



# ANNUAL REPORT 2018

Seafco Public  
Company  
Limited

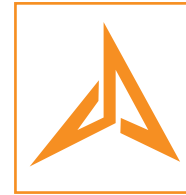


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MR. SUPOT THASNANIPAN  
FOUNDER



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## Message from the Chairman

In the year 2018, construction in the public sector was mostly civil construction supported from expansion of investment in infrastructure of public sector, through the investment budget, NESDB in the years 2018 – 2021, expected to have disbursement of capital expenditure for transportation throughout the country for approximately 1.18 trillion Baht. In addition to the construction of electric trains in Bangkok and peripheral areas in several routes, there are also infrastructure development projects in order to support the development of the Eastern Economic Corridor (EEC) Project. In the past year 2018, the government budget disbursement remained below the target. As a result, the overview of the government construction has not recovered much, while private investment in construction has been affected by the sluggishness of real estate business. Even if residence has been constructed newly and registered, it is still shrinking. Therefore it resulted in the overview of construction of the private sector to be reduced.

The reasons why the company has profits continuously, as the company has cooperation of all parties that support the company well. As I am in the status of Chairman of the Board, I shall thank both the employers, the benefactors, all employees in every section who intend to do work, shareholders who support the company, financial institutions and account payable that have always trusted the company.

Assoc.Prof.Dr.Somjai Phagaphasvivat

Board Chairman



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## Message from President and Chief Executive Officer

At the end of the accounting year of 2018, the company delivered work in the total amount of 2,765 million Baht (including work delivered in Myanmar by the affiliated company, Seafco Myanmar Co., Ltd., in the amount of 158 million Baht) which was more than at the end of the year 2017, which can be delivered for 1,826 million Baht, resulting in the company to have net profit of 2018 as high as 360 million Baht and still had more than 2 billion Baht which were undelivered jobs.

In 2019, there is trend that the company will have new jobs and jobs that have not yet been delivered across the years, together, at a level of over 3 billion Baht, and in the year 2019, it will be an election year that will ensure foreign investors, to invest in Thailand more. This makes me to be confident that the results of the year 2019 will be better than the year 2018 which is considered very good for another year.

In the year 2019, the company believes that the company will have a lot of pile work related to public sector utilities work. The company set the budget to order more machines for about 150 million Baht to ensure that the work can be delivered higher than the previous year according to the goals set by the management team for 10%.

I would like to express my gratitude to the staff of the management team who dedicated both physical and mental strength, to work together to make the results of the year 2018 that have passed the high goal in all respects. I thank partners, all shareholders and all financial institutions that have always supported the company well.

Dr. Narong Thasnanipan  
President and Chief Executive Officer



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## FINANCIAL HIGHLIGHTS

		2018	2017	2016
<b>Operating results</b>	Million Baht			
Total Revenue		2,765	1,874	1,878
Income from hire work		2,752	1,818	1,863
Gross Profit		625	337	325
Profit from continuing operations		352	211	155
Total comprehensive income for the year (Owners of the Company)		368	210	153
<b>Financial position</b>	Million Baht			
Total assets		2,993	2,466	1,884
Total liabilities		1,586	1,270	816
Shareholders' Equity		1,407	1,196	1,068
<b>Financial Ratio</b>				
Debt Ratio	Time	1.13	1.06	0.76
Gross Margin	(%)	22	18	17
Net (Loss)profit margin	(%)	13	12	8
Return on Assets	(%)	14	8	10
Return on Equity	(%)	25	18	14
Net Gearing		0.22	0.19	0.24
Earnings per share	Baht	0.55	0.35	0.51
Book value per share	Baht	4.19	1.96	3.49
Dividend per share	Baht / share	0.31	0.175	0.26



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## General Information

Company Name: Seafco Public Company Limited  
Head Office Address: 144 Prayasuren Rd., Bangchan, Khlong Sam Wah, Bangkok 10510  
Company Registration Number: 010 75470 00257  
Telephone: (662) 919-0090-7  
Facsimile: (662) 919-0098, 518-3088  
Company Home Page: [www.seafco.co.th](http://www.seafco.co.th)  
E-Mail Address: [info@seafco.co.th](mailto:info@seafco.co.th)

## Security Registrar

Company Name: Thailand Securities Depository Company Limited  
Head Office Address: Floor 14, Securities Exchange of Thailand Building  
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400  
Telephone: (662) 009 9000  
Facsimile: (662) 009 9991

## External Auditor

Name of Auditor: Mr. Tanakorn Fakfaipol Certified Public Accountant 4879  
Audit Firm: Bunchikij COMPANY LIMITED.  
Head Office Address: 87 Modern Town Building (9th floor) Ekamai Soi 3,  
Sukhumvit 63, Wattana, Bangkok 10110  
Telephone: (662) 382-0414  
Facsimile: (662) 381-5849





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## Board of Directors



Assoc Prof Dr. Somjai Phagaphavivat  
Chairman  
Independent Director



Dr. Narong Thasnanipan  
Director



Mr. Siwa Sangmanee  
Chairman of the Audit Committee  
and Independent Director



Mr. Somkuan Watakeekul  
Independent Director



Mr. Somkual Musig-In  
Independent Director



Mr. Loyleun Bunnag  
Independent Director



Mr. Zaw Zaw Aye  
Director



Miss Nutthawan Thasnanipan  
Director



Mr. Padej Rujikhajorndej  
Director



Mr. Kamol Singtogaw  
Director



Mr. Nutthapan Thasnanipan  
Director



Mr. Nutthapon Thasnanipan  
Director



Mr. Nirandorn Akrapitak  
Director



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## Board of Executive Officer



Dr. Narong Thasnanipan  
President & CEO



Mr. Zaw Zaw Aye  
Senior Executive Vice President  
: Operation Group 2



Miss. Nutthawan Thasnanipan  
Senior Executive Vice President  
: Administration Group



Mr. Kamol Singtogaw  
Executive Vice President  
: Marketing and Customer Relationship  
Department (Domestic)



Mr. Padej Rujikhajorndej  
Executive Vice President  
: Bored Piles and Diaphragm Wall and  
Other geotechnical engineering



Mr. Nutthapan Thananipan  
Executive Vice President  
: IT



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## Board of Executive Officer (Continued)



Mr. Nutthapon Thasnanipan  
Executive Vice President  
: Engineering



Mr. Nirandorn Akrapitak  
Executive Vice President  
: President Office



Mr. Kamol Youyuenpathana  
Vice President  
: Civil Work Department



Mr. Anek Srituptim  
Vice President  
: Accounting and Finance Department  
and Secretary



Mr. Somsak Thawatchpongthorn  
Vice President  
: Procurement Department



Mr. Tawat PhutPhong  
Vice President  
: Plant Department



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## VISION

TO BE THE REPUTABLE LEADER IN CONSTRUCTION INDUSTRY OF ASEAN

## MISSION

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

## STRATEGY

To create sustainable and stable growth

1. Provide bore piling and Diaphragm wall service as well as construction work with fair rewards both nationally and internationally.
2. Become a business partner with real estate entrepreneurs and major contractors.
3. Manage the project by holding on to effective cost management principle by considering environmental and safety condition, delivering quality work on time.
4. Search for new market in AEC.
5. Develop technology and knowledge to be up-to-date and competitive and not emphasize on price competition.
6. Improve human resources capacity and management structure to increase competitiveness.
7. Prepare machinery to meet various demands and for working effectiveness.
8. To introduce modern computer system in the management to ensure rapid and timely report.



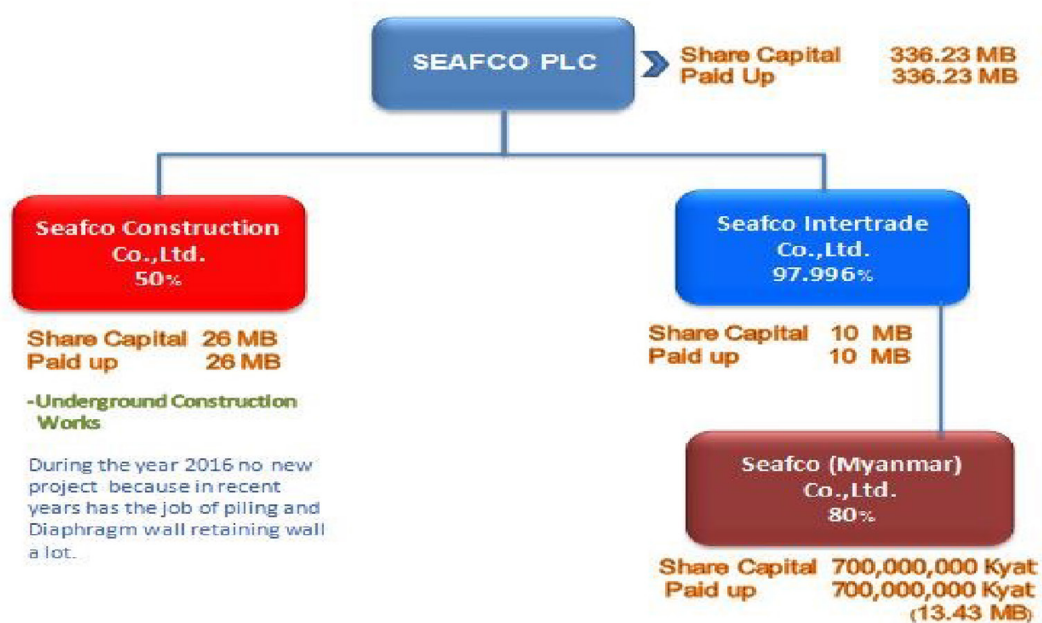
## Executive Summary

Seafco Limited (Company), whose name in English is SEAFCO Public Company Limited was incorporated on December 19, 1974 to the present for a period of 42 years and registered as a public company on March 18, 2004. the company has a long experience in the business of making a Bored pile in the country. It is recognized and accepted by the designer. Consulting engineer and owner of various projects.

The revenue source of the company in the year 2018 had total revenue of 2,765.20 million Baht coming from the government sector for 45 percent and private sector for 49 percent and overseas sector for 3 percent. In the past year, the company has 2 customers with a proportion that exceeds 25 percent of the company's total revenue which the company accepts work from entering bidding by conducting normal transactions.

On 31 May 2018, the company increase in the registered capital of the company to facilitate the dividend payment from 611,330,016 share to 672,462,018 share, par value of 0.50 baht each, to be registered share capital of 336,231,509 baht.

### SEAFCO Public Company Limited group consist of:





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Company Name	Shareholding	Business / Auction
1. Seafco Construction Company Limited	The Company holds 50 of registered and paid up share capital amounted to 10 million baht	The nature of business is providing contractual work from bidding project. The Company has a policy to provide contractual work service for high rise building and foundation work
2. Seafco Intertrade Co.,Ltd.	The Company holds 97.996 percent of registered share capital of 10 million baht and 10 million baht has been paid up	The company has a policy to contractual work for bored pile and Diaphragm Wall construction aboard
3. Seafco (Myanmar) Co.,Ltd.	The Company holds 80 percent of 700,000,000 Kyat registered share capital (MB 13.43)	The company has a policy to contractual work for bored pile and Diaphragm Wall construction in Myanmar

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.

On October 6, 2011, Seafco Public Co., Ltd. sold its investments in joint venture Seafco-Ryobi Pte.Ltd. Entirely to foreign investors by the company to earn a profit on sale of investment. 4.91 million baht.

On November 15, 2011, Seafco Construction Co.,Ltd. increase registered capital from baht 1 million baht to 10.9 million baht by seafco Public Co.,Ltd. hold 55% shares from registered capital.

On January 17, 2012, Seafco Construction Co.,Ltd. decrease registered capital from baht 10.9 million baht to 10 million baht , Seafco Public Co.,Ltd. hold 50% shares from registered capital.

On August 15, 2012, Seafco Co. Ltd. and Prayunchai (1984) JV Construction will be registered

On June 17, 2013, the Company established Seafco Intertrade Co., Ltd with of 5,000,000 baht registered capital. The Company holds 99.99 percent of the share.

On 20 November 2013, we established. Seafco (Myanmar) Co., Ltd. with a registered capital of 4,500,000 kyat with Seafco Intertrade Co., Ltd. holding 90% of its shares by investing 1,410,300 Baht to continue construction, Bored piling and Diaphragm Wall in Myanmar. We have already contracted works.

On April 24, 2013, the Company increased its registered share capital of 215,000,000 shares at 1 baht each totaling to 215,000,000 baht having total of 333,250,000 ordinary shares at 1 baht each totaling to 333,250,000 baht. The paid up share capital was 268,730,194 shares, totaling to 268,730,194 baht.

On 30 April 2014, The Company registered a decrease of capital from 333,250,000 shares to 268,730,194 shares, and on 8 May 2014 we registered an increase in capital from 268,730,194 ordinary shares at par value of 1 Baht per share, totaling 268,730,194 Baht to 291,124,377 ordinary shares at par value of 1 Baht per share, totaling 291,124,377 Baht, and 291,110,727 shares have been paid for at the value of 291,110,727 Baht.

On 11 May 2015, The Company registered a decrease of capital from 291,124,377 shares to 291,110,727 shares, and on 12 May 2015 we registered an increase in capital from 291,110,727 ordinary shares at par value of 1 Baht per share, totaling 291,110,727 Baht to 305,666,263 ordinary shares at par value of 1 Baht per share, totaling 305,665,008 shares have been paid for at the value of 305,665,008 Baht.

On 6 October 2015, Seafco Intertrade Co.,Ltd. has paid for the shares and paid-up ordinary 50,000 shares at par value of 100 Baht per shares, totaling 5,000,000 Baht. Company holds 99.99 percent of the share.

On 24 December 2015, Seafco Intertrade Co.,Ltd. registered a increase of capital from 50,000 shares at par value of 100 Baht per shares, totaling 10,000,000 Baht to 100,000 ordinary shares at par value of 100 Baht per share, totaling 100,000 shares have been paid of at the value 10,000,000 Baht. Company holds 99.99 percent of the share.

On the 25th November 2015, Seafco Public Co., Ltd. Received BEST Investor Relations Awards and Outstanding Company Performance Awards from The Stock Exchange of Thailand (SET) Awards 2015.

On the 2nd February 2016, Seafco Public Co., Ltd. Received BEST Investor Relations Awards) and Outstanding Investor Relations Awards from The Stock Exchange of Thailand (SET) Awards 2016.

On 4 April 2017, Seafco Myanmar Co., Ltd. increased registered capital from 300,000,000 kyat to be 700,000,000 kyat. Seafco Intertrade Co., Ltd. held shares in proportion of 80 percent.

On 10 April 2017, Seafco Intertrade Co., Ltd. invested in Seafco Myanmar Co., Ltd. additionally, the total investment amount was 8,560,290.50 Baht, holding shares in the proportion of 80 percent.

On 22 May 2017, Seafco Public Co., Ltd. sold some part of investment amount in Seafco Intertrade Co., Ltd. Therefore, the company held shares in the proportion of 97.996 percent, the total investment amount was 9,799,400 Baht.

On 31 August 2017, Seafco Intertrade Co., Ltd. invested in Seafco Myanmar Co., Ltd. additionally; the total investment amount was 13,432,682.00 Baht; the Seafco Intertrade Co., Ltd. held shares in the proportion of 80 percent.



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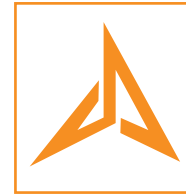
On 12 October 2017, the company registered the change of share value from 1.00 Baht/share to 0.50 Baht/share. The registered share capital was changed to 611,330,016 shares, par value of 0.50 Baht each, to be registered share capital of 305,665,008 Baht.

On 18 October 2017, the company registered the cancellation of Joint Venture and liquidated of Srinakharin Joint Venture and Seafco and Prayoonchai (1984) Joint Venture.

On 24 October 2017, Seafco Construction Co., Ltd. increased registered share capital from 10,000,000 Baht to 26,000,000 Baht. Seafco Public Co., Ltd. held shares in the proportion of 50 percent, total investment was 13,000,000 Baht.

On 31 May 2018, the company increase in the registered capital of the company to facilitate the dividend payment from 611,330,016 share to 672,462,018 share, par value of 0.50 baht each, to be registered share capital of 336,231,509 baht.





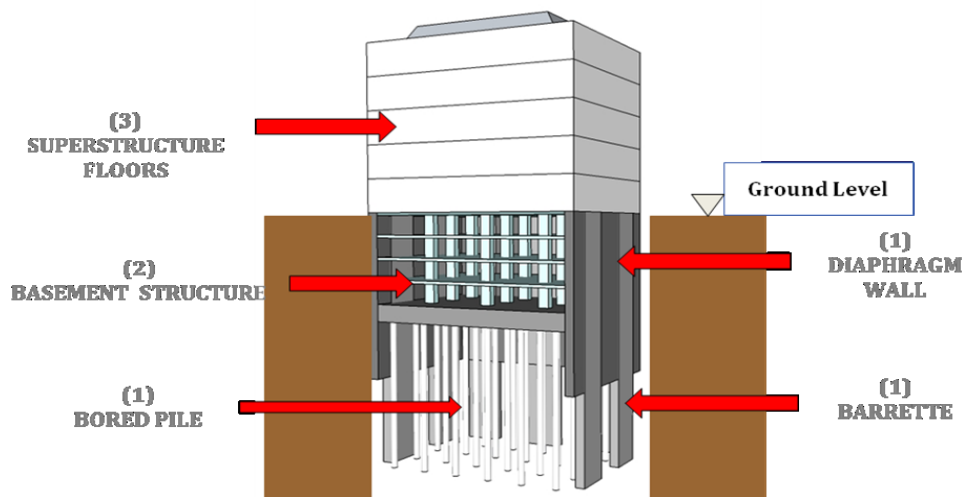
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## Nature of Business

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
- Various Testing Service



### 1. Revenue Structure of the Group by Line of Business

	Line of Business					
	2018		2017		2016	
	MB	%	MB	%	MB	%
Bored Piling and Diaphragm Wall Construction Revenue (Labor Only)	1,174	43%	700	38%	644	35%
Bored Piling and Diaphragm Wall Construction Revenue (Labor and Material)	1,420	51%	1,063	58%	1,194	64%
<b>Total Bored Piling and Diaphragm Wall Construction</b>	<b>2,594</b>	<b>94%</b>	<b>1,763</b>	<b>97%</b>	<b>1,838</b>	<b>99%</b>
Sub-Construction and Civil Work Revenue	7	-	7.04	-	5	-
Overseas	164	6%	48.01	3%	20	1%
<b>Total Revenue</b>	<b><u>2,765</u></b>	<b><u>100%</u></b>	<b><u>1,818</u></b>	<b><u>100%</u></b>	<b><u>1,863</u></b>	<b><u>100%</u></b>

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## 2. Revenue Structure of the Group by Source of revenue

	2018		2017		2016	
	MB	%	MB	%	MB	%
1. Government Sector	1,233	45%	663	36%	313	17%
2. Private Sector	1,532	55%	1,155	64%	1,550	83%
<b>Total</b>	<b><u>2,765</u></b>	<b><u>100%</u></b>	<b><u>1,818</u></b>	<b><u>100%</u></b>	<b><u>1,863</u></b>	<b><u>100%</u></b>

## Industry conditions and competition

During the years 2018-2021, several working units will disburse investment budget for approximately 1.18 trillion Baht, especially transport operational plan to support development of Eastern Economic Corridor (EEC) and electric train construction project in Bangkok and peripheral area in several electric train routes, as well as Mega Project in regions will be factors to support the public sector construction in the next phase which is the opportunity for large entrepreneurs to receive work directly from government agencies, as well as sub-contractors and related supply chains. Public sector bidding will make contractors to demand for credit more for both the letter of guarantee for bidding, performance bond and project finance. This group of credit has low proportion of NPL. It will be the result of disbursement of investment budget to drive major investment projects, after having new government from election. There is expectation that it will help the government construction to recover. It will expand by about 7.7% and 7.1% in the years 2019-2020, respectively. It will have positive result on the need for construction materials in civil engineering work group, such as stone, sand, steel, asphalt, cement, etc.

