disclosures.

5.14 Provisions

The Company, subsidiaries and joint venture recognize a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, it is expected to be reimbursed when it is virtually certain that reimbursement will be received if they settle the obligation. The amount recognized should not exceed the amount of the provision.

5.15 Earnings per share

Earnings per share as presented in the statements of income is the basic earnings per share which is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up.

6. ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION

6.1 Cash and cash equivalents

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
Cash on hand	650,244.95	623,674.77	595,929.58	586,217.40
Cash at banks - current accounts	20,992,213.72	27,035,298.89	601,012.29	7,702,444.47
Cash at banks - savings deposit	208,836.15	291,158.02	12,177.26	12,177.26
Cash at banks - fixed deposit	2,019,744.63	13,255,326.41	0.00	0.00
Total	23,871,039.45	41,205,458.09	1,209,119.13	8,300,839.13

6.2 Non - cash transaction

For the year ended December 31, 2010

- 1) The Company has purchased machineries and machinery equipment in the amount of Baht 0.45 million, are due in 2011 which was presented as payable for purchase of fixed assets.
- 2) The Company entered into hire purchase agreement for machinery and vehicles of Baht 63.50 million which was paid amount of Baht 14.11 million. The remaining is presented as liabilities under financial lease agreement.
- 3) The Company has received the debt payment from a receivable amount of Baht 4.00 million by land.

For the year ended December 31, 2009

- 1) The Company has purchased machineries and machinery equipment in the amount of Baht 0.27 million, are due payment in 2010 which was presented as payable for purchase of fixed assets.
- 2) The Company entered into hire purchase agreement for vehicles of Baht 5.01 million which was paid Baht 1.19 million. The remaining is presented as liabilities under financial lease agreement.
- 3) The Company has received the debt payment amount of Baht 14.93 million by the property held for sales.

7. TRADE ACCOUNTS RECEIVABLE - NET

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
Collected accounts receivable separated by aging				
Unbilled receivable	82,696,911.77	194,417,273.63	76,977,669.69	198,145,190.87
Overdue receivable				
- Less than 3 months	50,153,497.49	63,698,706.81	49,392,376.62	44,702,457.84
- Over 3 months to 6 months	58,238,459.75	5,823,742.53	58,238,459.75	5,823,742.53
- Over 6 months to 12 months	20,512,344.39	15,215,982.36	20,512,344.39	15,215,982.36
- Over 12 months	65,451,969.63	85,532,637.23	65,451,969.63	85,532,637.23
Total	277,053,183.03	364,688,342.56	270,572,820.08	349,420,010.83
Less Allowance for doubtful accounts	(70,233,839.65)	(62,322,789.30)	(70,233,839.65)	(62,322,789.30)
Net	206,819,343.38	302,365,553.26	200,338,980.43	287,097,221.53

8. INVENTORIES - NET

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
Raw materials	30,551,479.05	29,588,372.56	30,551,479.05	29,561,924.02
Supplies	47,990,801.65	43,870,732.12	47,990,801.65	43,870,732.12
Total	78,542,280.70	73,459,104.68	78,542,280.70	73,432,656.14
Less Provision for damaged of inventories	(109,885.11)	(109,885.11)	(109,885.11)	(109,885.11)
Net	78,432,395.59	73,349,219.57	78,432,395.59	73,322,771.03

9. PLEDGED BANK DEPOSITS

	Consolidated and Separate	
	financial statements (Baht)	
	2010	2009
Savings deposit	43,321,713.10	43,109,230.48
Fixed deposit	43,396,185.02	39,926,682.72
Total	86,717,898.12	83,035,913.20

As at December 31, 2010 and 2009, deposit with the several banks were use as guarantee for overdrafts and short-term loans from financial institutions (note 14) and letter of guarantee issuance (note 29.2).

10. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE

Company's name	Incorporated in	Paid-up share capital (Baht)	Percentage of shareholding		Separate financial statements		
			2010	2009	Cost method		
					2010	Baht	2009
Subsidiaries							
Seafoo Co., Ltd. and Prayoonchai (1984) Co., Ltd. Joint Venture	Thailand	1,000,000.00	100	100	800,000.00	800,000.00	
Seafoo Construction Co., Ltd.	Thailand	1,000,000.00	99.99	99.99	999,940.00	999,940.00	
Joint venture							
Seafoo - Ryobi Pte. Ltd.	Singapore	300,000.00 (SG Dollar)	47.50	47.50	3,250,359.40	3,250,359.40	
Total					5,050,299.40	5,050,299.40	

The financial statements of above subsidiaries and joint venture which have been taken to prepare the consolidated financial statements were audited by the auditor.

11. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated financial statements						(Unit : Baht)
	Land and improvement	Building and improvement	Machinery and equipment	Furniture, Fixtures and office equipment	Vehicles	Assets under construction	Total
Assets - cost							
As at December 31, 2009	53,345,039.42	43,129,685.97	891,966,226.62	37,692,824.89	76,443,505.99	10,343,964.29	1,112,921,247.18
Purchase	4,000,000.00	0.00	124,178,771.51	3,632,732.92	14,895,941.28	34,157,820.61	180,865,266.32
Disposal	0.00	0.00	(16,755,567.91)	(3,435,772.77)	(5,573,731.16)	0.00	(25,765,071.84)
Transference	456,266.27	1,414,310.64	39,767,516.67	84,212.00	0.00	(41,722,305.58)	0.00
As at December 31, 2010	<u>57,801,305.69</u>	<u>44,543,996.61</u>	<u>1,039,156,946.89</u>	<u>37,973,997.04</u>	<u>85,765,716.11</u>	<u>2,779,479.32</u>	<u>1,268,021,441.66</u>
Accumulated depreciation							
As at December 31, 2009	0.00	20,162,967.39	535,408,905.30	27,626,738.14	62,390,104.51	0.00	645,588,715.34
Depreciation for the year	87,911.05	2,169,545.46	73,868,991.54	2,768,513.95	6,629,542.43	0.00	85,524,504.43
Depreciation - write off	0.00	0.00	(14,110,710.04)	(2,776,894.75)	(5,374,355.39)	0.00	(22,261,960.18)
As at December 31, 2010	<u>87,911.05</u>	<u>22,332,512.85</u>	<u>595,167,186.80</u>	<u>27,618,357.34</u>	<u>63,645,291.55</u>	<u>0.00</u>	<u>708,851,259.59</u>
Net assets value							
As at December 31, 2009	<u>53,345,039.42</u>	<u>22,966,718.58</u>	<u>356,557,321.32</u>	<u>10,066,086.75</u>	<u>14,053,401.48</u>	<u>10,343,964.29</u>	<u>467,332,531.84</u>
As at December 31, 2010	<u>57,713,394.64</u>	<u>22,211,483.76</u>	<u>443,989,760.09</u>	<u>10,355,639.70</u>	<u>22,120,424.56</u>	<u>2,779,479.32</u>	<u>559,170,182.07</u>