For private sector construction, especially construction of residential buildings remains sluggish because residential real estate market still has a large number of accumulated residences for sales. In the year 2019, the country has been affected by new LTV measures of Bank of Thailand, resulting in private sector construction to expand by about 3.2%, slowing down from 4.4% growth in the year 2018, but in the year 2020, residential construction will have opportunity to grow by 5.5% because of the new Land and Construction Tax Act (applicable on 1 January 2020) will support the development of wild and vacant land more to reduce tax impact, including pressure force from excessive supply starting to decline, while commercial real estate, such as office buildings, commercial buildings, shopping center buildings, or factories have trend to improve more, having positive result to the business of selling construction materials, especially those who are alliance with developer will receive direct benefits from the recovery of real estate business.

### In summary, the industry rating of businesses has connection in the construction business group.

Construction; even though in the past the investment budget disbursement of public sector has been delayed and lower than the determined target, until affecting the government construction, the trend of civil engineering contracts in the public sector is likely to be more active from the Eastern Aviation City Development Project (U-Tapao Airport) and the development of transportation infrastructure, such as high-speed trains, connecting 3 airports, construction of trains and roads. Therefore, there is opportunity for entrepreneurs who accept direct work from government agencies, including subcontractors and supply chain to have more work.

- For private construction; there is trend to be slower, especially in the residential real estate group, which will be affected by the new LTV measures of Bank of Thailand that will be enforced in the year 2019 and the remaining supply for sales which is accumulated in the market is still a lot. In some areas, there are residential housing developers who have plans to open new projects in important locations such as new lines of electric trains in large cities and important economic areas for commercial real estate group, such as office buildings, commercial buildings, shopping center buildings, factories, there is trend to upgrade more.

- However, the price of construction materials tends to increase, as well as risk of labor shortage and labor costs, including the direction of interest rates that may affect the profitability of entrepreneurs.

- Sales of construction materials; It has received more positive factors from the investment in public sector projects that are more clear and the real estate business which is an important market, especially for group of office buildings and shopping centers for rent grow more continuously as there is entry of foreign business group and tourism; as a result, the overall construction trend is still rising, while some of the residential real estate groups will be affected by the new LTV measures, resulting in slow demand for construction materials in this group.

- Competition of the construction material sales business is still high, from the expansion of branches of major business operators and the entry of small entrepreneurs. The export market in the year 2019, it is expected to recover after the ASEAN market experiences severe flood; this market is the main market, but the export market may have to compete with products from China that will receive positive factors from the weakening Yuan.

- During the 5 years (2014-2018), the value of construction investment had an average proportion of 8.1% of GDP, especially the public sector construction has returned to play a higher role than private construction since the year 2015 until now, from the government's driving force, especially the investment projects to develop the infrastructure that are continuously issued under the NCPO government, while private construction investment has been affected by the slowdown in the real estate sector, especially for residential real estate that tend to slow down.

- The overview of construction in the year 2018, began to recover from the second quarter of both public and private sectors construction. In the first three quarters, public construction increased by 1.9% (YoY) and private construction increased by 4.0% (YoY). It is expected that the overall construction of the whole year will grow at 3.6%, recovering from contraction of 2.2% in the year 2017, due to the fact that the disbursement from the previous investment budget has reduced from the previous year, resulting in the public sector investment in the year 2018 not to recover much.

- For the years 2019-2020, the BMR team expects construction to grow in the range of 5.3% -6.4% in line with the growth direction of public and private investment. Krungthai Macro Research Team expects that in the year 2019-2020, public investment will grow in the framework of 6.7% -7.2%. The private investment will grow in the framework of 5.0% -7.2%.

**In public sector construction**, about 80% is civil construction which was supported by the expansion of public sector infrastructure investment which has passed through the investment budget, NESDB estimates that during the years 2018-2021,



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there will be disbursement of investment expense for transportation throughout the country, approximately 1.18 trillion Baht, especially in the year 2018. In addition to the construction project of electric trains in Bangkok and peripheral areas in several routes, having progress, there is also Mega Project in the infrastructure development project to support the development of the Eastern Economic Corridor (EEC) Project, approved by the Cabinet and it is expected to receive joint venture in the year 2019, which will be a factor to support the public sector construction in the next phase.

- However, in the year 2018, the disbursement of investment budget was still lower than the target. The disbursement during January - November 2018 decreased by 1.7% (YoY), resulting in the overview of the public sector construction not recovering much.

**Private construction;** about 56.5% of private construction is building construction which in the past, has been affected by the sluggishness of the residential real estate, reflected by the reduction of construction permission areas throughout the country and the new launch project of the developer because in the market there is still many residences for sales, most of which are townhouses and condominiums at the price level of 1-3 million Baht that the market is experiencing purchasing power problems which there was no measure to stimulate purchasing by public sector in the year 2018 and businesses still had to face the regulatory measures of Bank of Thailand (minimum down payment threshold: LTV) that may affect the business recovery in next year.

- For commercial real estate construction, such as office buildings/shopping center buildings for rent, apartments/service apartments and industrial estates, it is still preferred by the market, especially in Bangkok area and the peripheral area, in large cities and economic areas, such as EEC, etc.

Source: Industry Rating Construction & Building Materials, Krung Thai Bank Public Company Limited



## Risk Factors

### **1. The Risk of Reliance on Key Management Staff**

There are three founders of the company. Two of them have currently retired and the remaining founder is Dr. Narong Thasnaniphan, an engineer with long experience in the construction industry, particularly the underground construction, over 45 years. He is well recognized and accepted by designers, engineering companies, consultants and project owners. That is the key qualification to make contact with customers.

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, the Company sought the potential candidate and hired the qualified personnel whose work performance proves satisfactory.

### **2. 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 more than 10 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.

### **3. 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 company set allowance for doubtful accounts for trade accounts having outstanding debts more than 12 months. In the year 2018, the company set reserve for bad debt in the amount of 59 million Baht.



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#### **4. 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.

#### **5. 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.

For the civil work undertaken from the government agencies, the company has prepared the construction plan in accordance with the construction schedule to prevent any penalty charge imposed on late delivery even though there have been some penalty charge s imposed in the preceding years.

#### **6. 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 within the target.



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## **7. 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 result.

## **8. 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 affect 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.

## **9. New-Projects Risk**

With their conditions, bored pile and diaphragm 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 searched for new market for instance, in AEC in order to support domestic market.

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

## **10. Risk from shortage in personnel**

According to the growth in construction business and the government policy to adjust the daily minimum wage to 300 baht in every province of the country, many workers have opted to go back home. As a result, the construction businesses have suffered the labor shortage problem. Therefore, the company has made the registration with the Department of Employment for procurement of alien workers and promotion of trainee students from various academic institutes to participate in the training program of the company for selection of the students to work with the company. Besides, the company has provided educational scholarship to the students in the undergraduate institutes to have those students work with the company after their graduation.



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### **11. Risks from Fraud and Corruption**

Most of the construction works have to be performed outside, so it is quite difficult to prevent frauds and corruptions. We reduce the risks by encouraging report on wrongdoings and establish foolproof internal control system in which we make assessment continuously. We also provide training in meditation to ensure that our staffs are happy, peaceful and calm in order to reduce risks.

The company has carefully arranged a procedure to protect and to prevent those whistle blower from any impact.

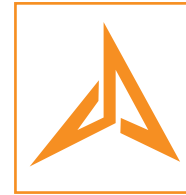
### **12. Risk from non-compliance with the production process indicated**

Non-compliance with the process results in the risk and the company may have the performance problems such as

- Outputs are not in accordance with the schedule while costs like repair charge will increase.
- Trust from customers will decline because the output is not in accordance with the schedule.
- Damages incurred nearby the work site may lead to a law suit.
- Accident resulted from the work may damage the property of the company, including safety of the

employees.

To prevent such risk, the company has prepared a checklist for the employees to comply and there is a process arranged to monitor that the process has been followed or not.



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## Structure of Shareholders and Management

### Structure of Shareholders

List of the Largest Shareholders as at January 29, 2019

Shareholders' List	Number of Shares	Percentage of Paid Up Capital
<b>1. Thasnanipan Group</b>	<b>173,860,225</b>	<b>25.86</b>
1.1 Dr. Narong Thasnanipan	51,689,033	7.69
1.2 Mrs. Paovana Thasnanipan	21,688,330	3.23
1.3 Mr. Nutthapan Thasnanipan	6,838,105	1.02
1.4 Miss Nutthawan Thasnanipan	5,940,798	0.88
1.5 Mrs. Nutthakarn Thasnanipan Thanho	47,728,195	7.10
1.6 Mr. Thasapan Thasnanipan	21,271,247	3.16
1.7 Mr. Nutthapon Thasnanipan	15,620,815	2.32
1.8 Mr. Decha Thasnanipan	3,083,702	0.46
2. Thai NVDR Company Limited	32,636,041	4.85
3. Mr. Tachapong Pravesvararat	15,783,600	2.35
4. TISCO MID/SMALL CAP EQUITY FUND	15,525,450	2.31
5. K Master Fooled Fund	14,317,500	2.13
6. Muang Thai Life Assurance Public Company Limited	13,162,650	1.95
7. SCB DIVIDEND STOCK 70/30 LONG TERM EQUITY FUND	12,296,170	1.82
8. Thai Life Insurance Public Company Limited	8,747,000	1.32
9. Miss. Puangmali Pravesvararat	7,111,399	1.05
10. UOB LONG TERM EQUITY FUND	6,397,130	0.95
11. The Krung Thai Long -Term Equity Fund (KTLF)	6,188,710	0.92
12. Mr. Parit Narathassajarn	5,943,465	0.88
13. Other	360,493,088	53.61
<b>Total</b>	<b>672,462,428</b>	<b>100.00</b>



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## Organization Chart





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## Management

### Board of Directors as of November 12, 2018

#### Shareholders

#### Board of Director

##### List of names the Board of Director

1. Assoc.Prof Dr. Somjai	Phagaphasvivat	Chairman (Independent Director)
2. Dr. Narong	Thasnanipan	Director
3. Mr. Padej	Rujikhajorndej	Director
4. Mr. Kamol	Singtogaw	Director
5. Miss. Nutthawan	Thasnanipan	Director
6. Mr. Zaw Zaw	Aye	Director
7. Mr. Nutthapan	Thasnanipan	Director
8. Mr. Nutthapon	Thasnanipan	Director
9. Mr. Nirandom	Akrakitak	Director
10. Mr. Siwa	Sangmanee	Director (Independent Director)
11. Mr. Somkuan	Watakeekul	Director (Independent Director)
12. Mr. Somkual	Musig – In	Director (Independent Director)
13. Mr. Loyleuan	Bunnag	Director (Independent Director)
Mr. Anek Srituptim Secretary		

#### Executive Board

##### List of names the Board of Executive Director

1. Dr. Narong	Thasnanipan	President
2. Mr. Padej	Rujikhajorndej	Executive Director
3. Mr. Kamol	Singtogaw	Executive Director
4. Mr. Zaw Zaw	Aye	Executive Director
5. Miss Nutthawan	Thasnanipan	Executive Director
6. Mr. Nutthapan	Thasnanipan	Executive Director
7. Mr. Nutthapon	Thasnanipan	Executive Director
8. Mr. Nirandom	Akrakitak	Executive Director

#### Recruitment and Compensation Committee

##### List of names the Recruitment and Compensation Committee

1. Mr. Somkuan	Watakeekul	Chairman of the Recruitment and Compensation Committee
2. Mr. Loyleuan	Bunnag	Recruitment and Compensation Committee
3. Miss. Nutthawan	Thasnanipan	Recruitment and Compensation Committee

#### Audit Committee

##### List of names the Audit Committee

1. Mr. Siwa	Sangmanee	Chairman of the Audit Committee
2. Mr. Somkuan	Watakeekul	Audit Committee
3. Mr. Somkual	Musig – In	Audit Committee
4. Mr. Loyleuan	Bunnag	Audit Committee

#### Risk Management Committee

##### List of names the Risk Management Committee

1. Mr. Somkual	Musig – In	Chairman of the Risk management Committee
2. Mr. Padej	Rujikhajorndej	Risk management Committee
3. Mr. Kamol	Singtogaw	Risk management Committee
4. Mr. Zaw Zaw	Aye	Risk management Committee
5. Mr. Nutthapan	Thasnanipan	Risk management Committee
6 Mr. Nirandom	Akrakitak	Risk management Committee
7. Mr. Nutthapon	Thasnanipan	Risk management Committee



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## Corporate Governance, Social responsibility and sustainable development Committee

### Corporate Governance, Social responsibility and sustainable development Committee

List of names the Corporate Governance, Social responsibility and sustainable development Committee

- |                  |                |   |
|------------------|----------------|---|
| 1. Mr. Loyleuan  | Bunnag         | Chairman of the Corporate Governance, Social responsibility and sustainable development Committee |
| 2. Mr. Padej     | Rujikhajorndej | Corporate Governance, Social responsibility and sustainable development Committee                 |
| 3. Mr. Nutthapan | Thasnanipan    | Corporate Governance, Social responsibility and sustainable development Committee                 |
| 4. Mr. Nutthapon | Thasnanipan    | Corporate Governance, Social responsibility and sustainable development Committee                 |

## Structure Executive Officer

### Board of Executive officer

List of names the Board of Executive officer

- |                   |                  |  |
|-------------------|------------------|--|
| 1. Dr. Narong     | Thasnanipan      | CEO  |
| 2. Mr. Zaw Zaw    | Aye              | Senior Executive Vice President: Operation Group 2   |
| 3. Miss Nutthawan | Thasnanipan      | Senior Executive Vice President: Administration Group  |
| 4. Mr. Kamol      | Singtogaw        | Executive Vice President:<br>Marketing and Customer Relationship Department (Domestic)   |
| 5. Mr. Padej      | Rujikhajorndej   | Executive Vice President:<br>Bored Piles and Diaphragm Wall, soil Improvement and other<br>geotechnical engineering Department |
| 6. Mr. Nutthapan  | Thasnanipan      | Executive Vice President : IT  |
| 7. Mr. Nutthapon  | Thasnanipan      | Executive Vice President : Engineering   |
| 8. Mr. Nirandorn  | Akrakitak        | Executive Vice President : President Office  |
| 9. Mr. Kamol      | Youyuenpathana   | Vice President: Civil Work Department  |
| 10. Mr. Anek      | Srituptim        | Vice President: Accounting and Finance Department  |
| 11. Mr. Somsak    | Thawatchpongthon | Vice President: Procurement Department   |
| 12. Mr. Tawat     | Phutphong        | Vice President: Plant Department   |

## Structure of Management

### Board of Directors

Authorized directors consist of two directors shall be empowered to jointly sign and affix Company seal or one director is authorized to sign and seal of the company only for the following matters.

- a) Submission of documents and undertaking any work with the Ministry of Commerce and the government agencies under the supervision of the Ministry of Commerce
- b) Submission of documents and undertaking any work with the Ministry of Labor and the government agencies under the supervision of the Ministry of Labor.
- c) Submission of documents and undertaking any work with the Revenue Department and the government agencies under the supervision of the Revenue Department
- d) Submission of documents and undertaking any work with the Ministry of Interior and the government agencies under the supervision of the Ministry of Interior.
- e) Submission of documents and undertaking any work with Bangkok Metropolitan Administration and the government agencies under the supervision of Bangkok Metropolitan Administration.
- f) Submission of documents and lodging a complaint to file the case of missing property of the company with the police officers.
- g) Undertaking and contact with any government agency or state enterprise or private organization related to the services for running water, electricity, telephone, mail and internet to apply for permission, transfer of ownership and accept the transfer of ownership, to pledge or accept the return of deposit, to transfer and accept the transfer of deposit related to running water, electricity, telephone, mail and internet.

### 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. Chairman of the Board must be independent directors.
3. The Board of Directors consists of not less than 4 independent directors with the following qualifications:
  - 3.1 Independent directors shall hold office for a period of not more than 9 years (in the case that the company is unable to find independent directors with qualifications, knowledge and ability to be equal to the former director, such director will be allowed to hold the position for more than 9 years)
  - 3.2 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.
  - 3.3 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.
  - 3.4 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.



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3.5 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.

4. 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.

5. Backgrounds of all directors are publicly disclosed thoroughly and each time of director change.

6. Board Chairman is not a chairman or member of any sub-committees in order to leave their undertakings independent.

7. Board of Directors have to arrange a meeting on a regularly basis at least seven a year.

8. Sub-committees have to arrange a meeting on a regularly basis at least two a year.

9. Directors of the company and the non-management directors have jointly met with the auditor of the company without participation of the management regularly at least 4 times a year.

10. The independent board meeting shall be held without the management team attending the meeting, at least one time per year.

11. The number of directors attending the meeting and making any resolution is required to be at least half of the total number of the directors and the resolution is required to be approved by the majority vote.

#### **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.

6. The director is not allowed to take the directorship more than 5 companies.

#### **Roles, Duties and Responsibilities of Board Chairman**

1. To act as the leader of the Board of Director, control, follow up and manage the Board of Directors, committees and subcommittees to ensure attainment of objectives as planned.

2. To chair the Board Meetings and Shareholders Meetings.

3. To cast a ruling vote at the Board Meeting in case of a tie vote.

#### **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. The good governance policy, including vision, mission and strategy of the company in the preceding years, is required to be reviewed and approved consistently.
8. The work is to follow up and monitor the implementation of the company's strategy. In the board meeting, in every quarter, the Board follows the management's performance, by specifying the performance report and the operating results of the company, especially the goals of performance and financial goals and the plan is in accordance with the strategy which is laid down.
9. 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.
10. Provide as guidelines for internal performance, provisions about the Code of Conduct and business ethics, and ethics for directors, executives and staff.
11. Stop trading securities at least 1 month prior to a news release of financial statements and at least 3 days subsequent to such release.
12. 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:
  - 12.1 Having a conflict of interest, directly or indirectly, in any contract executed by the Company during a financial year.
  - 12.2 Holding stocks, debentures or preference shares of the Company and its group companies.
13. To assess themselves annually to ensure that they properly take control and perform their tasks well enough. The assessment shall be used for management improvement. The assessment shall be done on the SEC form adapted by the company in line with the company's Board of Directors. The assessment results shall be reported to the Board of Directors for use by the management.



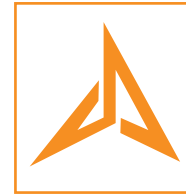
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**Authority of the Board of Directors**

1. Appoint, remove, or give power to advisors of the Board of Directors, several committees and Managing Director to perform the work
2. Consult with experts or the consultant of the company, or to hire a consultant or external expert in case of necessity, with the expense of the company
3. Approve borrowing for use as working capital of the company, in the amount exceeding the authority of the Executive Committee
4. Approval of receiving or canceling credit lines in the amount exceeding the authority of the Executive Committee
5. Approve lending to companies that have business relationships with the company as a shareholder or companies that conduct business with each other or other companies in the amount exceeding the authority of the Executive Committee
6. Approve the guarantee of credit facilities for companies that have business relationships with the company, as a shareholder or companies that conduct business with each other or other companies in the amount exceeding the authority of the Executive Committee
7. Approve the establishment, merger or dissolution of subsidiaries
8. Approve investment, selling investments in ordinary shares and/or any other securities in the amount exceeding the authority of the Executive Committee
9. Approve the procurement and investment in fixed assets in the amount exceeding the authority of the Executive Committee
10. Approve the disposal of fixed assets in the amount exceeding the authority of the Executive Committee
11. Approve the adjustment of the condition, destruction, amortization of fixed assets and/or intangible assets that are discontinued, damaged, lost, destroyed, deteriorated, obsolete or those unable to be used, it will have value in the accounting value (cost) in the amount that exceeds the authority of the Executive Committee
12. Approve compromise, settlement of disputes by arbitration, grievances, prosecution and/or any proceedings in the name of the company for non-commercial matters and/or in the normal course of business that has the capital in the amount exceeding the authority of the Executive Committee
13. Approve the transaction that is not normal for the business in the amount exceeding the authority of the Executive Committee
14. Propose capital increase or decrease in capital or change in the value of shares, amendments to the memorandum of association, articles of association and / or objectives of the company to the shareholders
15. Authorize the management, executives, or employees of the company or any other person who is a representative
16. Having the power to invite the management, executives, or related employees of the company to explain, give opinion, join in the meeting and to send documents as the Board deems that it is related or necessary.
17. Appoint and withdraw the secretary of the company.
18. All such above authority to operate the work of executive committee relating with acquiring or distributing assets or related transactions; it shall be done according to the notice of capital market supervision committee.





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**Quorum of the meeting of the board of directors to pass a resolution**

The policy of the company is that the resolution of the board of directors is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

**Numbers of Board of Directors and numbers of attendance each director attending the meeting**

No.	Name	No.							Total
		1	2	3	4	5	6	7	
1	Assoc.Prof.Dr.Somjai Phagaphasvivat (Chairman)	✓	✓	✓	✓	✓	✓	✓	7/7
2	Dr. Narong Thasnanipan	✓	✓	✓	✓	✓	✓	✓	7/7
3	Mr. Zaw Zaw Aye	✓	✓	✓	✓	✓	✓	✓	7/7
4	Miss Nutthawan Thasnanipan	✓	✓	✓	✓	✓	✓	✓	7/7
5	Mr. Kamol Singtogaw	✓	✓	✓	✓	✓	✓	✓	7/7
6	Mr. Padej Rujikhajorndej	✓	✓	✓	✓	✓	✓	✓	7/7
7	Mr. Nutthapan Thasnanipan	✓	✓	✓	✓	✓	✗	✓	6/7
8	Mr. Nutthapon Thasnanipan	✗	✓	✓	✓	✓	✓	✓	6/7
9	Mr. Nirandorn Akrapitak	✗✗	✗✗	✗✗	✗✗	✗✗	✓	✓	2/2
10	Mr. Siwa Sangmanee	✗	✓	✓	✓	✓	✓	✓	6/7
11	Mr. Somkuan Watakeekul	✓	✓	✓	✓	✓	✓	✓	7/7
12	Mr. Somkual Musig – In	✓	✓	✓	✓	✓	✓	✓	7/7
13	Mr. Loyleuan Bunnag	✓	✓	✓	✓	✓	✓	✓	7/7

✓ Means attend the meeting

✗ Means not attend the meeting

✗✗ Means not attend as he/she has not yet become a director.

**The Board meeting**

In the year 2019, there is making of table of the Board of Directors' meeting for the year 2019 in advance (This meeting schedule may be changed). There is no schedule for sub-committees in advance.

No.	Meeting of the Board of Directors	Meeting of Audit Committee
1	Tuesday 26 February 2019	Tuesday 26 February 2019
2	Friday 5 April 2019	Monday 13 May 2019
3	Monday 13 May 2019	Tuesday 13 August 2019
4	Tuesday 23 July 2019	Tuesday 12 November 2019
5	Tuesday 13 August 2019	
6	Tuesday 12 November 2019	
7	Tuesday 24 December 2019	



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Number of meetings arranged and number of meetings attended by each director, non-executive directors met with auditor of the company without attendance of the management

No.	Name	No.					Total
		1	2	3	4	5	
1	Mr. Siwa Sangmanee	✓	✓	✓	✓	✓	5/5
2	Mr. Somkuan Watakeekul	✓	✓	✓	✓	✓	5/5
3	Mr. Somkual Musig – In	✓	✓	✓	✓	✓	5/5
4	Mr. Loyleun Bunnag	✓	✓	✓	✓	✓	5/5

- ✓ Means attend the meeting  
✗ Means not attend the meeting

#### Meeting of non-executive directors

The Board of Directors determines that non-executive directors (except the chairman of the board), there are meetings as appropriate without any director who is not executive or the management participating in the meeting, to provide opportunities for discussion of several problems both related to the business of the company, such as management strategy, ways of sustainable growth, or other matters. In the year 2018, there was one meeting of non-executive directors.

No.	Name	No.	Total
		1	
1	Assoc.Prof.Dr.Somjai Phagaphasvivat	✗	0/1
2	Mr. Siwa Sangmanee	✓	1/1
3	Mr. Somkuan Watakeekul	✓	1/1
4	Mr. Somkual Musig – In	✓	1/1
5	Mr. Loyleun Bunnag	✓	1/1

- ✓ Means attend the meeting  
✗ Means not attend the meeting

### **Roles, Duties and Responsibilities of the President and CEO**

1. To adopt business policies and strategies; to set targets and allocate annual budgets for the Company and affiliates for approval by the Board of Directors.
  2. To operate business according to the business policies and strategies; to attain the targets with the annual budgets allocated for the Company and affiliates and approved by the Board of Directors.
  3. To report results of operation of the company and affiliates monthly and quarterly for comparison with the plan and budget for acknowledgement and suggestions by the Board of Directors.
  4. To approve payment up to 5 million Baht at a time, subject to reporting such payment to the Board of Directors.
  5. To approve investment not exceeding 50 million Baht in a project related to the company's core business with IRR Project not less than 15%; any project investment – such as maintenance, efficiency increase and replacement of machinery -- that do not meet the above criteria should be submitted to the Board of Directors for approval.
  6. To approve reorganization of sections or lower units.
  7. To perform other tasks assigned by the Board of Directors.
- The authority of the President and CEO does not include (must not be in conflict with the rules of the SEC) approval of transactions which create conflict of interests of the President and CEO, other stakeholders, the company or affiliates or the intercompany transactions, sale of the assets of the company or affiliates which requires approval of the Board Meeting or Shareholders Meeting.
8. To comply with the purchase regulations adopted on 1 March 2006.
  9. The director is not allowed to take the directorship more than 3 companies.
  10. To prepare and make disclosure of shareholding and change in shareholding in his securities and forward contracts, his spouse or those living like a spouse and underage children to the board of directors of the company.

### **In the year 2018, the Company evaluated each committee, individuals, president (CEO)**

#### **With the process of evaluating as follows:**

1. Conduct an assessment of work performance at least once a year
2. Internal auditors summarize and present performance assessment results of all sub-committees individually and the President (CEO). This includes assessment of compliance with good corporate governance principles to the Audit Committee to consider the evaluation results and development guidelines to improve operational effectiveness
3. Audit Committee proposes evaluation results and improvement guidelines to increase operational effectiveness of all directors to the Board of Directors

#### **Assessment form of the Board of Directors, having the following topics of assessment:**

1. Structure and qualifications of directors
2. Roles, duties and responsibilities of directors
3. Meeting of Directors
4. Directors' duties
5. Relationship with directors and executives
6. Self-development of directors



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**Assessment form of the Executive Committee, having the following topics of assessment:**

1. Structure and qualifications of executives
2. Roles, duties and responsibilities of executives
3. Executive meeting
4. Executive duties
5. Relationship with the directors of the company
6. Self-development of the executives

**Assessment form of each sub-committee with the following topics of assessment:**

1. The structure and qualifications of the Board of Directors are appropriate, making the work of the Board effective
2. The sub-committee meeting was carried out so that the Board can perform the duty in the meeting effectively
3. Roles, duties and responsibilities of the Board of Directors in each set has focused the importance, takes

time to consider, review and follow the following matters sufficiently:

**Assessment form of Each Person in the Board with the following topics of assessment:**

1. Structure and qualifications of the Board of Directors
2. Meetings of the Board
3. Roles, duties and responsibilities of the Board of Directors

**Assessment Form of the Chief Executive Officer (CEO) with the following topics of assessment:**

1. Leadership
2. Strategy determination
3. Compliance with the strategy
4. Financial planning and performance
5. Relationship with the Board of Directors and the Executive Committee
6. External relations
7. Management and relationship with the personnel of the company
8. Succession of positions
9. Knowledge of products and services
10. Personal features
11. CEO development

**In the year 2018, the Company evaluated each committee, the result of evaluation is as follows:**

Committee	Evaluation result (%)
Board of Directors	95%
Executive Committee	90%
Audit Committee	95%
The Recruitment and Compensation Committee	94%
Risk Management Committee	93%
Corporate Governance, social responsibility and sustainable development committee	82%
Self evaluation of each person	94%
President, Chief Executive Officer	100%

### **Improvement of Directors and Executives**

The Board of Directors encourage the training and education of directors and executives to provide ongoing operational improvements, such as holding meetings between the directors and high level executives so that they can exchange ideas with each other; make plan for the development of President, Executive Vice President and Vice President to ensure that they are competent enough to perform the following duties.

1. The Board of Directors shall make plan for the increase of the executives' potential, replacement of executives such as President and CEO and Senior Executive Vice President or his deputy.
2. The Recruitment and Remuneration Fixing Committee shall set forth the competency of each executive to ensure engagement of persons with the right qualifications for any vacant positions.
3. To assign the Deputy Senior Executive Vice President: Administration Group the task of overseeing the training and development of knowledge and skills of the new President and CEO.
4. The President shall report the results of the operation and development according to the leadership development program to the Recruitment and Remuneration Fixing Committee twice a year.
5. The Recruitment and Remuneration Fixing Committee shall regularly review and summarize the plan for the replacement of President and Senior Executive Vice President and submit a report to the Board of Directors twice a year.

### **Development Courses for Directors**

The board of directors has a policy to promote continued development of the directors and to encourage participation of the directors in the training courses prepared for the directors as much as possible. Every director of the company is required to pass the training course related to duties to be performed by the directors and the executives of the company. In 2018 the directors, the general managing director and the chairman of the chief executive officer have been through the training courses for more knowledge and understanding in the following matters.

1. Curriculum of Development for Making of Sustainability Report according to GRI Framework, organized by Thaipat Institute, Rural Restoration Foundation of Thailand under the Royal Patronage
2. CGE 10/201 curriculum, organized by Thai Company Director Promotion Association
3. "Digital Social Innovation 2018" course, organized by Ministry of Digital Economy and Society, holding with Thai Information Technology Industry Association
4. DCP 268/201 course, organized by Thai Company Director Promotion Association
5. Risk Management and International Program, organized by Thai Listed Companies Association

## 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.

### Quorum of the meeting of the board of directors to pass a resolution

The policy of the company is that the resolution of the board of directors is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

## Company Secretary

### Roles, Duties and Responsibilities of the company secretary

1. To advise the directors on legal matters, related rules and regulations.
2. To ensure that the company complies with the law, articles of association, regulations and good governance practice.
3. To hold meetings as required by law and articles of association; to make and keep director registration, invitations to Board Meetings, annual reports, invitations to shareholders meetings and minutes of shareholders meetings; to ensure compliance with the resolutions of Board Meetings and Shareholders Meetings.
4. To ensure disclosure of information to regulatory agencies.
5. To contact and communicate with shareholders and regulatory agencies concerned.
6. To provide information on training courses for directors for the benefit of their duty performance.
7. To perform other duties assigned by the Board of Directors.

## Secretary's Profile

Mr. Anek Srituptim is the Secretary of the company. See profile on page 62 of the annual report.

## Sub-committees

The company has established a Sub-Committee, Audit Committee, The Recruitment and Compensation Committee, Risk Management Committee and Corporate Governance, Social responsibility and sustainable development Committee as follows:-

### Audit Committee

The audit committee has been appointed since March 2, 2004 with the term in the office of 3 years and the audit committee is required to arrange a meeting and make a report to the board of directors of the company.

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

Mr. Somkual Musig – In an experience in the financial statements. The Bachelor of Business Administration (Accounting) from Thammasat University.



### **Roles, Duties and Responsibilities 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 halving 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. To disengage auditor who fails to accomplish to tasks.
6. To recruit and nominate the auditor who will conduct audit as assigned; to have the power to disengage the auditor who fails to accomplish the tasks.
7. 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.
8. 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.
9. 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:
  - 9.1 Opinion toward the accuracy, completeness and reliability of the production process and disclosure of financial reports.
  - 9.2 Opinion toward the adequacy of the internal control.
  - 9.3 Decent reason justifying the appointment of the auditor for another term.
  - 9.4 Opinion toward compliance with the law on securities and stock exchange, Stock Exchange requirements, and laws related to Company business.
10. 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.
11. Report the Audit Committee's performance to the Board of Directors at least 4 times a year.
12. Arrange a meeting between the Audit Committee and the external auditor at least 4 times a year.



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#### Quorum of the meeting of the board of Audit Committee to pass a resolution

The policy of the company is that the resolution of the board of Audit Committee is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

In the year 2018 the Board non-Executive Directors of the Audit Committee in particular there has been a Conference by attendees, only the external auditors and internal auditors have all 5 times by meeting before Board meetings.

#### Numbers of Board of Audit Committee and numbers of attendance each director attending the meeting

No.	Board of Audit Committee	No.					Total
		1	2	3	4	5	
1.	Mr. Siwa Sangmanee (Chairman)	✓	✓	✓	✓	✓	5/5
2.	Mr. Somkuan Watakeekul	✓	✓	✓	✓	✓	5/5
3.	Mr. Somkual Musig – In	✓	✓	✓	✓	✓	5/5
4.	Mr. Layleuan Bunnag	✓	✓	✓	✓	✓	5/5



Means attend the meeting



Means not attend the meeting

#### The Recruitment and Compensation Committee

##### Roles, Duties and Responsibilities of the Recruitment and Compensation Committee

- 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
- Establish criteria for compensation to directors, managing director, and submit to the Board for approval consideration at the General Shareholders' Meeting
- Conduct other matters as assigned by the Board of Directors.
- To recruit and select the persons to become the directors and chairman of the executives at the expiry of the term or when there is any vacancy or the other executive post assigned by the board of directors.
- To provide recommendation on method to evaluate the performance of the directors and the board of directors to the board of directors.
- To review and suggest any correction to scope, duty and responsibility of the recruitment committee in compliance with the conditions.
- Other works assigned by the board of directors.

#### Quorum of the meeting of the board of Recruitment and Compensation Committee to pass a resolution

The policy of the company is that the resolution of the board of Recruitment and Compensation Committee is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

Numbers of Board of Recruitment and Compensation Committee and numbers of attendance each director attending the meeting

No.	Board of Recruitment and Compensation Committee	No.	Total
		1	
1	Mr. Somkuan Watakeekul (Chairman)	✓	1/1
2.	Mr. Loyleuan Bunnag	✓	1/1
3.	Miss. Nutthawan Thasnanipan	✓	1/1

*On November 12, 2018 Mr. Loyleuan Bunnag and Miss Nutthawan Thasnanipan was appointed to be Recruitment and Compensation Committee, replacing Dr. Narong Thasnanipan and Mr. Zaw Zaw Aye*

- ✓ Means attend the meeting
- ✗ Means not attend the meeting
- ✗✗ Means not attend as he/she has not yet become a director

#### **Directors with diversity of background**

The Selection Committee is required to arrange the requirements on selection of the directors and to determine the procedure related to diversity of the other qualifications of the entire board such as directors from various group of stakeholders and educational background, age, gender, etc.

In addition, the Selection Committee will look into the schedule of the directors whose term is about to expire to determine the skill and competency that the new directors recruited should have to replace the missing skill and competency. There are three categories of competency.

1. Knowledge directly involving with construction business, construction business background and engineering education
2. Knowledge and experience related with construction business, organization management, human resource management and administration in government agencies.
3. Specific knowledge and experience such as related laws, rules and regulations related to the business undertaken, accounting and finance, understanding in financial statements, accounting standards or being an audit committee of the listed company and knowledge in communication and information technology.

#### **Orientation for new directors**

The director who is newly appointed a director of the company will be provided with an orientation for new directors to provide information on duties and businesses of the company, introduction to duties of each executive and rules and regulations, requirements of SEC and other related laws.



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### **Risk Management Committee**

The Board of Directors has appointed a new Risk Management Committee on 12 November 2018 to determine the risk management policy in the management of the company, to be in accordance with the company's management policy and strategy including evaluating the result of risks which may occur in order to report to the Board of Directors.

**In risk management**, the Board of Directors has monitored and acknowledged the risk management plan of the Company from the management's report in reporting the performance of the Board of Directors every time and acknowledges from the report of the Corporate Governance Committee and Risk Management Committee which the company has determined and assessed the risks of the business. There is determination of measures to protect and risk management system which is effective, covering the entire organization.

### **Risk administration and management policies**

1. The Board of Directors, executives, all employees and all working units are the owners of risk, are responsible for conducting assessments, monitoring and supporting the effective risk management process.
2. All working units of the company must have a risk administration and management process, as well as systematic and continuous evaluation and follow-up, by having to constantly improve the process to suit business changes at least once a year.
3. Determine the risk assessment as part of the annual plan of all parties, by considering all risks covering the entire organization, by taking into account both internal and external risk factors, including determining appropriate risk management.
4. The Corporate Governance Committee and Risk Management Committee is responsible for evaluating risk management and proposing opinion to the Board of Directors.
5. Create a organization culture for mutual understanding and awareness of risks, create body of knowledge base, so that employees at all levels can research information, exchange experiences which will lead to the development and improvement of the risk management process to be an effective mechanism for strategic management

### **Roles, Duties and Responsibilities 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

**Quorum of the meeting of the board of risk management committee to pass a resolution**

The policy of the company is that the resolution of the board of risk management committee is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

**Numbers of risk management committee and numbers of attendance each director attending the meeting**

No.	Risk Management Committee	No.				Total
		1	2	3	4	
1	Mr. Somkual Musig – In (Chairman)	× ×	✓	✓	✓	3/3
2	Mr. Zaw Zaw Aye	✓	✓	✓	✓	4/4
3	Mr. Padej Rujikhajorndej	✓	✓	✓	✓	4/4
4	Mr. Kamol Singtogaw	✓	✓	✓	✓	4/4
5	Mr. Nutthapan Thasnanipan	✓	✓	✓	×	3/4
6	Mr. Nutthapon Thasnanipan	×	✓	✓	✓	3/4
7	Mr. Nirandorn Akrapitak	× ×	× ×	× ×	× ×	-/-



Means attend the meeting



Means not attend the meeting



Means not attend as he/she has not yet become a director

*On May 10, 2018 Mr. Somkual Musig-In was appointed to be Chairman of Risk Management Committee, replacing Mr. Nutthapon Thasnanipan*

*On November 12, 2018 Mr. Nirandorn Akrapitak was appointed to be Risk Management Committee,*

**Corporate Governance, Social responsibility and sustainable development Committee**

**Roles, duties of the committee on Corporate Governance, social responsibility and sustainable development**

**Corporate Governance**

1. To determine policies and to arrange corporate governance manual of the company and to prepare the business ethics manual for submission to the board of directors for approval on practice by every level of the employees.
2. To supervise strict and continuous compliance with corporate governance manual and business ethics manual.
3. To make an assessment and review related to policies, directions, guidelines or practices on international corporate governance.
4. To monitor movement, trend and comparison with leading companies on good corporate governance for better improvement.
5. To provide suggestion to the company, the board of directors, the management and working group on matters related to good corporate governance.
6. To prepare and submit a report on compliance with the good corporate governance policy to the board of directors immediately on matters with significant impacts on the company.
7. Disclosure on information related to good corporate governance in the website of the company and the annual report to all stakeholders for acknowledgement.



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Social responsibility and sustainable development

1. To arrange and submit the policy and tendency of social responsibility and sustainable development to the board of directors of the company for approval.
2. To provide assistance to the work on social responsibility and sustainable development with attendance to the meeting and guidelines on the operations and periodic monitoring with the time frame provided.
3. To screen the operating plan, annual budget and inquire about the performance on social responsibility and to make a report to the board of directors.
4. To examine and assess the performance on social responsibility and sustainable development and provide recommendations for development and report to the board of directors at least once a year on sustainable development with disclosure to the public.
5. To appoint a subcommittee on social responsibility and sustainable development as deemed suitable.