	Separate financial statements						(Unit : Baht)
	Land and improvement	Building and improvement	Machinery and equipment	Furniture, Fixtures and office equipment	Vehicles	Assets under construction	Total
Assets - cost							
As at December 31, 2009	53,345,039.42	43,129,685.97	891,966,226.62	37,371,509.16	76,016,655.67	10,343,964.29	1,112,173,081.13
Purchase	4,000,000.00	0.00	122,911,015.49	3,632,732.92	14,895,941.28	31,592,366.33	177,032,056.02
Disposal	0.00	0.00	(16,613,371.15)	(3,434,782.77)	(5,146,880.84)	0.00	(25,195,034.76)
Transference	456,266.27	1,414,310.64	37,202,062.39	84,212.00	0.00	(39,156,851.30)	0.00
As at December 31, 2010	57,801,305.69	44,543,996.61	1,035,465,933.35	37,653,671.31	85,765,716.11	2,779,479.32	1,264,010,102.39
Accumulated depreciation							
As at December 31, 2009	0.00	20,162,967.39	535,408,905.30	27,539,729.21	62,183,677.01	0.00	645,295,278.91
Depreciation for the year	87,911.05	2,169,545.46	73,436,106.47	2,718,045.31	6,608,492.38	0.00	85,020,100.67
Depreciation - write off	0.00	0.00	(14,106,074.75)	(2,776,614.82)	(5,146,877.84)	0.00	(22,029,567.41)
As at December 31, 2010	87,911.05	22,332,512.85	594,738,937.02	27,481,159.70	63,645,291.55	0.00	708,285,812.17
Net assets value							
As at December 31, 2009	53,345,039.42	22,966,718.58	356,557,321.32	9,831,779.95	13,832,978.66	10,343,964.29	466,877,802.22
As at December 31, 2010	57,713,394.64	22,211,483.76	440,726,996.33	10,172,511.61	22,120,424.56	2,779,479.32	555,724,290.22

As at December 31, 2010 and 2009, the Company has building and equipment at cost of Baht 340.64 million and Baht 357.05 million respectively, were depreciated in full.

The whole of land and building are mortgaged as collateral against overdraft and short-term loans from financial institutions (note 14) long - term loans from other parties (note 17) and letter of guarantee issuance (note 29.2).

12. RETENTIONS RECEIVABLE - NET

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
Retention	148,546,631.59	135,550,851.65	150,219,790.26	134,489,454.04
Less Allowance for doubtful accounts	(4,433,753.97)	(4,433,753.97)	(4,433,753.97)	(4,433,753.97)
Net	144,112,877.62	131,117,097.68	145,786,036.29	130,055,700.07

13. PROPERTY HELD FOR SALES

As at December 31, 2010 and 2009, the Company has property held for sales (2 plots of land and 4 units of condominium) amount of Baht 14.93 million which are assets accrued from receive the payment for construction work from a customer. Such assets can be repurchased by the customer within 3 years by the transferring price plus interest at the rate of 7.5% per annum, commences from the ownership transferring date. The Company received the transferring of ownership on May 6, 2010.

14. OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
Bank overdrafts	87,293,843.74	61,446,882.17	87,293,843.74	61,446,882.17
Loans from bank	161,386,213.80	135,526,916.93	161,386,213.80	119,117,996.80
Total	248,680,057.54	196,973,799.10	248,680,057.54	180,564,878.97

As at December 31, 2010, the Company has overdrafts line of Baht 133 million with 6 banks. For the amount of Baht 20 million is charged interest at the rate of S/A + 1.5% per annum and amount of Baht 113 million charged at MOR to MOR + 1% per annum. As at December 31, 2009, the Company has overdrafts line of Baht 133 million with 5 banks at the interest rate of MOR to MOR+1% per annum.

As at December 31, 2010 and 2009, the Company and joint venture have loans from 5 banks and 4 banks respectively at the interest rate of 6.00 - 7.00% and 5.85 - 6.75% per annum respectively documented by promissory notes.

Such debts are guaranteed by bank deposit (note 9), land and construction thereon (note 11), the right on receive payment under hiring agreement of several customers and personal guarantee by some directors of the Company.

15. CURRENT PORTION OF LONG - TERM LIABILITIES

	Consolidated and Separate financial statements (Baht)	
	2010	2009
Long - term loans from other parties	4,200,000.00	11,050,000.00
Liabilities under financial lease agreement	46,454,596.47	23,191,926.83
Total	50,654,596.47	34,241,926.83

16. SHORT - TERM LOANS FROM OTHER PERSONS

As at December 31, 2010 and 2009, the Company has outstanding short - term loans payment to 4 persons and 6 persons respectively amount of Baht 130 million by discount bills of exchange at the interest rate of 3.60 - 3.90% and 2.75 - 4.60% per annum, respectively.