**Numbers of Corporate Governance, Social responsibility and sustainable development Committee and numbers of attendance each director attending the meeting**

No.	Name	No.						Total
		1	2	3	4	5	6	
1	Mr. Loyleuan Bunnag (Chairman)	✕✕	✕✕	✕✕	✓	✓	✓	3/3
2	Mr. Padej Rujikhajorndej	✓	✓	✓	✓	✓	✓	6/6
3	Mr. Nutthapan Thasnanipan	✓	✓	✓	✓	✓	✓	6/6
4	Mr. Nutthapon Thasnanipan	✓	✓	✓	✓	✓	✓	6/6



Means attend the meeting



Means not attend the meeting



Means not attend as he/she has not yet become a director

*On August 10, 2018 Mr. Loyleuan Bunnag was appointed to be Chairman of Corporate Governance, Social responsibility and sustainable development Committee*

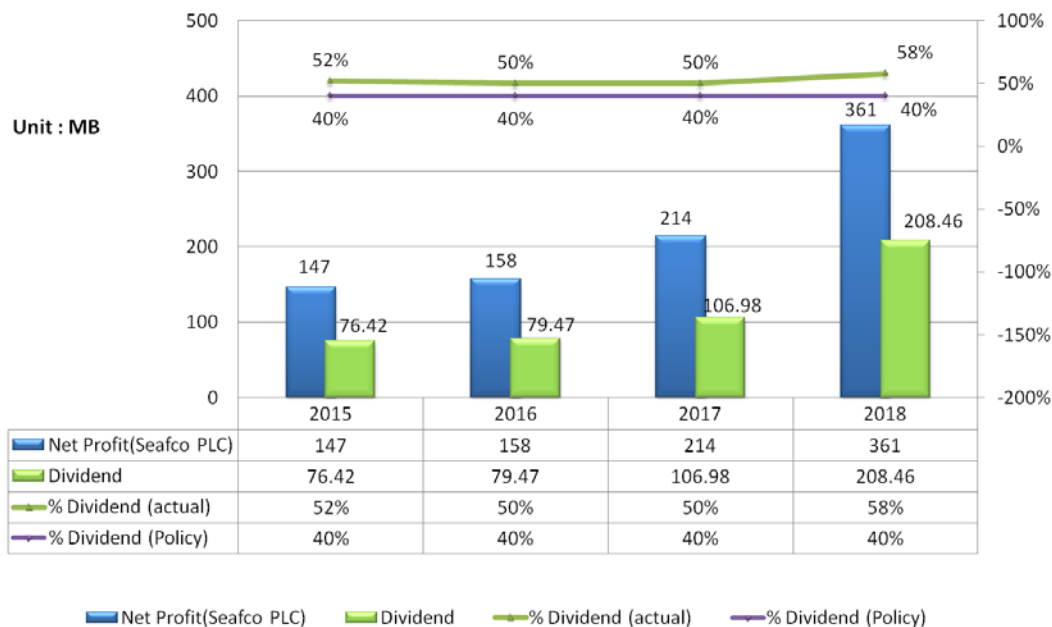


### Policy on Dividend Payment

It is our policy to pay dividend at the rate of at least 40% of net profit after deduction of taxes and allocation of reserve as required by law, provided that such payment does not significantly affect the normal operation of the company. Decision on dividend payment shall be based on performance, financial status, liquidity and expansion plan, etc., subject to approval of shareholders meeting or Board of Directors.

Our affiliates pay dividend on the basis of their performance and plans for future investment. The rate of payment is not fixed.

Dividend each year





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## Details of Directors and Persons with Power of Control

### 1. Office terms of executives and persons with power of control

No.	Executives Name and persons with power of control	Company	Related Companies		
			1	2	3
1.	Dr. Narong Thasnanipan	/, //, 0	/	/	/
2.	Mr.Zaw Zaw Aye	/, //, ///	/	/	/
3.	Miss Nutthawan Thasnanipan	/, //, ///			
4.	Mr. Kamol Singtogaw	/, //, ///	/	/	
5.	Mr. Padej Rujikhajorndej	/, //, ///	/		
6.	Mr. Nutthapan Thasnanipan	/, //, ///			/
7.	Mr. Nutthapon Thasnanipan	/, //, ///			
8.	Mr. Nirandorn Akrapitak	/, //, ///			
9.	Asst. Prof. Dr. Somjai Phagaphasvivat	X, /, IV			
10.	Mr. Siwa Sangmanee	/, IV			
11.	Mr. Somkuan Watakeekul	/, IV			
12.	Mr. Somkual Musig-In	/, IV			
13.	Mr. Loyleuan Bunnag	/, IV			
14.	Mr. Anek Srituptim	///			
15.	Mr. Kamol Youyuenpathana	///			
16.	Mr. Somsak Thawatchpongthon	///			
17.	Mr. Tawat Putphong	///			

X = Chairman

/ = Director

// = Executive Director

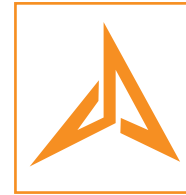
/// = Executive Officer

0 = CEO

IV = Independent Director

### Note:

1. = Seafco Construction Co.,Ltd.
2. = Seafco Intertrade Co.,Ltd.
3. = Seafco (Myanmar) Co.,Ltd.



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2. Report on shareholding of directors and high level executives

	<b><u>Executives Name and persons with power of control</u></b>	<b><u>22 January 2018</u></b>	<b><u>During the year 2018 Increase (decrease)</u></b>	<b><u>29 January 2019</u></b>
1.	Dr. Narong Thasnanipan	46,899,122	4,789,911	51,689,033
2.	Miss Nutthawan Thasnanipan	5,400,726	540,072	5,940,798
3.	Mr. Padej Rujikhajorndej	40,000	26,000	66,000
4.	Mr. Kamol Singtogaw	46,486	4,648	51,134
5.	Mr.Zaw Zaw Aye	79,622	7,962	87,584
6.	Mr. Nutthapan Thasnanipan	6,443,732	394,373	6,838,105
7.	Mr. Nutthapon Thasnanipan	14,109,832	1,510,983	15,620,815
8.	Mr. Nirandorn Akrapitak	-	-	-
9.	Asst. Prof. Dr. Somjai Phagaphasvivat	-	-	-
10.	Mr. Siwa Sangmanee	-	-	-
11.	Mr. Somkuan Watakeekul	-	-	-
12.	Mr. Somkual Musig-In	-	-	-
13.	Mr. Loyleun Bunnag	-	-	-
14.	Mr. Anek Srituptim	61,138	6,113	67,251
15.	Mr. Kamol Youyuenpathana	-	-	-
16.	Mr. Somsak Thawatchpongthon	-	-	-
17.	Mr. Tawat Putphong	-	-	-



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**3. Details of directors, executives, persons with power of control , secretary, the highest responsible person in accounting and finance (CFO) and bookkeeping supervisor**

**Name-Surname / Age / Position / Date of appointment**

Dr. Narong Thasnanipan / 71 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and CEO

Date of initial appointment is 18 March 2004 and Date of recent appointment is 26 April 2018

**Education**

- Bachelor's Degree of Science in Civil Engineering Far Eastern University, Manila, Philippines
- Bachelor's Degree of Law in Ramkhamhaeng University
- Honorary Doctorate Degree in Civil Engineering King Mongkut's Institute of Technology Ladkrabang

**IOD Program**

- Successful Formulation & Execution of Strategy (SFE), Class 3/2009
- Advanced Audit Committee รุ่น 1/2009
- Monitoring the System of Internal Control and Risk Management (MIR 4) / 2008
- Monitoring the Internal Audit Function (MIA 4) /2008
- Role of Committee Program (RCC), Class 24/2008
- Audit Committee Program (ACP), Class 24/2008
- Role of the Compensation Committee Program, Class 3/2007
- Director Certification Program (DCP), Class 92/2007
- Director Accreditation Program (DAP), Class 15/2004
- Finance for Non -Finance Directors / 2004

**Other Program**

- Senior Executive Program for Nation-Building Class1
- High Executive Program, Thammasat for Society NorMorThor. Group 4
- Bhumipalung Phandin Program, Chulalongkorn University Group 2
- Certificate of Capital market academy class 12
- Leadership Development Program (LDP) , IOD
- Samanthi Course, Willpower Institute Class 27
- Advanced Meditation, Willpower Institute
- Ajariyasa samathi, Willpower Institute Class 7/2

**Percentage of Paid up capital**

As of January 29,2019 10.92% (Director 7.69%, spouse ...3.23.% and underage children ...-....%)

**Relationship between management**

Father Miss.Nutthawan Thasnanipan, Mr. Nutthapan Thasnanipan and Mr. Nutthapon Thasnanipan

**Experiences (As of 31/12/2018)**

1999 - Now President and CEO, Seafco Plc



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#### Position in other

- Director, Seafco Construction Co.,Ltd. (Companies in the group)
- Director, Seafco Intertrade Co.,Ltd. (Companies in the group)
- Director, Seafco Myanmar Co.,Ltd. (Companies in the group)
- Director of Foundation of Professor Dr. Chai Muktaphan
- Director of Foundation of Power of Mind Institute of Luang Por Wiriyang Sirintharo (2014-Now)
- Committee Member of Thammasat for Society Project (Nor Mor Thor) (2017-present)
- Advisory Committee Member of Concrete Association of Thailand (2018-2019)
- Committee Member, Senior Engineer, Engineering Institute of Thailand (2017-2019)
- Vice President, Listed Companies Association (2015-2017)
- Committee Member, Thai Concrete Product Industry Association (2015-2017)
- Committee Member, Master of Engineering Curriculum Improvement Program, Civil Engineering, International Program, Mahidol University (2017)



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**Name-Surname / Age / Position /Date of appointment**

Mr. Zaw Zaw Aye / 55 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Senior Executive Vice President : Operation Group 2

Date of initial appointment is 18 April 2011 and Date of recent appointment is 26 April 2018

**Education**

- M.Sc in Geotechnical Engineering, Asian Institute of Technology, Thailand

**IOD Program**

- Director Certification Program Class 196/2014

**Other Program**

- Leadership Development Program (LDP) Class 3 (TLCA)

**Percentage of Paid up capital**

As of January 29,2019 0.01% (Director 0.01%, spouse ...-....% and underage children ...-....%)

**Relationship between management**

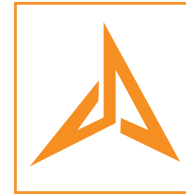
- None -

**Experiences (As of 31/12/2018)**

- 1999 - 2011 Vice President R&D, Seafco Plc
- 2011 - 2013 Executive Vice President, Seafco Plc
- 2013 - Now Senior Executive Vice President : Operation Group 2, Seafco Plc

**Position in other**

- Director, Seafco Construction Co.,Ltd. (Companies in the group)
- Director, Seafco Intertrade Co.,Ltd. (Companies in the group)
- Director, Seafco Myanmar Co.,Ltd. (Companies in the group)



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**Name-Surname / Age / Position /Date of appointment**

Miss Nutthawan Thasnanipan / 40 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Senior Executive Vice President : Administrative Group

Date of initial appointment is 10 April 2009 and Date of recent appointment is 21 April 2016

**Education**

- Master of Science in Financial Management, University of Exeter/ Exeter, United Kingdom
- Bachelor Degree in Business Administration in majoring of Accounting Assumption University/ Bangkok, Thailand

**IOD Program**

- Director Certification Program #116/2009
- Role of the Nomination and Governance Committee 1/2011
- Risk Management Committee Program (RMP) 6/2015

**Other Program**

- Entire Business Innovative Transformation (EBIT)
- Financial Statement for Director (FSD) , IOD
- Professional CFO Class 4 (NIDA)
- Executive Director Program Class 5
- High Executive Program, Thammasat for Society NorMorThor. Group 3
- Leadership Development Program (LDP) Class 2 Thai Listed Companies Association (TLCA)
- TISCO Wealth Enhancement Program (Tisco WEP2)
- Thai-Chinese Young Executive Program (TCYEP) Class 1
- Bhumipalung Phandin Program, Chulalongkorn University Class 4
- Academy of Business Creativity (ABC) Class 4 Sripatum University
- Executive Program for Young Professional (EYP 2), 2016
- Strategic CFO, 2016
- Media Appreciation & Products-Service Strategies (MAPS 1), 2016
- Certificate in Investor Relations 2016
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 0.88% (Director 0.88%, spouse ...-....% and underage children ...-....%)

**Relationship between managemen**

Offspring Mr. Narong Thasnanipan

**Experiences (As of 31/12/2018)**

2009 - 2014 Director , Seafco PLC

2014- Now Senior Executive Vice President, Seafco PLC

**Position in other**

- None -





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**Name-Surname / Age / Position /Date of appointment**

Mr. Kamol Singtogaw / 56 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President: Marketing and Domestic Customer Relationship Department

Date of initial appointment is 18 March 2004 and Date of recent appointment is 21 April 2017

**Education**

- Bachelor's Degree of Science in Civil Engineering Khon Kaen University

**IOD Program**

- Director Accreditation Program #14/2004
- Director Certification Program #92/2007
- Executive Director Program # 6/2010

**Other Program**

- Senior Executive Program for Nation-Building Class2
- Samanthi Course, Willpower Institute Class 29
- Autamasasamathi Course, Willpower Institute Class 1 (Praprom)
- High Executive Program, Thammasat for Society NorMorThor. Group 6

**Percentage of Paid up capital**

As of January 29,2019 0.01% (Director 0.01%, spouse ...-....% and underage children ...-....%)

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

1999 - Now Director / Executive Vice President: Marketing and Domestic Customer Relationship Department , Seafco PLC

**Position in other**

- Director, Seafco Construction Co.,Ltd. (Companies in the group)
- Director, Seafco Intertrade Co.,Ltd. (Companies in the group)



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**Name-Surname / Age / Position /Date of appointment**

Mr. Padej Rujikhajorndej / 62 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President: Bored Piles and Diaphragm Wall Soil Improvement and Other Geotechnical Engineering Department

Date of initial appointment is 18 March 2004 and Date of recent appointment is 21 April 2017

**Education**

- Bachelor's Degree of Science in Civil Engineering Khon Kaen University

**IOD Program**

- Director Accreditation Program Class 14/2004
- Director Certification Program Class 91/2007
- Director Certification Program Update (DCPU) Class 4/2015

**Other Program**

- Executive Mini MBA (NIDA)
- High Executive Program, Thammasat for Society NorMorThor. Group 7
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 0.01% (Director 0.01%, spouse ...-....% and underage children ...-....%)

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

1999 - Now Director / Executive Vice President: Bored Piles and Diaphragm Wall Soil Improvement and Other Geotechnical Engineering Department , Seafco PLC

**Position in other**

- Director, Seafco Construction Co.,Ltd. (Companies in the group)



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**Name-Surname / Age / Position /Date of appointment**

Mr. Nutthapan Thasnanipan / 42 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President IT

Date of initial appointment is 21 April 2015

**Education**

- Master's Degree of computer, The London School of Economics and Political Science(LSE), UK
- Bachelor's Degree of Computing Business University of Sunderland, UK

**IOD Program**

- Corporate Governance for Executives (CGE) 10/2018
- Driving company success with IT Governance (ITG5) /2017
- Director Certification Program (DCP) #206/2015
- Family Business for sustainability (FBS) #3/2015

**Other Program**

- MINI-CE 2018, Faculty of Engineering, Mahidol University
- Digital Social Innovation 2018 , MDES
- TRIS Academy Forum, Tris Corporation co.,Ltd.
- GRI Certified Training Course, Thaipat Institute
- ASEAN Business and Investment Law Training (2017), Chulalongkorn University
- INNOVATION LEADERSHIP FOR GLOBAL COMPETITIVENESS (ILG) Siam University
- Finance for Non-finance Executive class16 /2017
- Asean Treasures : Opportunities & Challenges (ATOC) , Rangsit University
- THE NEXT REAL 1/2016
- High Executive Program, Thammasat for Society NorMorThor. Group 8
- Certificate in Investor Relations 2016 (TIRC)
- ABC Real Estate Real Deal at SUP (Sep 2014-Dec 2014)
- PNP 3 at King Prajadhipok's Institute 2013-2014
- Executive Development Program (EDP) Class 11/2013
- Mini MBA Class 11 at Thammasart University
- NIT Class 1 at NecTec 2010
- BootCamp Case Study solving champion 2008
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 1.02% (Director 1.02%, spouse ...-....% and underage children ...-....%)

**Relationship between management**

Offspring Mr. Narong Thasnanipan

**Experiences (As of 31/12/2018)**

- |             |   |
|-------------|---|
| 2011 - 2015 | Asst. to the Chief of President Office Seafco Plc |
| 2015 - Now  | Executive Vice President , Seafco PLC             |

**Position in other**

- Director, Seafco Myanmar Co.,Ltd. (Companies in the group)



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**Name-Surname / Age / Position /Date of appointment**

Mr. Nutthapon Thasnanipan / 36 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President Engineering

Date of initial appointment is 21 April 2015 and Date of recent appointment is 21 April 2017

**Education**

- Master's Degree MSC. Operating Management in Engineering(OME) University of Strathclyde, Scotland
- MBA In Finance, Coventry University, UK
- Bachelor's Degree of Civil Engineering Sirindhorn International Institute of Technology (SIIT), Thammasat University

**IOD Program**

- Director Certification Program (DCP) 211/2015

**Other Program**

- Operational Risk Management, Tris Corporation
- Super Entrepreneur for Society SEP-S2 Institute of Intelligent Investors
- TISCO Wealth Enhancement Program (Tisco WEP3)
- Young Professional Forum #2 (YPF#2) Council of Engineers
- ABC TALENT #2
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 2.32% (Director 2.32%, spouse ...-....% and underage children ...-....%)

**Relationship between management**

Offspring Mr. Narong Thasnanipan

**Experiences (As of 31/12/2018)**

2012 - 2015 Project Engineer , Seafco PLC  
2015 - Now Executive Vice President , Seafco PLC

**Position in other**

- Director, Nowhere else Co.,Ltd.



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**Name-Surname / Age /Position / Date of appointment**

Mr. Nirandom Akrapitak / 46 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President : President Office / Risk Management Committee

Date of initial appointment is 10 August 2018

**Education**

- Bachelor of Engineering, Chulalongkorn University (1994) )
- Master of Engineering (Civil Engineering), University of Florida (1996)
- Master of Economics (Business Economics), National Institute of Development Administration (NIDA), (2008)

**IOD Program**

- Director Certification Program (DCP) 268/2018

**Other Program**

- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 1.02% (Director ...-.....%, spouse ...1.02....% and underage children ...-.....%)

**Relationship between management**

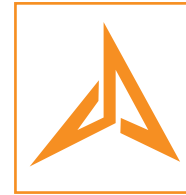
Spouse Miss Nutthawan Thasnanipan

**Experiences (As of 31/12/2018)**

- Banpu Public Company Limited (2008-2018)
- Boral Concrete & Aggregates (2006-2008)

**Position in other**

- None -



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**Name-Surname / Age / Position /Date of appointment**

Asst.Prof.Dr.Somjai Phagaphavivat / 72 year / Chairman and Independent Director

Date of initial appointment is 18 March 2004 and Date of recent appointment is 21 April 2016

**Education**

- Doctorado de Estado, Facultad de Ciencia Politica, Universidad Complutense de Madrid, Spain
- Diplome d'Etudes Superieures, (Economic Integration), Universite de Nancy, France
- Licenciatura, Facultad de Ciencia Politica y Economica, Universidad Complutense de Madrid, Spain
- Bachelor of Arts, Chulalongkorn University

**IOD Program**

- Chairman Role in Building Independence across the Board

**Other Program**

- None -

**Percentage of Paid up capital**

As of January 29,2019 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2017)**

- |             |  |
|-------------|--|
| 1999 - Now  | Associate professor at the Faculty of Political Science , Thammasat University |
| 2004 - 2012 | Chairman of the Audit Committee, Seafco PLC                                    |
| 2013 - Now  | Chairman, Seafco PLC   |

**Position in other**

- |            |   |
|------------|---|
| 2015 - Now | Director, Suparai PLC   |
| 2013 - Now | Chairman of the Audit Committee, Amarin Printing and Publishing PLC         |
| 2007 - Now | Independent Director and Chairman of the Audit committee, Lee Feed Mill PLC |
| 2010 - Now | Director and Audit committee, Thanachart Bank Public Company Limited        |



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**Name-Surname / Age / Position / Date of appointment**

Mr. Siwa Sangmanee/ 73 year / Independent Director and Chairman of the Audit Committee

Date of initial appointment is 12 April 2013 and Date of recent appointment is 21 April 2016

**Education**

- Master of Business Administration degree (Public Administration science) from National Institute of Development Administration (NIDA)

**IOD Program**

- Director Certification Program Class 97/2007
- Advance Audit Committee Program (AACP) 18/2015

**Other Program**

- AC HOT UPDATE , FAP
- Bhumipalung Phandin Program, Chulalongkorn University Group 2
- High Executive Program, Thammasat for Society NorMorThor. Group 2
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

2013 - Now Chairman of the Audit Committee, Seafco PLC

**Position in other**

Advisor to the Deputy Minister at the Ministry of Interior.





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**Name-Surname / Age / Position /Date of appointment**

Mr. Somkuan Watakeekul / 79 year / Independent Director and Audit Committee Director

Date of initial appointment is 18 March 2004 and Date of recent appointment is 21 April 2017

**Education**

- Bachelor's Degree of Science in Engineering Chulalongkorn University 1961
- Master Degree of Science in Engineering Asian Institute of Technology 1963

**IOD Program**

- Director Accreditation Program Class 21/2004
- Director Certification Program Class 96/2007

**Other Program**

- Advance Management Program Class 111/1992
- National Defence College of Thailand Class 366/1993

**Percentage of Paid up capital**

As of January 29,2019 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

2011 - Now Advisor to Board of Directors, CK Power PLC

2004 - Now Audit Committee, Seafco PLC

**Position in other**

- None -



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THE FOUNDATION  
OF SUCCESS

**Name-Surname / Age / Position /Date of appointment**

Mr. Somkual Musig-In / 70 year / Independent Director and Audit Committee Director

Date of initial appointment is 18 March 2004 and Date of recent appointment is 26 April 2018

**Education**

- Bachelor's Degree of Administration (Accounting) Thammasat University

**IOD Program**

- Director Accreditation Program 21/2004
- Director Certification Program 97/2007

**Other Program**

- The UK Experience on Implementing the Enhanced Auditor Reporting (SET, SEC and FAP)
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

1971 - Now C.P.A. (Thailand)

2004 - Now Audit Committee, Seafco PCL

**Position in other**

- None -



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**Name-Surname / Age / Position /Date of appointment**

Mr. Loyleuan Bunnag / 69 year / Independent Director and Audit Committee

Date of initial appointment is 29 October 2015 and Date of recent appointment is 26 April 2018

**Education**

- Bachelor of Laws(LLB) Thammasat University (1971)

**IOD Program**

- Director Certification Program 92/2007

**Other Program**

- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

2015 - Now Independent Director and Audit Committee, Seafco PLC

**Position in other**

- Director, Fuel Pipeline Transportation Limited
- Director, Phaibulsombat Co.,Ltd



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**Name-Surname / Age / Position /Date of appointment**

Mr.Anek Srituptim / 62 year / Vice President : Accounting and Finance Department / Company Secretary / CFO

Date of initial appointment is 18 March 2004

**Education**

- Master Degree of Law in Ramkhamhaeng University
- Bachelor's Degree of Accounting in Ramkhamhaeng University

**IOD Program**

- Company Secretary Program
- Executive Director Program Class 10

**Other Program**

- Strategic CFO in Capital Market Program Class 3 (TSI)
- Professional CFO Class 10 (FAP)
- Samanthi Course, Willpower Institute Class 30
- Autamasasamathi Course, Willpower Institute Class 1 (Praprom)
- The UK Experience on Implementing the Enhanced Auditor Reporting (Set, Sec and Fap)
- New developments of course the Provident Fund law and taxation #4 Association of Provident Fond (AOP)

**Training in the year 2018**

- Course of "CVC, new investment strategy, to have spark of innovation, keeping pace with the business world"
- High Executive Program, Thammasat for Society NorMorThor. Group 11
- GRI Certified Training Course, Thaipat Institute

**Percentage of Paid up capital**

As of January 29,2019 0.01% (His 0.01%, spouse ...-....% and underage children ...-....%)

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

2003 - 2011 Vice President : Administrative Departmentt , Seafco PLC

2011 - Now Vice President : Accounting and Finance Department , Seafco PLC

**Position in other**

- None -



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**Name-Surname / Age / Position /Date of appointment**

Mr. Kamol Youyuenpattana / 59 year / Vice President : Civil Department

Date of initial appointment is 18 March 2004

**Education**

- Bachelor's Degree of Science in Civil Engineering Khon Kaen University

**IOD Program**

- None -

**Other Program**

- Samanthi Course, Willpower Institute Class 30
- Autamasasamathi Course, Willpower Institute Class 1 (Praprom)
- Advanced Meditation Course #1, Willpower Institute (Phayarachasee)

**Percentage of Paid up capital**

As of January 29,2019 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

1999 - Now Vice President : Civil Department, Seafco PLC

**Position in other**

- None -



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**Name-Surname / Age / Position /Date of appointment**

Mr.Somsak Thawatchpongthon / 63 year / Vice President: Procurement Department

Date of initial appointment is 3 October 2011

**Education**

- Bachelor's Degree of Accounting in Ramkhamhaeng University

**IOD Program**

- None -

**Other Program**

- Samanthi Course, Willpower Institute Class29 (Santisuk)
- Ajariyasa Smathi Course #8, Willpower Institute
- Advanced Meditation Course #1, Willpower Institute (Phayarachasee)
- Advanced Meditation Course #2, Willpower Institute (Phayachattun)
- Autamasasamathi Course, Willpower Institute Class 1 (Praprom)
- Yanasasmati Course, Willpower Institute Class 1
- Rajaree Smathi #8
- Setting a KPI and metrics in procurement (TMA)

**Percentage of Paid up capital**

As of January 29,2019 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

2004 - 2011 Director of Internal Audit and Audit Committee Secretary, Seafco PLC

2011 - Now Vice President: Procurement Department , Seafco PLC

**Position in other**

- None -



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**Name-Surname / Age /Position / Date of appointment**

Mr. Tawat Phutpong / 56 year / Vice President: Plant Department

Date of initial appointment is 18 March 2013

**Education**

- Bachelor's Degree of Faculty of Engineering in Rajamangala University of Technology Phra Nakhon

**IOD Program**

- None -

**Other Program**

- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of January 29,2019 - None-

**Relationship between management**

- None -

**Experiences (As of 31/12/2018)**

2004 - 2013 Director of Maintenance department, Seafco PLC

2013 - Now Vice President: Plant Department, Seafco PLC

**Position in other**

- None -





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**Name-Surname / Age / Position / Date of appointment**

Miss Rachadawan Horthongkham, 57 years old, the accounting manager

Appointed on 4 May 2015

**Education/ / Training**

- Master of Business Administration, Administration Branch, Burapa University
- Bachelor of Business Administration in Accounting, Ramkhamhaeng University

**Training course**

- Preparation of consolidated financial statements and measuring of fair value of assets, the Stock Exchange of Thailand
- Draft financial reporting standards, Financial Instrument Group (TFRS9, TFRS7 and TAS32) Federation of Accounting Professions
- Focus Group seminar, drafting of Financial Reporting Standard No. 15, Subject: Income from contracts, made with customers, Federation of Accounting Professions
- Focus Group Seminar, drafting of Financial Reporting Standard No. 16, Subject: Contract of Leasing, Federation of Accounting Professions
- Prepare for the preparation of changes in financial reporting standards about financial instruments, the Stock Exchange of Thailand
- Technique of analysis and risk management of investment projects to create added value for the business sustainably, the Stock Exchange of Thailand
- Create understanding of new draft financial reporting standards, TFRS16, Federation of Accounting Professions
- Guidelines for tax invoices and new law, E-tax invoice, Federation of Accounting Professions
- Thai tax reform guidelines and preparing to cope with E-Payment, Chulalongkorn University Alumni Association
- Digital Age Tax, what accountants must prepare, Dharmniti Training and Seminar Co., Ltd.

**Other courses**

- Samanthi Course, Institute of Power of Mind, Class 37
- Advanced Meditation Course, Institute of Power of Mind, Class 2
- Development of trainers in the workplace, Office of the Vocational Education Commission
- Certificate in Investor Relation 2016

**Training in 2018**

- Basic course of business sustainability, the Stock Exchange of Thailand
- New alternative of tax invoice, to support E-Tax, Revenue Department
- The Final Countdown to the TFRS9 Focus Group
- Mango Smart Tech 2018 Mango Consultant Co., Ltd., Federation of Accounting Professions
- Financial Reporting Certificate Program (1/2561), Federation of Accounting Professions
- Keep pace with standard of financial reporting adopted in 2019, the Federation of Accounting Professions
- Keep pace with Thailand 4.0 with the e-Tax Invoice & Receipt, Revenue Department.
- Orientation course for chief accounts focusing on financial reporting to federation of accounting profession

## Remuneration to Directors and Executives

To determine the remuneration of the directors of the company, the recruitment committee considered and determined the remuneration in accordance with the following guidelines.

### **1. Remuneration of directors and executives**

**Remuneration of directors** The policy on remuneration of director and general managing director is clearly and transparently determined in accordance with the duties and responsibilities of each director who is assigned to be the chairman or the member of the subcommittee. Besides the committee on recruitment and determination of remuneration has screened the remuneration to ensure that the remuneration is in accordance with the industrial standard and high enough to keep and look after the directors with required qualification.

**Remuneration for the President (CEO):** The company has set the remuneration policy for the President, by having the Nomination and Remuneration Committee to consider the remuneration of the President, to be in line with the company's operating results both in the short-term and long-term and the performance of the President, to present to the Board of Directors for consideration in each year.

By considering and comparing with other companies that have similar businesses and considering the performance of the President, from the company's performance and the growth of the company in accordance with the goals set in both the short-term and long-term to be a measure for measuring the compensation paid to the President (CEO).

**Remuneration of the executives** Remuneration of the executives is in accordance with the principle and policy provided by the board of directors with linkage to the operating results of the company and performance assessment on each executive.

### **2. Type of remunerations should be consisting of three components.**

2.1 Meeting allowance reflecting the work undertaken by the directors and incentives for performance by the directors through consistent attendance to the meeting.

2.2 Monthly remuneration reflecting responsibility and duty of the directors

2.3 Bonus dependent on the operating results of the company in each year.

### **3. Payment of remunerations**

3.1 Meeting allowance paid to every director and specific director attending the meeting (both independent directors, the non-executive directors and the executive directors and the specific directors).

3.2 Monthly remuneration paid on a monthly basis to the independent directors except the executive directors.

3.3 Bonus paid on an annual basis dependent of the performance of the company

In addition, the non-monetary remuneration is also provided to the directors and executives, that is, liability insurance has been arranged to insure the directors and officers (D&O) for a total amount of 100 million Baht.



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### Compensation to Directors and Management

	2018			2017			2016		
	Per meeting	Per month	Compensation in Baht	Per meeting	Per month	Compensation in Baht	Per meeting	Per month	Compensation in Baht
<u>Management Compensation</u>									
Salary and Bonus			46,373,000			37,374,279.80			33,327,249.97
<u>Director Compensation and</u>									
<u>Director Fee(each)</u>									
- Assoc. Prof.Dr.Somjai Phagaphasvivat	5,000	65,000	805,000	5,000	65,000	800,000	5,000	65,000	800,000
- Mr. Somkuan Watakeekul	5,000	50,000	625,000	5,000	50,000	625,000	5,000	50,000	620,000
- Mr. Somkual Musig-in	5,000	50,000	625,000	5,000	50,000	625,000	5,000	50,000	620,000
- Mr. Siwa Sangmanee	5,000	50,000	625,000	5,000	50,000	625,000	5,000	50,000	620,000
- Mr. Loyleuan Bunnag	5,000	50,000	625,000	5,000	50,000	625,000	5,000	50,000	620,000
- Dr. Narong Thasnanipan	5,000	-	25,000	5,000	-	20,000	5,000	-	20,000
- Mr. Tachapong Pravesvararat	-	-	-	-	-	-	5,000	-	20,000
- Mr. Zaw Zaw Aye	5,000	-	25,000	5,000	-	25,000	5,000	-	20,000
- Miss Nutthawan Thasnanipan	5,000	-	25,000	5,000	-	25,000	5,000	-	20,000
- Mr. Padet Rujikhajorndej	5,000	-	25,000	5,000	-	25,000	5,000	-	20,000
- Mr. Kamol Singtogaw	5,000	-	25,000	5,000	-	25,000	5,000	-	20,000
- Mr. Nutthapan Thasnanipan	5,000	-	20,000	5,000	-	20,000	5,000	-	20,000
- Mr. Nutthapon Thasnanipan	5,000	-	20,000	5,000	-	20,000	5,000	-	20,000
- Mr. Nirandorn Akrapitak	5,000	-	10,000	-	-	-	-	-	-
Total			<u>3,480,000</u>			<u>3,460,000</u>			<u>3,440,000</u>
<u>Bonus for non-executive directors.</u>									
- Assoc. Prof.Dr.Somjai Phagaphasvivat			130,000			65,000			65,000
- Mr. Somkuan Watakeekul			100,000			50,000			50,000
- Mr. Somkual Musig-in			100,000			50,000			50,000
- Mr. Siwa Sangmanee			100,000			50,000			50,000
- Mr. Loyleuan Bunnag			<u>100,000</u>			<u>50,000</u>			<u>50,000</u>
Total			<u>530,000</u>			<u>265,000</u>			<u>265,000</u>

**Note** 1. Per meeting. The remuneration will be paid 5,000 baht paid to directors for attending only.

In the year 2018, the company paid a total of meeting allowance of 5 meetings. The board did not receive meeting allowance of 2 meetings.

2. Per month. It is paid monthly Which pays for independent directors only.

## Good governance

The Board of Directors focuses importance of compliance with the principles of good corporate governance, in order to increase confidence for shareholders, investors and all related parties, by determining the review of corporate governance policies and complying with the policy at least once a year, which the company has disclosed the corporate governance policy of the company on the company website For external communication and disseminated to employees within the organization to be aware of good corporate governance and encourage employees to participate in the implementation of such policies.

The Securities and Exchange Commission has issued good corporate governance principles for listed companies which has set the practical principles for the committee, in 8 main items, as follows:

1. Recognize the role and responsibility of the Board of Directors, as the organization leader that creates value for the business sustainably.
2. Determine the objectives and main goals of the business which have been carried out for sustainability.
3. Strengthen the Board of Directors effectively.
4. Recruiting and developing high-level executives and personnel management.
5. Promote innovation and doing business with responsibility.
6. Ensure that there is an appropriate risk management system and internal control.
7. Maintain financial credibility and disclosure of information.
8. Support participation and communication with shareholders.

To be a guiding principle for the Board of Directors to be used to improve the governance of the business for sustainability, the Board of Directors Meeting No. 2/2018 and No. 4/2018, have considered and reviewed the policy of corporate governance of the company, by using practical principle determined primarily, to be adapted as appropriate with the business of the company to have the best operation and determine additional procedures that the company should use for improving the company for appropriateness with the condition of the company and the board considered and reviewed the appropriateness of using CG Code, to be adapted at least one time per year.

### Governance policy

The board of directors gives important to the compliance with good governance principles for the transparency and responsibility of the directors and the managements and in order to raise shareholders' confidence. Investors therefore, stipulates the good governance policy as follow

#### 1. Right of Shareholders: Rights and fair treatment

The Board of Directors has the policy for shareholders to collaborate and suggest for the Company's operations, we therefore provide the rights for shareholders e.g. the right to getting sufficient information, be in time with appropriate to make decision, to attend and vote in the shareholders meetings to decide the Company's major policy changes, to elect and remove member of the board, to approve external auditor appointments and to receive shard profits. Shareholders are the owners of the company. They control the Company by appointing the board of directors to act as their representatives. Shareholders are eligible to make decisions on any of significant corporate changes including to be furnished with sufficient Company's operation information for decision making. Moreover, shareholders own the rights to attend shareholders meetings to vote on director election/ removal, appoint the external auditor and the issues to have effects to the Company such as dividend allocations, amendments to the company's articles of association or the company's bylaws, capital increases of decreases, and the approval of extraordinary transactions, etc.



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1. The Company shall provide the information on the date, time, venue and agenda items with complete support data, and the issues for decision to all shareholders at least 14 days prior to the meeting. The information also shall be posted in the Company's website both in Thai (Least 30 days) and English (Least 7 days).

2. The Company has developed the annual shareholders meeting process to correspond with the good operations care and control principle as follows:

2.1 To certify the Minutes of previous Meeting.

2.2 To acknowledge the Company's performance for the past year.

2.3 To approve the balance sheet and the profit and loss statement for the accounting period end on December 31 of the past year.

2.4 To consider the allocation of profits from the business performance of the past year.

2.5 To Consider the appointment of directors in place of those who retiring by rotation

2.6 To consider the remuneration of directors.

2.7 To consider the appointment of the Company's auditor and determine his/her remuneration

2.8 Other business, opportunity for shareholders to ask on their intention issues and/or the board give answers and/or declaration to shareholders without voting

3. The company shall facilitate the participation of shareholders in the meeting. The meeting venue shall be in Head Office accessible and can accommodate all shareholders along with providing adequate personnel and technology for monitoring the registration documents for the meeting including the duty stamps for proxy shareholders shall be provided.

4. The Company shall allocate appropriate time for discussion and encourage shareholders to express their opinions and ask questions related to the Company's operation.

5. All directors and executives shall attend shareholders' meetings and reply questions.

6. In the Meeting of Shareholders, the company will do Live video, through Facebook to open opportunity for shareholders who cannot attend the meeting, can know the atmosphere of the meeting. This will start in the ordinary meeting of shareholders of the year 2019.

## **2. Equitable Treatment of Shareholders**

The Board of Directors has the policy to provide shareholders supervise the company and its performance by giving opportunities to protect the shareholders rights, equitable treatment and fairness.

1. Shareholders shall have the right to propose issues to include to the shareholders meeting agenda in accordance with the rule posted in the Company's website <http://www.seafco.co.th>. The issues shall be proposed within December 31, every year.

2. Shareholders shall have the right to nominate persons for the Board of director elections in accordance with the rule posted in the Company's website <http://www.seafco.co.th>. The nominations shall be proposed within December 31, every year.

3. No additional meeting agendas/ substantial information changes shall be included or made to meetings without prior notice to shareholders.

4. Shareholders who cannot attend meeting may appoint grantee with the power of attorney which indicates voting. The Company shall propose at least an independent director to be the grantee's choice.

5. Shareholders shall have the right to elect on individual director. Voting shall be with ballots to be transparent and checkable.

6. The Company has imposed the internal information application rule to prevent the directors, executives and staff to use the internal information for their own/ other persons' interests inappropriately. The approach and policy have been noticed to all staffs to observe with the follows-up conducted regularly.

7. The directors and executives shall disclose their interests and related person for the Board of Directors to consider the operations probably having conflicts of interest and to decide for the Company's interest in overall. The directors and executives who have any interest on the transaction relevant the company, should not concern in the decision making on such transaction and would be following the process or measure of consider approval on related transaction of the company.

8. The Board has a policy regarding securities trading of the company and reporting method to implement by the board, executive and staff can access inside information and the board and relevant executives have to prepare and submit report of securities holding of the company in accordance with the regulation of the Securities and Exchange Commission.

9. The Board of Directors shall complete the minutes and inform to shareholders via the Company's website within 14 days since meeting.

### **3. Roles of the Stakeholders**

The Board of Directors has the policy to promote the cooperation between the Company and stakeholders having strengthened the company's performance including taking care of stakeholder base on the rights of related laws. The Company's stakeholders are clients, employees, suppliers, shareholders/investors, creditors, competitors and the community the Company operates in, either a public/government sector.

1. The Company has developed a Code of conduct handbook and imposed for all directors, executives and staff to acknowledge and observe. Offences to the manual's provisions shall be penalized.

2. The Company has the policy to upgrade to quality of life in workplace for all the employees to have better livings and work safeties there.

3. The Board of Directors has adopted the mechanism to protect the rights of the complainant in the committed legal offences, balance sheet validity, defected internal control system of ethics offences which can be via the President directly.

4. The Company shall compensate the stakeholders who are damaged by the Company's infringement to their stakeholder rights as per the law and per specified in the Code of Conduct handbook.

5. The Board of Directors has announced the directors, executives and staff who know the inside information which may have effects to the changes of the security prices shall refrain from security exchange in the 1 month period prior the Company announces the operation performance/disclose the inside information to public and after the news report and the financial statements for at least three days.



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#### **4. Disclosure & Transparency**

The Board of Directors shall disclose the Company's financial information and other information on the Company's business and operation performance which shall be true, complete, sufficient, and timely to show the Company's true financial and enterprising status including the future of the Company's business.