17. LONG-TERM LOANS FROM OTHER PARTIES - NET

	Consolidated and Separate financial statements (Baht)	
	2010	2009
Loans from bank	22,680,000.00	11,050,000.00
Less Current portion of long - term loans	(4,200,000.00)	(11,050,000.00)
Net	18,480,000.00	0.00

As at December 31, 2010 and 2009, the Company has long-term loans from bank as follows:

The loan agreement no. 1 : During 2007, the Company has long - term loan from a bank in amount of Baht 30.25 million with principal repayment on monthly basis through 35 installments of Baht 0.84 million each, and the monthly interest payment at the rate of MLR per annum, commencing in July 2007 and ending in June 2010. Such loans are guaranteed by mortgaging land and its construction (note 11) and some directors. The Company must comply with the condition in loans agreement, such as : to maintain the debt to equity ratio exceeds 1.5 : 1 but not less than zero and DSCR not less than twofold.

The loan agreement no. 2 : During 2008, the Company has loan from the bank in amount of Baht 15 million with principal repayment on monthly basis of Baht 0.50 million each, and the monthly interest payment at the rate of MLR per annum, commencing in the seventh month from December 2007. Such loan is guaranteed by some directors.

The loan agreement no. 3 : During 2009, the Company has loan from the bank in amount of Baht 22.20 million with principal repayment on monthly basis of Baht 0.42 million each, and the monthly interest payment at the rate of MLR per annum, commenced in July 2010 and the payment will be completed in June 2015. Such loan has no any collaterals.

18. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT - NET

1) Liabilities under financial lease agreement excluded futures interest are as follows :

	Consolidated and Separate financial statements (Baht)	
	2010	2009
Payable under lease agreement	145,751,721.24	68,787,070.69
Payable under hire-purchase contracts	12,457,499.14	3,404,310.88
Total	158,209,220.38	72,191,381.57
Less Current portion of long - term debt	(46,454,596.47)	(23,191,926.83)
Net	111,754,623.91	48,999,454.74

The Company's fixed assets at cost are under the payment under the above lease agreement as below :

	Consolidated and Separate financial statements (Baht)	
	2010	2009
Machineries	19,024,518.18	119,205,339.65
Vehicles	292,418,566.95	5,728,576.90
Total	311,443,085.13	124,933,916.55

2) The minimum to be paid under financial lease agreement as follows :

	Consolidated and Separate financial statements (Baht)	
	2010	2009
Within 1 year	56,038,448.92	26,150,688.92
Over 1 year not over 3 years	103,812,411.66	39,305,359.00
Over 3 years not over 5 years	17,591,791.88	17,550,766.90
Total	177,442,652.46	83,006,814.82
Less Future interest of financial lease agreement	(19,233,432.08)	(10,815,433.25)
Present value of liabilities under financial lease agreement	158,209,220.38	72,191,381.57

19. LEGAL RESERVE

According to the Public Company Limited Act, the Company is required to set aside a legal reserve at least 5% of the annual net profit deducted by the retained loss brought forward (if any) until the reserve reached an amount not less than 10% of the authorized share capital. Such legal reserve is not available for dividend distribution.

20. RETAINED EARNINGS UNAPPROPRIATION

According to the minutes of shareholders' general meeting no. 1/2010 held on April 8, 2010, passed the resolution to pay dividend to the shareholders at Baht 0.05 per share for 215 million shares, totally Baht 10.75 million. The Company has already paid such dividend during the year.

21. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to executive directors.

22. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits paid to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

23. INCOME TAX CALCULATION

The Company calculated corporate income tax for the year 2010 at the rate of 30% (subsidiaries and joint venture at the rate of 15 - 30%) of profit (loss) before deducting with tax expenses and added back by any expenses which shall not be allowed as expenses in tax calculation.

24. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. These transactions are determined on the mutually - agreed basis as follows:

24.1 General information

Name/description	Type of Business	Relationship	Transactions	Princing policy
Joint Venture				
Srinakarin Joint Venture	Contractual construction work	Venturer	Hire of work income	Eatimated cost
Seafco & Prayoonchai (1984) Co., Ltd. Joint Venture	Contractual construction work	Venturer	Hire of work income Other income	Estimated cost Actual cost
Venturer				
Prayoonchai (1984) Co., Ltd.	Contractual construction work	Venturer	Contractor wage Facilities expenses	Lower than market value Actual cost
Ryobi Kiso (s) Ple. Ltd.	Contractual construction work	Venturer	Hire of work income	At agreed rate
Related Companies				
S.T.P. Assets Co., Ltd.	Rent for movable and immovable assets	Common shareholder and near relative of director is a director of such company.	Cost of facilities expenses Machinery rental Other expenses	Actual cost Lower than market value Actual cost
E. D. E. Co., Ltd.	Hire of foundation pile testing	Shareholder of this company is near relative of the Company's shareholders.	Machinery rental Test of foundation pile	Lower than market value Market value
Siam Industry Materials Co., Ltd.	Construction materials distribution	Near relation of director is a director and shareholder of such company	Purchase of goods	Lower than market value

24.2 Assets transaction with related persons and parties consist of :

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
<u>Trade accounts receivable</u>				
Srinakarin Joint Venture	0.00	14,241,082.39	0.00	20,344,403.42
Seafco & Prayoonchai (1984) Joint Venture	0.00	9,653,476.70	0.00	17,572,775.81
Venturer - Ryobi Kiso (s) Pte Ltd.	8,413,513.67	0.00	0.00	0.00
Total	0.00	23,894,559.09	0.00	37,917,179.23

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
<u>Unbilled receivable</u>				
Srinakarin Joint Venture	82,404,714.74	40,448,620.50	130,801,134.51	66,287,935.10
Seafco & Prayoonchai (1984)				
Joint Venture	0.00	4,301,460.88	0.00	8,689,819.96
Total	82,404,714.74	44,750,081.38	130,801,134.51	74,977,755.06
<u>Other current assets</u>				
<u>Prepayment to contractor</u>				
Venturer - Prayoonchai				
(1984) Co., Ltd.	0.00	3,649,864.28	0.00	0.00
<u>Others</u>				
Srinakarin Joint Venture	0.00	15,258.08	0.00	21,797.26
Seafco & Prayoonchai				
(1984) Joint Venture	53,041.40	425,962.83	96,438.90	753,477.81
Total	53,041.40	441,220.91	96,438.90	775,275.07
<u>Other non - current assets</u>				
<u>Retentions receivable</u>				
Srinakarin Joint Venture	7,232,505.39	1,851,860.81	10,332,150.55	2,645,515.44
<u>Trade accounts payable</u>				
Venturer - Prayoonchai (1984)				
Co., Ltd.	0.00	6,385,822.49	0.00	0.00
S. T. P. Asset Co., Ltd.	199,686.01	189,522.81	199,686.01	189,522.81
E. D. E. Co., Ltd.	1,293,466.51	621,533.35	1,293,466.51	621,533.35
Siam Industry Materials Co., Ltd.	208,650.00	742,312.50	208,650.00	742,312.50
Total	1,701,802.52	7,939,191.15	1,701,802.52	1,553,368.66
<u>Other current liabilities</u>				
<u>Advance received under agreement</u>				
Srinakarin Joint Venture	24,454,985.28	29,125,168.90	48,015,806.71	48,027,800.09
Seafco & Prayoonchai				
(1984) Joint Venture	0.00	5,883,071.86	0.00	11,565,476.29
Total	24,454,985.28	35,008,240.76	48,015,806.71	59,593,276.38