The Board of Directors is committed to take care and control for compliance with the laws, rules and regulations on information disclosure and transparency as follows:

1. Shall disseminate the information as per specified via the SET channel, form 56-1 and The annual report (form 56-2) as well as via the Company's website both in Thai and English.
2. Shall report the result of the corporate governance policy via the form 56-1 and the annual report (form 56-2)
3. To comply with the SET's announcement on the approach, condition and reporting of the disclosure of the financial statuses and operation performances, the Company has set to disclose via the form 56-1 e.g. (1) general information (2) risk factors (3) nature of business operation (4) individual product lines enterprising (5) the assets used for enterprising (6) legal conflicts (7) capital structure (8) management (9) internal control (10) related transaction (11) financial status and operation performance and (12) the other information relevant.
4. Shall provide a statement of its responsibilities concerning the company's financial reports.
5. Shall disclose the names of members and roles of the Board of Directors and sub-committees, the number of meetings and the attendance of each director during the year.
6. Shall disclose all the remuneration paid of each director including the fees for being the subsidiary directors and other positions such as advisors etc. Also, the remuneration of the first 4 executives starting from the president shall be disclosed in the annual report (form 56-2) and form 56-1
7. Disclosure & the Disclosing Authority

##### **7.1 The information disclosure as required by SET's rule**

7.1.1 The Company has the investor relation section to contact with outsiders such as shareholders, institutional investors, individual investors, analysts, related government agencies as follows:

- (1) To disclose the substantial information to public.
- (2) To widely disseminate information to public.
- (3) To clarify against rumors/to news.
- (4) To act when security exchange is unusual.
- (5) To exchange security with insider trading on validly, sufficiently, timely, transparently, equitably and fairly. The Company authorizes the following persons for the information disclosure – the president.

##### **7.1.2 The Company's contact persons for SET are**

- (1) President or the company secretary – For disclosure of the financial information which shall include annual and quarterly balance sheets, form 56-1 and annual report(form 56-2)
- (2) President or the company secretary – For disclosure of the situational information which shall include to the acquired/ released assets, related transaction, shareholders, meeting date, director/auditor change, the Company's head office relocation, shareholders meeting minutes, investment projects etc.

##### **7.2 The general information for organizational management shall be released to mass media by the president.**



8. The directors' and executives' security holdings and security holding changes shall be reported as per the Securities and Exchange Commission Thailand's criteria.

9. The Board of Directors and first 4 executives starting from president shall report their interests and the related persons to the chairmen and chairman of audit committee as per the Securities and Exchange Commission Act B.E.2551.

10. The Board of Directors has lodged a risk management system having coverage to the vision, target, business strategy, finance, production and other areas for all with consideration to the occurrence probabilities and degrees of effect; has imposed the anti-measures and assigned the persons to be responsible for. Also the report and evaluation measures have been imposed together with the risks management committee has been adopted for planning and reporting the result of the actions by the plan to the Risk management committee regularly.

11. The Board of Directors has adopted the internal control system having coverage to the financial, work operations and the applicable codes, rules and regulations compliance areas for all together with has adopted the audit and balancing mechanism being sufficiently effective to regularly protect and take care of the shareholders' investment and the Company assets. The practices instruction shall be in writing and supported with independent internal audit unit directly reporting to the audit committee and auditing all sections' practices are as per the instructions.

**5. Responsibility of the board of directors.** Details provided in Clause 8 under the topic of Structure of the board of directors of the company

#### **6. General Shareholders' Meeting**

In 2018, the company has arranged the general meeting of shareholders on 26 April 2018 at 9.00 A.M. at the Meeting room, floor 3, of the company No 144, Prayasuren Rd. (Ramintra 109 Rd.), Bangchan, Klong Sam Wah, Bangkok. The board of directors of the company has a policy to have the shareholders take part in the decision making and have provided the shareholders with information completely, timely and sufficiently for the decision making. The company has sent the letter of invitation to the meeting, together with supporting information for the agenda to the shareholders in advance of the meeting. Each agenda is required to be provided with the opinion of the board of directors. The meeting has been attended by 12 directors for AGM for the year 2018, including the chairman of the audit committee, the chairman of the corporate governance and recruitment committee and the chairman of the compensation committee and the company has the top executives, the auditor and independent observers from the Thai Investors Promotion Association attend the meeting as well.

The chairman of the meeting provided an opportunity to every shareholder equally to examine the business undertaken by the company and has replied to the inquiries to each agenda. The chairman of the meeting has encouraged the shareholders to express their opinion and to ask for clarification related to the operation of the company. In addition, the board of directors has arranged the minutes of the meeting and disclosed such minutes in the website of the company within 14 days since the meeting date so the shareholders are able to examine and make a correction within 30 days.

#### **7. 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.



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## **8. 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. The executives have not purchased or sold the securities of the company 30 days before and 3 days after the notification date of the financial statements

## **9. Business Ethics**

The board of directors of the Company has a policy to promote morality, ethics and transparency by focusing on ethically business operations in all aspects and in compliance with good governance principles to achieve good governance organization. The Company, therefore create business ethics and fair operation practices manual as followings:

### **9.1 Business Ethics**

The Company Board applies the sufficiency economy and sustainable business operation principles to be the Company's business operation approach to conceive honesty, be responsible and protect the stakeholders' interests. Opportunities are provided to stakeholders to take part in and make suggestions to the operations care and control as the mechanism and process for effective control leading to a true governance in the Company. The ethics shall be as follows:

1. To comply with the applicable laws, rules and regulation strictly.
2. To comply with the Company's "Corporate Governance policy" and "Code of Conduct".
3. To be committed to operate business with transparency, honesty and fairness.
4. To adhere to conduct as good people and establish good minds to employees.
5. To concern of the benefits and effects from operations with social equality and fairness to the Company's stakeholders.
6. To operate business with responsibility and protection of the stakeholder's and interests.
7. To organize a strong operation system to prevent corruptions with an internal audit system.
8. To require the Company's directors, executives and staff for all to participate in the anti-corruption effort, conflicts of interest reporting, efficient contacts and working life quality promotions.
9. To provide a channel for complaints and hearing for stakeholders and have the complainers/ informants protection measure.

### **9.2 Ethics of the Board of Directors**

The Company intends for the board of directors, sub-committees and subsidiaries' directors to perform their duties to operate with ethics, conduct or maintain their performance carefully, prudently and with honesty, to optimize the continuous and sustainable business operation of the company and stakeholders, as follows:

1. Compliance with laws and the Company's regulation
  - 1.1 Compliance with rules, regulations and laws involved with the Company's business shall be as follows:
    - (1) Directors, executives and staff shall comply with the laws, rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

(2) Directors, executives and staff shall not avoid compliance with the applicable orders, rules and laws.

(3) Directors, executives and staff shall co-operate with the company's corporate governance unit and report about violation against order, rule and laws to the unit.

1.2 Duty performance shall be conducted with impartially i.e. in meetings when to discuss an issue the director who has conflict of interest shall leave the meeting room and shall refrain from participation in the issue decision.

1.3 To avoid a conflict of interest for a business reveal and efficiency by :

- (1) To forbid give other information about business for a individual benefit
- (2) To prohibit use a secret of organization that illegal and to forbid other secret information of organization when you expire of business of the organization then for at least a period of two years
- (3) Do not acquire the personal interests from being directors.
- (4) Do not create obligation that may conflict with their duties in the future.
- (5) Do not receive anything or other benefit in conflict of the organization.

1.4 Keep the confidentiality of corporate information, to prevent, that may cause damage to the organization or stakeholders, except in accordance with the law.

1.5 Acquisitions or disposition of Assets of the directors, their spouses and minor child, should be practice in accordance with the Notification of the Board of Governors of the SET title Practices regarding the Acquisition or Disposition of Assets of the Directors and Staff B.E. 2547.

## **2. Conflict of interest and confidential information keeping**

### **2.1 Conflict of interest**

The Company has the policy that the directors, executives and staff shall not use the opportunities from their status in the Company to acquire personal interests eventually imposes the practices as follows:

- (1) They shall avoid a transacting having involvement with themselves which may cause the conflict of interest to the Company.
- (2) In case such transacting is needed for the Company's interest it shall be carried out as if a transacting with an outsider having trade agreement reasonably same as transacting contracts in general over a trading negotiation authority with no influence from being directors, executives or related persons and not participating in a consideration for approval including having to comply the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission on the transaction information disclosure.
- (3) A Director, executive or staff if becomes a director, partner or advisor in other organization; status shall not conflict the Company's interest and his/her direct role in the Company.
- (4) A Transaction which has or may have conflict of interest between shareholder, director, executive or other person shall comply with the standard practice and be ensured it is fair, reasonable and fully and correctly disclose; and the company will arrange report form for disclosing suspected transactions that there will be conflict with interest of the company into the Corporate Governance handbook.



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- (5) Person who has conflicts with the Company's business, directly or indirectly howsoever, shall report the interest as follows:

5.1 Directors and executives – Shall report the interest immediately after it arises. To ensure that the company conducts regular checks; the Company's secretary shall check interest every year end and report to the Chairman and Chairman of the audit at least once a year.

- (6) A director, executive and staff who know the inside information shall comply with rules. The responsible directors and executives shall report the security holdings under the regulations of the Securities and Exchange Commission to the Board regularly.
- (7) Notice that the same Director. The management and staff are aware of inside information that could significantly affect the change in the price of traded securities. Will be required to suspend trading of the company in the range of 1 month before the company will announce operating results or inside information within it will be publicly available and published after 3 days
- (8) To monitor interest of the directors, executives and involved persons who have interest with the Company and subsidiaries under the other criteria imposed.
- (9) In case a related person involves or hold shares in an enterprise competing with the Company which probably incurring conflict of interest with the Company should act as follow:  
The director, executive and related persons shall inform to the Board of Directors in writing.

## **2.2 The use of inside information**

- (1) Directors, executives and staff shall not use the opportunity or information obtained from their status to acquire personal interest for themselves, for other party or for operating a business competing with the company and/or the Company's other business involved.
- (2) The Company's inside information shall not be used for personal interest in the Company's security exchange or furnished to other people for buying or selling company shares.
- (3) The Company's properties shall not be used for personal interests.
- (4) The Company's information shall not be used as the outsider's reference for personal interests.
- (5) The Company's business confidential information shall not be disclosed to outsiders particularly competitors even after the directors, executives or staff have expired from position.

## **3. Responsibility to the Company's properties**

The Company promotes the executives and staff to use the Company's resources and properties effectively to enhance competitiveness and good services to clients, by determining the following practices:

1. The Company's assets and resources shall be used saving and most beneficially.
2. Employees shall collaboratively take care the Company's assets are not to be depreciated/lost illegally.
3. The internal charge system is arranged to check and prevent loss of property and the properties are assigned to be under the responsibility of the agency set up.

## **3.1 Documentation**

1. Documentations shall be executed with honesty, prudence and compliance with the specified standard.
2. The Company's letters, reports and documents shall not be falsified.

### **3.2 Computers & Information Technology System use**

1. Computers, IT systems and information shall be deemed as the Company's properties. Executives and staff should not use computers and it systems for personal purposes.
2. Executives and staff shall not disclose the Company's business information including the information been purchased by company both existing and not existing in the Company's information system or copy the information to their personal devices without permission.
3. Executives and staff shall not modify, reproduce, erase or destroy the Company's information without permission.
4. Executives and staff shall not bring unlicensed software to the Company to use and shall not copy licensed software for any reason whatsoever without the software producer's consent.
5. Executives and staff shall not modify the Company's hardware or put on equipment other than the standard parts/equipment readily provided unless consented case by case.
6. Executives and staff shall not use the Company's email to forward message which are harassing, discrediting, rude, obscene, intimidating, agitating or annoying to others.
7. Executives and staff should use the internet to search for the information and knowledge useful to works and should avoid illegal or immoral websites.
8. Executives and staff should use the Company's IT system and other communication equipment such as telephones, fax machines, mobile phones etc. with conscious mind and responsibility substantially realizing the Company's interest.
9. Executives and staff shall not illegally access to the systems of information not permitted or authorized to them.
10. Executives and staff shall not spy the measure protecting data access and computer that other people prepare or that is not intended for executives and staff illegally and that is intended to use to cause damage to other people.
11. The Company or assigned section reserves the right to check the use of properties and units under/assigned by the Company as to be appropriate.

### **9.3 Ethics to stakeholders**

The Company realizes the importance of the business operation with economic, social and environmental balances for its stable and sustainable growth to be an efficient organization and a good entity of society as suggested by the Corporate Social Responsibility guidelines. In consequence the Company is committed to enterprise with regularity and fairness, anti-corruption effort, full compliance with applicable codes and rules and concern to the operation's interests and effects to stakeholder's i.e. shareholders, staff, clients, suppliers and/or creditors, competitors and communities including shall take care for safety, health and environment for the effects shall not be incurred to all the stakeholders.

#### **1. Policy regarding best practice on shareholders**

The Company realizes the shareholders are the Company's owners and the Company's duty is to generate added value to shareholders in long term, therefore, the company determines that the directors, executives and staff shall perform according to the following guidelines;



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- 1.1 Perform duty with responsibility, carefulness and honesty under reasonable decisions on the ground that the information is sufficient and correct, they have no direct and indirect interest and perform with honesty for maximum interest to the Company, they perform over the right and suitable purposes and they shall not act over conflicts of interest to the Company.
- 1.2 Comply with laws, the Company's objective and articles of association, directors' resolutions, shareholders meetings' resolutions, good practices in accordance with the corporate governance policy and code of conduct and act to shareholders equally both major and minor shareholders for their maximum interests.
- 1.3 Manage and take care of the Company's assets not to be depreciated/ lost illegally and provide an effective internal control and risk management systems.
- 1.4 Report the Company's status regularly, completely, truly and in-time to situations.
- 1.5 Furnish the Company's data, news and information truly, sufficiently, equally and in-time to shareholders for their decision-making.
- 1.6 Take care for the directors, executives and staff not to acquire their and related person's interest by furnishing the Company's confidential information or disclosing the Company's secret to outsider and/ or performing any acts which may lead to conflicts of interest to the Company.
- 1.7 Provide the channels for irregularity informing and complaints such as website, mailbox telecommunications etc. with informing and complaint responses and complainant protection including systematic and fair feedback reports to informants and complainers.
- 1.8 Provide several channels to disclose the information as well as make a company's website to allow the shareholders to access the information conveniently and prepare the information in the easy-to-understand language both in Thai and English.

## **2. Policy regarding best practice on employees**

- 2.1 The Company has measures to protect employees providing information to the authorities in case there is legal offence of offence against the Securities and Exchange Act. Employees will be protected. The Company will not act unfairly, either changing positions, job description, workplace, suspension of job, threat, annoying of their work, dismissing employees (Section 89/2) as employees notify clues on illegal acts or unethical acts.
- 2.2 The Company realizes employees are the essential factor for product quality consequently shall fairly give importance to the acts to them which include providing opportunity, wages, appointments, transfers and potential developments together with merits development of virtues for them to be the society's capable and good people. The Company's acts to employees shall be as follows:
  - 2.2.1 The Company shall comply with the labor laws and rules relating to employees strictly.
  - 2.2.2 The Company shall act to employees with politeness, respect to individuality and human honors in accordance with the international human rights.
  - 2.2.3 The Company shall arrange the employment conditions which are fair to employees with the wages suitable to abilities.
  - 2.2.4 The Company shall take care of the working environment and manage the working system



for the employees' life and property safety and health.

- 2.2.5 The Company shall give importance to the skill training and potential enhancement manpower development by providing to employees the learning opportunities widely and constantly.
- 2.2.6 The Company shall have promotion, transfers, awarding and punishments to employees sincere by and based on the employees' knowledge, capability and appropriateness.
- 2.2.7 The Company shall organize a provident fund for employees.
- 2.2.8 The Company shall regularly furnish information on its operation and status to employees.
- 2.2.9 The Company shall listen to the employees' opinions and suggestions based on their work skills and experiences.
- 2.2.10 The Company shall avoid acts which are unfair, and which may have effect on stability of the employees' positions or threaten/incur pressure to mind to employees.
- 2.2.11 The Company shall develop employees' good conscious mind to be givers and good citizens of society.
- 2.2.12 The Company shall provide channels for employees to file complaints in case they are treated unfairly or inform offences against the law. The Company shall have systematic and fair rectification process and measures to protect the complainants.
- 2.2.13 The Company and its delegate shall support employees to use their political rights with neutrality.
- 2.2.14 Employee remuneration policy determined in accordance with the performance of the company both short-term and long-term if released, it will return to the employee that is higher than a company that operates similar. If past performance is not good. The payoff will come out equal to similar businesses.

### **3. Policy regarding best practice on clients**

The Company has the policy to give importance to the clients' satisfactions fulfillment which is the factor to lead to business achievement and intends to acquire the clients' requirement more effective fulfillment. To achieve, the policies and practices below shall be followed:

1. Deliver quality work as agreed with the customers in fair price.
2. Provide consultation on geotechnical engineering and information adequately, correctly and up-to-date The terms
3. Conditions with clients shall be complied with strictly. In case it is not possible to do so, the company shall report to client to collaborate jointly to solve the problem.
4. The acts to clients shall be polite and reliable.
5. A client's information storage system shall be available with a clients' confidential protection measure. A client's information shall not be furnished if not allowed by him as well as a client's information shall not be used for an employee's or his/her related person's interest inappropriately.
6. Guarantee its products under proper conditions and duration and comply with Customer Protection Act .
7. A system/ process for clients to complain on product's and service's qualities, quantities and safeties shall be provided together with the response fastness and actions to the end for immediate responses to clients.
8. The Company shall support the clients' acts for the social responsibility.
9. Keep customers' confidentiality and do not wrongfully utilize the information for the benefits.



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#### **4. Policy regarding best practice on suppliers and/ or creditors**

The Company has the policy to act to suppliers and creditors equitably and fairly over the regard to the company's interest maximization and based on fair returns to both sides avoiding the conflict of interest situation including complying with agreements, furnishing true information and valid reports and based on business relationship as follows:

1. The Company shall act to clients equitably and fairly.
2. The Company shall use the licensed products and services and shall not support the products/ services which violate intellectual property right.
3. Acceptance of things or other benefits
  - 3.1 Executives and staff shall not accept things or other benefits from a person having duty/ business relating the Company except for a reasonable opportunity/ tradition acceptable to public. The things or benefit's value shall not exceed 2,000 Baht and shall be reported to supervisor immediately together with it shall not have influence to a decision being unfair for work.

In 2018 every director, executive and employee is notified and not allowed to accept New Year gifts from the trading partners and those involving with the business.
  - 3.2 The Acceptance of things or benefits which do not corresponding with the item 3.1 but necessitated for maintaining relationship between entities/persons, the receiver shall report his/her supervisor and submit that things to the administration, government affairs and corporate social responsibility section to use in the business organization within 14 official days.
4. Executives and staff shall not offer things or benefits in any forms to outsiders to convince for inappropriate acts/ causing conflicts.
5. In case there arise information that there is an irregular interest request, acceptance or furnishing happened the detail shall be disclosed to the suppliers and the parties shall collaborate to solve the problem fairly and immediately together with acquire a preventive measure.
6. The conditions agreed with the suppliers and/ or creditors shall be complied with strictly.
7. In case a condition cannot be complied with, a prior notice shall be made to collaborate for problem solving.
8. Opportunities shall be provided to the suppliers who operating business legally, complying with environmental/ safety/ health standards and having social responsibility.
9. The Company shall support the suppliers' operations on the social responsibility and provide opportunities for them to participate in the Company's activities for society

#### **5. Policy regarding best practice on business competitors**

The Company has the policy to act to business competitors under the business competition practice code framework and shall not cheatingly infringe/ spy the business competitor's secrets as follows:

1. The Company shall conduct and practice within a good competition, free trade promotion and the company shall not use the method of market plunging.
2. Do not violate or acquire trade secret by wrongful means
3. Adhere to ethical business operation. Do not steal the customers from the competitors by dumping/price war method.
4. The Company shall not discredit the business competitors with allegations.



5. The Company shall not conduct intellectual property/ copyright.

#### **6. Safety, health and environment**

The Company is committed to operate the business basis on safety, health and good environment with the practices as follows:

1. The Company shall comply with the safety, health and environmental laws and rules.
2. The Company shall utilize resources efficiently and worthily with energy saving and resources recycling promotion measures.
3. The Company shall provide an operation system focusing on appropriate measures for safety and health in workplace such as providing the system to counter probable pollutions arising during operation, arranging workplaces to be clean and hygienic etc. for the employees and visitors to be safe from accidents and diseases.
4. Executives and staff shall be truly attentive to the activities for the quality of safety, health and environment and perform works with realization to safety and concern to environment always.
5. The Company shall disclose the information on the operations in connection with safety, health and environment.

#### **7. Community and Social Responsibility**

The Company is committed to behave as good citizens of Thai society and be ready to cooperate with other organizations, both public and private, civil society including shall encourage the stakeholders to collaborate the community development and social sustainability as follows:

1. Initiate preventive/corrective measure to be followed when the Company's operation has adverse effects to the environment and community.
2. Support the education by providing scholarship to students in needs.
3. Organize volunteer activity by encouraging employee to participate and support the employee to practice beneficence in order to develop his/her volunteer spirits and become good citizens.
4. Coordinate with various organizations in the community in order to develop infrastructure for schools, religious places and hygienic practices for youth and underprivileged as well as environment in the community.
5. Always communicate with the community. Disseminate and report social responsibilities practice to every stakeholder.
6. Promote Buddhism by establishing Willpower Institute, branch no. 47 to improve people's mentality as it is believed that when people adhere to dharma, the society will be better.

#### **8. Acceptance of complaints about financial statement falsification, frauds and corruptions**

Fraud means any act for seeking undue interests for oneself or others by illegal means. For example, embezzlement for one's own gain or other people's gain.

- 1.) Corruption means demand for, accept from, give, or promise to give bribes in the form of money, property or interests to any employee of government agency, private firm, person or group of persons in exchange for malfeasance, nonfeasance, or speedy or delayed actions for the benefit of the company, except for offer of small gifts according to tradition.



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2.) Falsification of financial statement means giving false information or covering up facts which should be disclosed for the acquisition of property from deceived persons or third parties or for tricking any persons or third parties into making, withdrawing or destroying any deeds or ownership documents.

8.1 Any persons who know that any director, employer or anyone in the company commits fraud, corruption or falsification of financial statement may lodge a complaint.

8.2 Channels for lodging complaint or submitting report

- Contact the Chairman of the Audit Committee.

E-mail siwasangmanee@gmail.com

Fax 0-2518-3082

By post Seafoo PLC.

144 Prayasuren Rd., Bangchan, Khlong Sam Wah, Bangkok 10510

- Contact the Chairman of the Executive Committee.

E-mail narong@seafco.co.th

Fax 0-2518-3082

By post Seafoo PLC.

144 Prayasuren Rd., Bangchan, Khlong Sam Wah, Bangkok 10510

8.3 Actions after Receiving a Complaint:

An Investigation Committee comprising independent directors and internal auditors will be formed to conduct investigation. If the investigation shows that the person is guilty, the company will take disciplinary actions and/or legal actions against such wrongdoer.

8.4 The complainant and related persons will be kept anonymous and protected by the Company; they will not be transferred, threatened or dismissed.

### Anti-Corruption Practice

Anti-corruption policy of the company is as follows. The board of directors, executives, superiors, employees in every level or persons related to the business of the company are not allowed to involve with all kind of fraud and corruption in any business transaction and are required to comply with rules and regulations and laws.

#### Training and Communication

In 2018 the employees in every level from the executive director have been communicated through the weekly meeting arranged by the managing director to provide information and clarification of frauds and corruption regularly, including orientation for new employees which has included the training related to anti-corruption.

#### Guideline practice on supervision and control to prevent and monitor risk on frauds is as follows.

1. The examination and assessment processes arranged for the internal control system and risk management to cover all key working systems in the business of the company such as bidding process, procurement process, preparation of contracts, budgeting process, as well as accounting system related to receipts and disbursement. In 2016 the company has employed the new ERP computer system operated by Mango system which is used for budget control for construction work to ensure that the working system could reduce the risk on fraud and corruption through better accounting system.

2. There are channels provided for notification of information, clues or complaint on offence, illegal or unethical act of the company or practice on prevent practice related to corruption or doubt in financial report or internal control system

with policy on protection of those providing information or clues and custody of information of those providing confidential information. There are measures on examinations and decision on disciplinary action of the company and other related laws if there is a case for contact of those providing clues or complainants and the company will notify the action undertaken in writing.

3. Chiefs of various operating units are required to monitor, improve and correct errors and mistakes (if any) and report to the authorized persons in respective order.

Practice on monitoring and assessment on the performance in accordance with the preventive measures related to corruption as follows

1. The internal audit division is assigned to examine the internal control system, risk management, business supervision and provide recommendations continuously and to conduct the examination in accordance with the annual audit plan approved by the audit committee and to make the presentation to the board of directors.

2. The management is assigned to take responsibility of the test and assessment on risk of frauds and corruption continuously to implement the anti-fraud and –corruption measures effectively and to monitor, review and improve the anti-fraud and –corruption measures consistently and the outcomes will be timely and consistently presented to the risk management committee and reported to the board of directors in a respective order.

3. If the investigation has revealed that the information examined or the complaint has sufficient evidence to believe that the transaction or the act has significantly affected the financial position and the operating results of the company, as well as the offence against the law or business ethics of the company or doubt in the financial reports or the internal control system, the audit committee will report to the board of directors of the company for improvement or correction within the period deemed suitable to the audit committee.

**9.4 Employees' Ethics**

1. Best practice on themselves
  - 1.1 Employees shall carry out works with honesty, regularity and report the facts.
  - 1.2 Employees shall respect and comply with laws and the Company's rules and regulations.
  - 1.3 Employees shall carry out work with care, honesty and regularity and shall not employ their positions to acquire interest inappropriately.
2. Best Practice on clients, related persons and society
  - 2.1 Deliver the work on time in accordance with customer's specification
  - 2.2 Employees shall comply with safety rules.
  - 2.3 Accept the mistake and make a correction for the customers
  - 2.4 Employees shall not disclose client's information without client's prior consent.
  - 2.5 Employees shall participate in the Company's activities.
3. Best Practice on colleagues
  - 3.1 Employees shall not solicit or convince colleagues' decisions on political right.
  - 3.2 Employees shall be benevolent to colleagues and shall cooperate with colleagues appropriately.
  - 3.3 Employees shall use their rights to express opinions politely and properly.
4. Best practice on the company
  - 4.1 Employees shall carry out work with responsibility and full capability.
  - 4.2 Employees shall use the Company's assets and facilities with care.
  - 4.3 Employees shall be attentive to learning for the development to progress.
  - 4.4 Employees shall pursue information and news to use as reliable reference at conversation.



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4.5 Employees shall wear protective equipment as per the Company instructs.

4.6 Political right. The Company operates the business with political neutrality, not participating and siding to certain political party, influential political leader and not using the company's capital, resource to support political parties, politician directly or indirectly howsoever.

### **Supervision in Acting and Reviewing**

The company has defined all the directors, executives and staff to shall have the duty and responsibility to acknowledge, make understanding and comply with the polices stipulated in this code of conduct handbook strictly, non- compliance is voluntary, do not refuse on acknowledgement based on established guidelines.

Executives at all levels in the organization must be responsible and it is important to operate under the supervision of their employees to understand and follow the code of conduct handbook seriously.

### **Principle of good governance for company registered in the year 2018**

The board has arranged a meeting for reviewing and understanding about the good governance principle for the company registered in the year 2018, in the board meeting No. 2/2561 and No. 4/2018.

The Company does not wish to make any action that is illegal, contrary to the principles of good directors and employees who breach ethical requirements, disciplinary action will be strictly and if it is done, to believe that the laws, rules and regulations of government, the company will submit the matter to government official s to proceed immediately.

The code of conduct handbook shall be reviewed annually by the Board of Directors and the Audit and Corporate Governance committee

### **Complaints handling on issue relating to business ethics**

The secretary of the Board department is nominated as a point of contact to receive the compliant on business ethics. Employees can send their complaints on business ethics directly to

By post:

Complaints corporate governance and business ethics, secretary of the Board department  
Seafco Public Company Limited  
144 Prayasuren Road, Bangchun sub-district, Khlong Sam Wa district, Bangkok 10510  
E-mail : ANEK@SEAFCO.CO.TH

### **10. Balance of Voting Power of Non-Executive Directors**

The Board of Directors consists of 12 directors broken down into

- Executive Directors            8 individuals
- Non-Executive Directors   - individual
- Independent Directors       5 individuals

Non-Executive directors and independent directors combined accounted for 38% of all directors, and provided appropriate check and balance in the management of the company.

#### **11. 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.

#### **12. 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.

#### **13. 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 2018, there were 7 Board Meeting with all directors attended in all the meetings.

#### **14. 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. At present, the internal control division has been set up in the company.

#### **15. 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.

#### **16. Investor Relation**

The board of directors of the company has supervised disclosure of financial and non-financial data and information related to the business and the operating results of the company to ensure accuracy, completeness, sufficiency, consistency and timeliness and to present the position of the operation and actual financial status of the company, including the business prospect of the company through compliance with laws, regulations and requirements related to disclosure of the Office of Securities Exchange Commission and the Stock Exchange of Thailand strictly. In addition to disclosure of information in accordance with the requirements of the Office of Securities Exchange Commission and the Stock Exchange of Thailand, the company has communicated to the shareholders and investors through other channels by the Investor Relations Unit for direct communication with the shareholders, investors and securities analysts in and outside the country while the corporate communication unit will distribute data and information of the company to the shareholders, investors and people through the mass media and other media which have arranged the meeting with the analysts entering into the company in 2018 for 12 times and to participate in the activity "Listed company meeting with investors or Opportunity day" for 4 meeting.



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In addition, disclosure of information has been made through the website of the company, [www.seafco.co.th](http://www.seafco.co.th) so the other stakeholders will be able to learn of information equally. The interested person is able to contact, inquire or ask for information from the Investor Relations Unit of the company, Miss Nutthawan Thasnanipan, and Mr. Anek Srituptim Tel. 0-29190090 Fax. 0-29190098 or e-mail : [nthasaipan@hotmail.com](mailto:nthasaipan@hotmail.com), [anek@seafco.co.th](mailto:anek@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 2018, there was related party transaction which might create situation of conflict of interest reported by the Auditor within Note 5, page 25-27 to Financial Statement.

## Operating results and financial position

In 2016, the construction industry has a tendency to grow due to the expedition in investment in the infrastructure projects of the government while the real estate business has started improving to some extent and the construction work in Myanmar in 2016 was not that good because of a change in the government. Therefore, the construction work in Myanmar has declined so the operating profit of the company has increased 1.97% from that of 2015. The net profit in 2016 registered at 155 million baht.

In 2017 the overall picture of the construction work has declined due to the delay in disbursement of the investment budget of the public sector and the sluggish condition of the real estate sector. However, the overseas work in Myanmar in 2017 has been better even though the overall construction work has declined so the operating results of the corporate group has increased 35.25% from that of 2016. The net profit in 2017 was 212 million Baht.

In the year 2018, the construction industrial condition is likely to expand more, according to the plan of the infrastructure development of the government. Furthermore, neighboring countries were in the process of accelerating of development of the country. They expanded the investment in infrastructure continuously. For foreign work, in Myanmar in 2018, the work was quite good, resulting in the group of companies to have profit from operation to increase from the year 2017 for 74.61 percent; the total net profit of 368 million Baht in 2018.

### Market Share

Market share information gathered from Ministry of Commerce information during the past three years is as following

Market share	<u>2015</u>	<u>2016</u>	<u>2017</u>
Market value from research (million baht)	5,567	5,890	6,162
Share of the Company (percent)	31	31	29

Note : The data from the Ministry of Commerce has the year 2017.

In collecting of data of this time, it was found that there might be errors regarding the income base. Because receiving of the job sometimes there was only labor cost and machinery, the income would be lower. For the job that there was job accepting with labor cost, machinery and main material cost, the value of job was higher. Income would be higher. The ratio of the work acceptance of the company in 2015 to 2017, the company received only labor, for only 35%, 38% and 48% of wages, respectively. The job which there was acceptance of labor cost and main materials, the job would be accounted for 64%, 58% and 52%, respectively. In any year, the company received work in the part of wages including the main materials, the rate was high rate. It will result in higher work value of the company. Therefore, the total market value collected here was a guideline for consideration only.

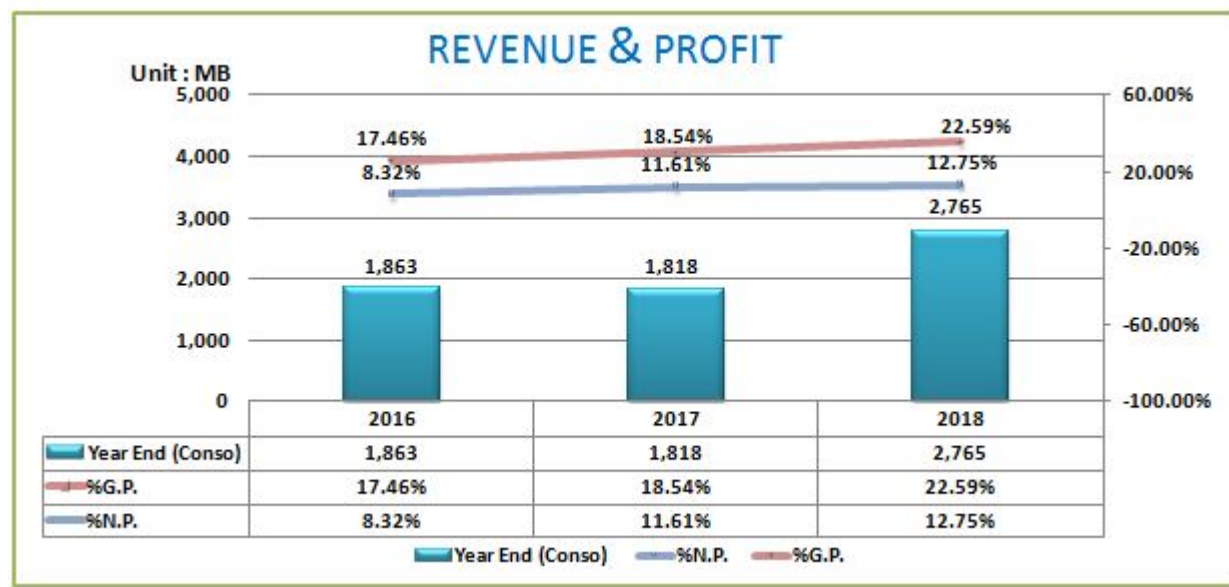




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## 1. Analysis of the operating results



### (A) 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 2016 the corporate group has main incomes from the services for 1,863 million baht consisting of incomes from piling work and diaphragm wall (only labor income) for 35 percent, incomes from piling work and diaphragm wall (including the material cost) for 64 percent and oversea incomes for 1 percent.

Incomes in 2016, compared with that of 2015, registered an increase in main income for 7 million baht or 0.38% so the operating profit has increased from 2015 for 3 million baht or 1.97% due to the work accepted only the labor cost because its profit margin is higher than that of the work including the material cost. The work accepted only the material cost has the profit margin of 35% of the main incomes in 2016, compared with 29% of the main incomes in 2015.

The main income of the company in 2017 was from the services registered at 1,818 million baht consisting of incomes from bored pile work and diaphragm wall (only labor income) for 38%, bored pile work and diaphragm wall (including the material cost) for 58% and oversea work for 3%.

The total income in 2017 compared with that of 2016 has declined 45 million Baht or 2.41% as the work undertaken including wages and main raw materials in 2016 was at 64% of the main income while it was 58% of the main income in 2017.

The revenue in 2018, compared to 2017, increased by 939 million Baht, 51.41%, coming from receiving work with wages and main materials in 2017, at 58% of the main income. In the year 2018, the revenue was 52 percent of the main income.



In the year 2018, the Group of Companies had the main revenue from service 2,765 million Baht, consisting of revenue from bored piles and diaphragm wall (only labor income), for 42%. The income for work of bored pile and diaphragm wall (including the material cost) for 52% and income from overseas jobs for 6%.

Revenue from source revenue

	<u>2016</u>	<u>2017</u>	<u>2018</u>
From government sector (percent)	17	36	45
From private sector (percent)	83	64	55

#### **(B) Cost of contract work and Administrative Expense**

##### **Cost of contractual work**

Cost of contractual work includes. The materials used in the construction, wages, fuel cost depreciation and other production costs.

The cost of the contracted work in 2016 was 1,538 million baht, compared with 1,547 million baht in 2015, an decrease of 0.58 percent, because the jobs accepted with labor cost and major raw materials included have increased to 65 percent of the major service incomes in 2016 while the jobs accepted with labor cost and major raw materials included were only 35 percent in 2015.

The cost of contracted work in 2017 was 1,481 million Baht compare with 1,538 million Baht in 2016, a decline of 3.69% as the work undertaken (including the material cost) was lower than that of 2016 or 10.73% of the main service income.

Cost of employment work in 2018 was 2,140 million Baht, compared to 1,493 million Baht in 2017, increase of 43.40% resulting from the increase in receiving the jobs with wages and main materials from 2017, for 33% of the main revenue from services.

##### **Administrative Expenses**

Administrative expenses in 2016 were 137 million baht, compared with 126 million baht in 2015, an increase on 8.61% due to the employee expenses of the company, the prosecution expenses and loss on currency exchange.

Administrative expenses in 2017 was 149 million Baht compared with 137 million Baht in 2016, an increase Of 8.36% due to the cost of sale of remaining supplies recognized to match the income classified in other income for 33 million Baht.

Administrative expenses of 2018 were 193 million Baht, compared to 2017 to be equal to 137 million Baht, an increase of 40.67 percent. The increase was due to expense of debt reserve and category reclassification.

##### **Bad Debt**

In 2016, no allowance for doubtful accounts has been arranged while repayment from the debtors provided with the allowance for doubtful accounts has been received for 0.60 million Baht.

In 2017, no allowance for doubtful accounts has been arranged while repayment from the debtors provided with the allowance for doubtful accounts has been received for 7 million Baht.

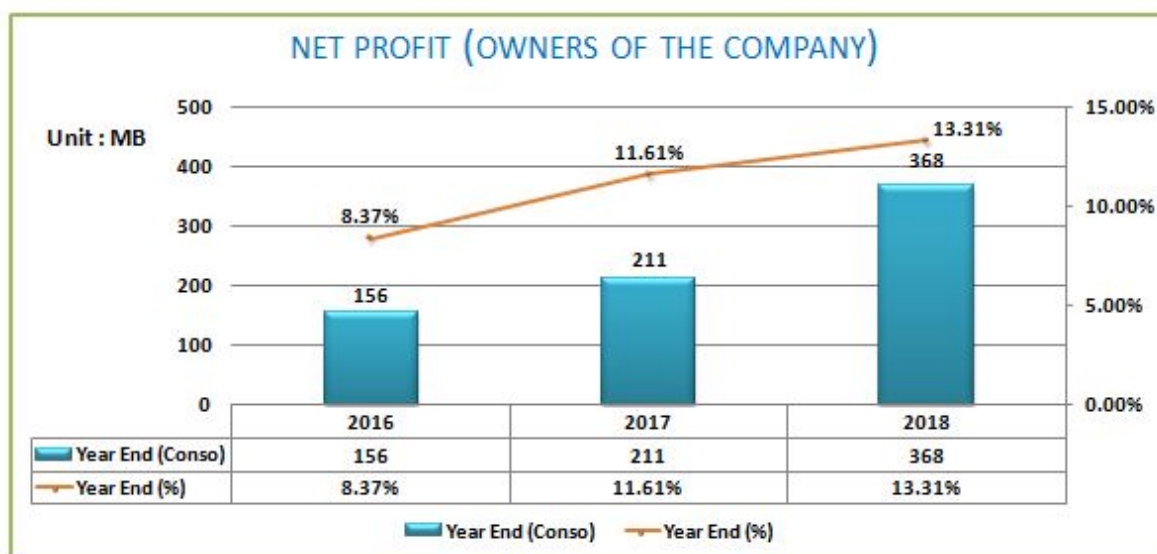
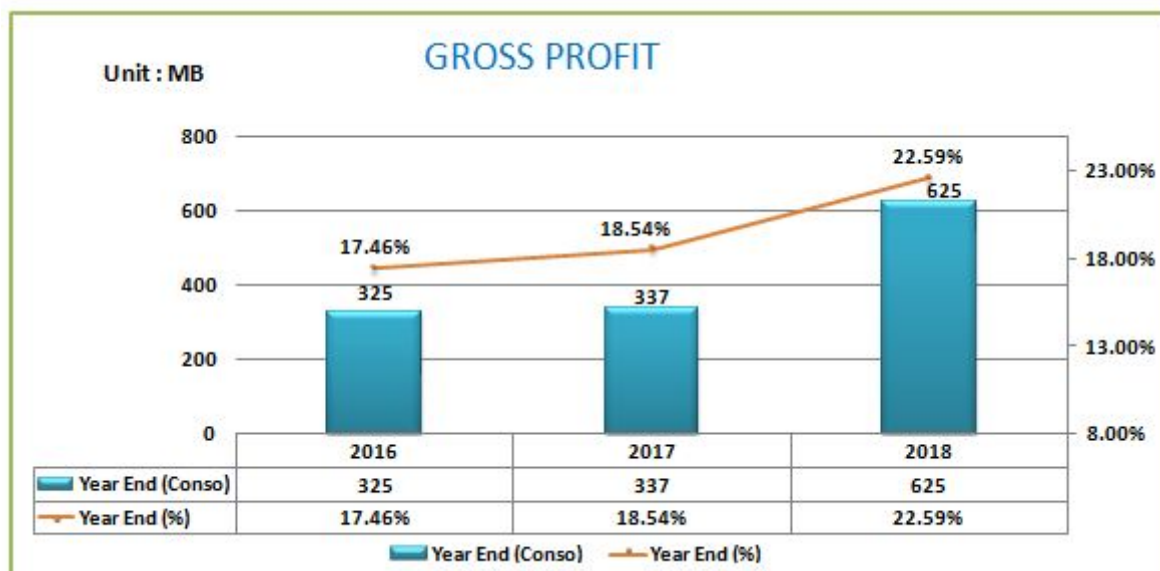
In the year 2018, the company set up an allowance for bad debt and still received payment from the debtor who set aside as reserve for 59 million Baht.