24.3 Revenues and expenses transaction with related persons and parties are as follow :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2010	2009	2010	2009
<u>Revenue from hire of work</u>				
Srinakarin Joint Venture	151,118,112.31	77,790,720.98	215,883,017.58	113,213,376.98
Seafco & Prayoonchai (1984) Joint Venture	29,012,835.66	24,009,019.45	52,750,610.27	43,652,762.63
Venturer - Ryobi Kiso (s) Pte Ltd.	14,510,075.04	0.00	0.00	0.00
Total	194,641,023.01	101,799,740.43	268,633,627.85	156,866,139.61
<u>Cost of hire of work</u>				
<u>Contractor wage</u>				
Venturer - Prayoonchai (1984) Co., Ltd.	31,238,734.03	22,902,811.41	0.00	0.00
<u>Purchase of goods</u>				
Siam Industry Materials Co., Ltd.	4,583,215.55	3,650,125.00	4,583,215.55	3,650,125.00
<u>Facilities expenses</u>				
Venturer - Prayoonchai (1984) Co., Ltd.	88,317.77	113,400.00	0.00	0.00
S. T. P. Asset Co., Ltd.	1,783,917.81	2,149,815.86	1,783,917.81	2,149,815.86
E. D. E. Co., Ltd.	101,499.29	114,667.01	101,499.29	114,667.01
<u>Machinery rental</u>				
S. T. P. Asset Co., Ltd.	576,709.68	1,445,649.77	576,709.68	1,445,649.77
E. D. E. Co., Ltd.	0.00	0.00	0.00	0.00
<u>Test of poundation pile</u>				
E. D. E. Co., Ltd.	4,733,700.00	2,020,900.00	4,733,700.00	2,020,900.00
Total	43,106,094.13	32,397,369.05	11,779,042.33	9,381,157.64
<u>Other income</u>				
Seafco & Prayoonchai (1984) Joint Venture				
Total	107,943.94	129,532.72	196,261.70	235,514.04
<u>Administrative expenses</u>				
S. T. P. Asset Co., Ltd.	168,224.28	386,774.28	168,224.28	386,774.28

25. EXPENSES ANALYZED BY NATURE

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2010	2009	2010	2009
Work performed by the entity and capitalized	(29,656,089.83)	(18,047,310.19)	(29,656,089.83)	(18,047,310.19)
Raw materials and consumable used	650,462,893.39	814,868,897.89	633,919,968.48	813,599,299.27
Contractor wage	244,781,807.43	394,518,188.36	205,354,905.66	369,213,422.21
Employees benefit expenses	152,540,011.10	132,359,105.30	151,787,517.62	131,551,919.50
Depreciation	85,524,504.43	75,088,011.42	85,020,100.67	74,951,870.69
Directors' remuneration	4,200,000.00	3,664,500.00	4,200,000.00	3,664,500.00
Management benefit expenses	30,234,680.00	25,474,480.00	30,234,680.00	25,474,480.00

26. SEGMENT INFORMATION

The Company's operation involve virtually in hire of construction business in both domestic and overseas geographical segment but the overseas segment is less than 10% of total revenues, therefore, the financial information by geographical segment was not presented.

27. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

The Company, subsidiaries and joint venture have no policy to hold off-balance sheets financial instruments for speculation or trading.

27.1 Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements no. 5.9.

27.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company and subsidiaries. The Company, subsidiaries and joint venture have policy to hedge this credit risk by reviewing the financial status of customers for billed before operation and billed on the completion of work. Financial assets shown in balance sheets at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

27.3 Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company, subsidiaries and joint venture operations and cash flows. The Company, subsidiaries and joint venture exposed the interest rate risk due to its cash at financial institution, pledged fixed deposit, overdrafts and short - term loans from financial institution, other other short - term loans, long - term loans and liabilities under long-term finance lease agreement. The Company, subsidiaries and joint venture do not use derivative financial instruments to hedge such risk.

27.4 Exchanges rate risk

The Company has a risk from foreign currencies exchange rate since the Company has account payable denominated in foreign currencies without entering into exchange rate hedging agreement, as at December 2010 and 2009, the Company has accounts payable as follows:

	2010	2009
Foreign currencies		
Euro (million)	0.09	0.00
SG Dollar (million)	0.05	0.01

27.5 Fair value of financial instruments

Financial assets shown in balance sheets consist of cash and cash equivalents, trade accounts receivable, long-term investment, pledged bank deposits, long - term loans and other receivables. Financial liabilities shown in balance sheets consist of overdrafts and short - term loans from financial institutions, trade accounts payable, other short - term loans, long-term loans, liabilities under long - term financial lease agreement and other payables.

The book value of financial assets and liabilities are closed to their fair value.

28. CONSTRUCTION CONTRACTS

Details of construction contracts as at December 31, 2009 and 2008 are as following :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2010	2009	2010	2009
Cost of construction adjusted				
by gain or loss	896,541,330.19	1,294,949,988.69	1,226,314,498.12	1,121,773,626.35
Advance received	27,396,610.31	115,044,814.10	75,412,417.02	102,583,433.79
Retention as deduction	27,455,909.65	27,012,725.04	37,788,060.20	26,812,100.55
Amount of claim from employer	137,110,093.15	337,221,293.06	267,911,227.66	360,385,570.37
Amount of claim from the Company	0.00	0.00	0.00	0.00

29. COMMITMENT AND CONTINGENT LIABILITIES

29.1 The Company and joint venture have commitment under hire contractors agreement, rent agreement and other agreement as at December 31, 2010 and 2009 totally Baht 99.58 million and Baht 258.34 million respectively.

29.2 The Company and joint venture have contingent liabilities from six and five banks respectively issuance of letters of guarantee in favour of the Company and joint venture to customers as at December 31, 2010 and 2009 amounting to approximately Baht 406.64 million and Baht 517.02 million respectively.

29.3 On February 12, 2008, the Company and the employer were sued for the civil case by a person in alleged of infringement and claim on payment of compensation total amount of Baht 14.25 million. Such person asserted that its damages occurred from the construction work of the Company. The management deems that the damages will not occur from the prosecution of such person. Moreover, the Company already made insurance for a property and liability protection with the limit Baht 10 million for possible damage occurred from such construction. Later on June 2, 2010, the Court of First Instance has sentenced dismiss a case. At present, the case is awaiting for the appeal of the plaintiff.

29.4 On September 9, 2009, the Company and the employer were sued for the civil case by a person in alleged of infringement and claim on payment of compensation total amount of Baht 38.25 million. Such person asserted that its damages occurred from the construction work of the Company. The management deems that the damages will not occur from the prosecution of such person. At present, the case is still pending the Court of First Instance's consideration.

30. PROVIDENT FUND

The Company has joined to be a member of "THE REGISTER PROVIDENT FUND OF PROGRESSIVE RETIREMENT" which registered under the Provident Fund Act B.E. 2530 and amendment which assigned the authorized manager to manage his fund by deducting the employees' salaries and the Company contributed to the fund at the same rate of 3% of employees' salaries. The members are entitled the benefits on their retirement, death or resignation.

This provident fund managed by MFC Asset Management Public Company Limited for the years 2010 and 2009, the Company has contribution to be paid to the fund for the amount of Baht 2.05 million and Baht 1.95 million respectively,

31. CAPITAL MANAGEMENT

The objective of financial management of the Company is to maintain the continuity of operation capability and capital structure to be properly appropriated.

32. RECLASSIFICATION

The certain accounts in the 2009 financial statements have been reclassified for conformity with the presentation in the 2010 financial statements are significant detail are as follows :

1) Sales of materials and services receivable amount of Baht 9.01 million presented as other current assets in the consolidated and separate financial statements, have been reclassified to present as trade accounts receivable.

2) Sales of materials and services amount of Baht 9.31 million presented as revenues from hire of work in the consolidated and separate financial statements, have been reclassified to present as revenues from sales of materials and services.

33. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 28, 2011.