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## (C) Gross and Net Profit



The gross profit of the company in 2016 was 325 million baht compared with 309 million baht in 2015, an increase of 5.18% due to the type of work accepted. In 2015 the work accepted from the private sector was high rising buildings but the work accepted in 2016 from the private sector was the high rising buildings and infrastructure work.

The gross margin of the company in 2017 was 337 million Baht compared with 325 million Baht in 2016, an increase of 12 million Baht or 3.62% because the delivery of the work is more rapid than that in 2016.

In the year 2018, the company had gross profit of 625 million Baht, compared to 2017 with gross profit of 334 million Baht, an increase of 291 million Baht or 87.20 percent increase, which is a result of the acceptance of real estate development projects by the private sector and infrastructure.

The profit (loss) attributable to owners of the company was 156 million baht in 2016 compared with 153 million baht in 2015, an increase of 1.85%, due to the increase in the gross profit.

In 2017 the profit of the parent company was 211 million Baht compared with 156 million Baht in 2016, an increase of 54.79 million Baht or 35.10% as there were incomes from sale of old machines and old supplies together with machines classified in other incomes of 2017.

In the year 2018, the company had profit of 368 million Baht, compared to the year 2017, with the profit of the parent company being 211 million Baht, an increase of 157 million Baht or increasing for 74.61 percent, resulting from the year 2018, having more revenue from more gross profit.

#### **(D) Investment in machinery**

Investment was made for 198 million baht in 2016 to purchase crane vehicles and drilling machines to replace the old ones and to facilitate the expansion and the investment promotion policy of the government agencies.

Investments in 2017 of 339 million Baht were acquisition of cranes, drilling machine and diaphragm wall machine builder to replace the old ones which were sold at cost of 305 million Baht to facilitate the additional works.

The investment in the year 2018 amounted to 663 million Baht. The purchase of crane, drilling machines and diaphragm wall machine, which was the purchase to replace the old machines and to support the expansion of work.

#### **(E) Shareholders' Returns**

Due to increased operating results, therefore, it was increasing of the total profit.

In the year 2016, the Group had a return to shareholders of 15% due to increased operating results, thus increasing the total profit.

In the year 2017, the Group had a return to shareholders of 18% due to increased operating result, thus increasing the total profit.

In the year 2018, the Group had a return to shareholders of 25% due to increased operating result, thus increasing the total profit.

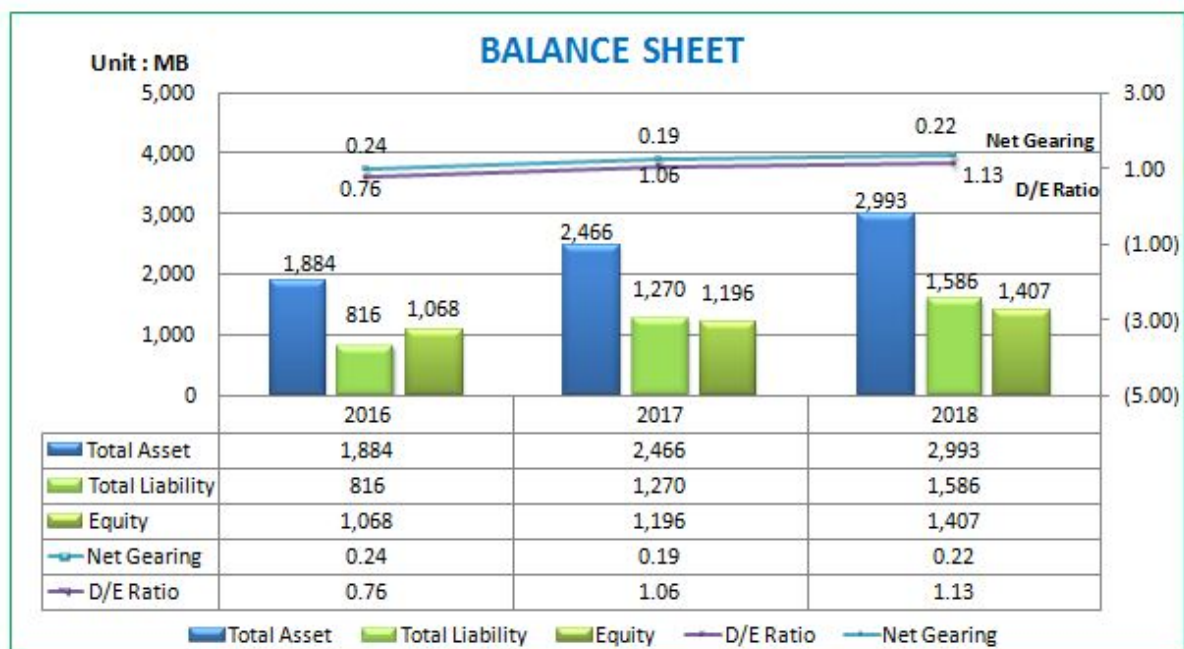


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## 2. Analysis of Financial Status

### 2.1 Total Assets and Liabilities



#### Asset

Total assets in 2016, 2017 and 2018 were equal to 1,884 million baht, 2,466 million baht and 2,993 million baht.

Assets in 2016 have increased 77 million baht from that of 2015 while the current assets have declined 95 million baht due to the decrease in temporary investments. The non-current assets have increased 172 million baht due to the investment in fixed assets as additional machines have been acquired to replace the old ones, to facilitate the expansion and the investment promotion policy of the government agencies.

In the year 2017, compared with 2016, the amount of 582 million Baht increased. The current assets increased by 365 million Baht due to the increase in cash and cash equivalents of 222 million Baht and an additional temporary investment of 96 million Baht. The non-current assets increased by 216 million Baht due to the increase of land, building and equipment increased by 207 million Baht and other non-current assets increased by 19 million Baht, which was due to paying of the deposit for machinery.

In the year 2018, compared to 2017, the amount increased by 527 million Baht. The current assets increased by 80 million Baht due to temporary investments of 81 million Baht and the unbilled income increased by 40 million Baht. And advance payment for wages and purchases of 12 million Baht and in non-current assets increased by 451 million Baht due to the increase of land Building and equipment increased by 509 million Baht and non-current assets increased by 20 million Baht due to deferred tax assets.

### Liquidity

Total liabilities for the year 2016, 2017 and 2018 were 816 million Baht, 1,270 million Baht and 1,586 million Baht. In the years 2017 and 2018, it existed at account payable and other payables and long-term loans mostly. Accounts payable will increase or decrease depending on the ratio of work receipts. In any year, if the ratio of receiving work in the form of wages, including the main material is higher, it will increase the account payable and if in any year the ratio of work in the part of wages is higher, the account payable will be reduced.

In the year 2017, compared to the year 2016, the amount of liabilities increased by 454 million Baht, overdraft and short-term loans from financial institutions increased by 65 million Baht, the accounts payable and other current creditors increased by 138 million Baht and the advance received from customers increased by 118 million Baht and the long-term liabilities due in one year, an increase of 192 million Baht due to the bonds will be paid for 150 million Baht. The 42 million Baht is payable in installments of the machines.

In the year 2018, compared to 2017, the amount of liabilities increased by 316 million Baht, account payable and other current creditors increased for 182 million Baht. Part of long-term loan from financial institutes to be due for payment within one year for 78 million Baht. Money receiving in advance from creditors and construction income receiving in advance increased for 65 million Baht. Another amount of 13 million Baht was paid in installment creditor for machine cost.

### Long-Term Liabilities

In the year 2015, the loan reduced as the loan was leasing; debt was paid according to the installment payment period. In the year 2015 the method was changed to issue debenture, changing from leasing.

In the year 2016, it was increasing as it was loan from bank. The method was changed to issue long-term loan replacing leasing.

Long-term liabilities have declines in 2017 because the bonds due for retirement in September 2018 were classified as portion of long-term liabilities due within one year.

In the year 2018, the amount of money increased because it was the money from bank loan and increased leasing for machines ordered and purchased for supporting the work expansion.

### Shareholders' Equity

The shareholders' equity of the year 2016, 2017 and 2018 was equal to 1,068 million Baht, 1,196 million Baht and 1,407 million Baht. The shareholders' equity increased every year due to the fact that the operation result had continuous profit.

### Liquidity

The debt-to-equity ratio (D/E ratio) of the company was 1.06 times in 2017 and 0.76 times in 2016. The increase in 2017 was due to purchase of additional machines which has increased additional liabilities but it is within the conditions in the agreement made with the loan creditors to maintain the ratio not in excess of 1.5 times and net gearing ratio in 2017 was 0.19 times and 0.24 times in 2016. That has shown that the liquidity on loans from banks or financial institutes was better.



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In the year 2018, the group had liabilities per shareholders' equity (D/E) equal to 1.13 times. In the year 2017, the group had liabilities per shareholders' equity (D/E) equal to 1.06 times. The increasing was because in the year 2018, the company invested in buying more machines, but it was within the criteria because making of contracts with loan creditors, there should be keeping the level not to exceed 1.5 times. In the part of ratio of net gearing of the year 2018, it was equal to 0.22 time. In the year 2017, it was equal to 0.19 time. This showed that liquidity of loan liability from bank or financial institute was in the higher ratio a little bit, but it is kept in the level.

### **Source of Capital**

In the year 2016, the company had total liabilities for 816 million Baht, to be current liabilities for 545 million Baht and long-term liabilities for 271 million Baht. This was increasing from the year 2015. In that year, the company had total liabilities for 814 million Baht, to be current liabilities for 582 million Baht and long-term liabilities for 232 million Baht. The company added the long-term liabilities to increase liquidity to the revolving fund.

The company used the revolving source of fund from financial institutes, account payable and issuing of debenture.

In the year 2017, the group of companies had total liabilities for 1,270 million Baht, to be current liabilities for 1,093 million Baht and long-term liabilities for 207 million Baht. The revolving fund of the company had source of fund from financial institutes and account payable.

In the year 2018, the group of companies had total liabilities for 1,586 million Baht, to be current liabilities for 1,200 million Baht and long-term liabilities for 386 million Baht. The revolving fund of the company had source of fund from financial institutes and account payable. In the year 2018, there was reclassification.

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### Audit Fee (Remuneration for Audit and Review of Financial Statements)

As at December 31, 2018 and 2017. The company and its subsidiaries paid audit fee as follow:

Companies	Audit's name	Audit's Fee	Audit's name	Audit's Fee
		2017		2018
Seafco Public Company Limited	Mrs. Suvimol Krittayakiern	1,585,000	Mr. Thanakorn akfaipol	1,650,000
Seafco Construction Co., Ltd	Mrs. Suvimol Krittayakiern	95,000	Mr. Thanakorn akfaipol	90,000
Seafco Intertrade Co.,Ltd.	Mrs. Suvimol Krittayakiern	300,000	Mr. Thanakorn akfaipol	300,000
Seafco & Prayoonchai (1984) Joint Venture	Mrs. Suvimol Krittayakiern	60,000		1,650,000
Srinakarin Joint Venture	Mrs. Suvimol Krittayakiern	60,000		-
<b>Total</b>		<b>2,100,000</b>		<b>2,040,000</b>



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### **Report on responsibility of the board of directors on the financial reports**

The board of directors of Seafco Public Company Limited is responsible for the financial statements and the consolidated financial statements of the company and its subsidiaries, including the financial information shown in the annual reports, such financial statements have been made in accordance with generally accepted accounting standards through election of the appropriate accounting policies in a consistent manner with careful judgment and best approximation to prepare the financial statements and the company has the suitable internal control system and the risk management system to ensure that the accounting information is accurate, complete with sufficient disclosure in notes to financial statements beneficial to the shareholders and other investors in a transparent manner.

In this regard, the board of directors has appointed the audit committee to review the accounting policies and quality of the financial reports, internal control system and internal audit system, including the risk management system while the opinion of the audit committee related to such matters has been provided in the report of the audit committee in the annual report.

The financial statements and the consolidated financial statements of the company and its subsidiaries have been examined by the auditor of the company, Bunchikij Co., Ltd. and the opinion of the auditor has been expressed in accordance with the auditing standards in the auditor's report in the annual report.

The board of directors has an opinion that the overall internal control system of the company is in a satisfactory level and is able to reasonable ensure that the financial statements and the consolidated financial statements of Seafco Public Company Limited and its subsidiaries for the year ended 31 December 2018 are reliable for compliance with generally accepted accounting standards and in compliance with the related laws, regulations and rules.

(Assoc Prof. Dr. Somjai Phagaphasvivat)  
Chairman of the Board

(Dr. Narong Thasnanipan)  
President and Chief Executive Officer



## Report of the Audit Committee

The Audit Committee of Seafco Public Company Limited, consists of 4 qualified independent directors. Mr.Siwa Sangmanee is the Chairman of the Audit Committee. Mr.Somkuan Watakeekul, Mr.Somkual Musig-In and Mr. Loyleuan Bunnag are the Audit Committee.

The Audit Committee has performed its duties as assigned by the Board of Directors in accordance with the provisions of the Stock Exchange of Thailand and the Charter of the Audit Committee. In the year 2018, the Audit Committee held a total of 5 meetings. In 4 meetings, there were auditors and internal auditors as participants and there was one meeting that there were directors, executives and management for evaluating the sufficiency of internal control system, participating in the meeting. Every member of the Audit Committee participated in the meeting. The Audit Committee reviewed so that the company had good governance, compliance with the law and regulations of Stock Exchange of Thailand, having an efficient and effective internal control system and internal audit, having adequate risk management, having the development of information technology system for management, including the prevention of corruption.

The summary of the performance and the opinion of the Audit Committee are as follows:

### **1. Review financial reports**

The Audit Committee together with the auditor review the interim financial information and financial statements for the year 2018, the Board of Directors had the opinion that the financial reports are in accordance with financial reporting standard and have disclosure of important information fully and appropriately and complying with the opinion of the auditor in the financial report.

### **2. Review the internal control system**

The Audit Committee together with the Internal Audit Department review the company's internal control system by evaluating the adequacy of the internal control system according to the criteria of the Stock Exchange of Thailand. The Committee has the opinion that the internal control system of the company is appropriate and actually exists.

### **3. Review the risk management**

The Audit Committee together with the management and internal audit department review the risk management. The company has assessed the risks according to the risk management plan in accordance with the business plan of the business and the company managed and reduced risks to an acceptable level. The Audit Committee has the opinion that the risk management of the company is effective and efficient.

### **4. Review the internal audit system**

The Audit Committee reviewed the internal audit plan. The performance of the Internal Audit Department is in line with international standards and the department supervises the operation according to the internal audit charter. The Audit Committee has the opinion that the Internal Audit Department performs audit work covering all work systems and risk topics. The Internal Audit Department has independence, fairness and effectiveness.

### **5. The Audit Committee reviews the compliance with laws and regulations of the Stock Exchange of Thailand, connected transactions and transactions that may have conflicts of interest**

The Audit Committee reviewed the compliance with the law. The government regulations and related transactions. The Audit Committee has opinion that the company has complied with the defined laws appropriately and related transactions. The company operated reasonably realizing the highest interests of the company and there is the disclosure of connected transactions in the notes to the financial statements fully.



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#### **6. Review the corporate governance and prevention of corruption**

The Audit Committee has reviewed the performance of corporate governance of the Board of Directors and anti-corruption policy, the Board of Directors has the opinion that the Board of Directors has complied with the business ethics, realizing the good governance principles and focusing importance of anti-corruption.

#### **7. To consider and select, propose and appoint auditors**

The Audit Committee considers and approves the appointment of Mr. Tanakorn Fakfaipol, Bunchikij Co., Ltd. as the auditor for the year 2019.

From performing the duties in accordance with the Charter of the Audit Committee and the assigned duties, the Audit Committee agreed that Seafco Public Company Limited had good governance, made the correct financial statements as appropriate in important essence, according to the financial reporting standard and had compliance with the law, having sufficient risk management system and having an internal control system, efficient and effective internal audit.

(Mr. Siwa Sangmanee)  
Chairman of the Audit Committee

## **Independent Auditor's Report**

**To the Shareholders and the Board of Directors of Seafco Public Company Limited**

### **Opinion**

I have audited the consolidated and separate financial statements of Seafco Public Company Limited and its subsidiaries (the Group), and of Seafco Public Company Limited (the Company), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Seafco Public Company Limited and its subsidiaries and of Seafco Public Company Limited, respectively, as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### **Basis for Opinion**

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

### **Key Audit Matters**

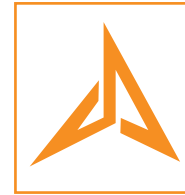
Key audit matter is the matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



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Key audit matter	How the matter was addressed
<p><b>Recognition of revenue from construction</b></p> <p>The Company has operated construction business and recognized construction revenues based on the percentage of completion which calculated from actual construction cost incurred, divided by total estimated construction cost. The process of determining state of completion each project requires the management and project manager to apply significant judgement in considering carefully to estimate project cost for each project including the trend of changes in construction price, relating to construction, the probability of construction work delayed, and barriers to construct which may cause the Company's burden. In 2018, the Group and the Company had construction revenues amounted to Baht 2,752 million and Baht 2,594 million.</p> <p>Therefore, key audit matter is the recognition of contract revenues by percentage of completion, estimate of total construction cost of each project to calculating percentage of completion under contract and other provisions. These transactions impact to the Group's and the Company's financial statements significantly.</p> <p>Accounting policies were disclosed in notes 3.17 and 4.</p>	<p>The key audit procedures include :</p> <ul style="list-style-type: none"> <li>• Understand the process of construction contracting , hiring subcontractors about a details of contract, estimate of construction cost, estimate of rectification cost in the period of guarantee work, payment and process of accounting records, authorization including related internal control procedures.</li> <li>• Perform the operating effectiveness testing over the internal control procedures related to estimating construction costs, procurement of construction materials, payment of labour, and hiring cost of subcontractors, etc;</li> <li>• Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Review the terms of construction contracts and variation order occurring during year;</li> <li>- Review the method used by the management to monitor and consider the reasonableness of the evaluation of state of completion, revision of estimating construction costs, estimation of cost of rectification in the period of guarantee work, authorization and sampling test on related documents;</li> <li>- Test calculating percentage of completion of each project;</li> <li>- Test the accuracy of purchasing construction cost against supporting documents</li> <li>- Observe the projects in progress at the year - end including inquiry of engineers / supervisors who was responsible, and understand the approach used in assessing the stage of completion of work.</li> <li>- Compared the percentage of actual completion work and engineering report of project manager and consider the reasonable of discrepancy.</li> </ul> </li> </ul>



Key audit matter	How the matter was addressed
<p><b>Allowance for doubtful accounts</b></p> <p>The adequacy of allowance for doubtful accounts is one of key matters that the management is required to make significant judgement in determining the recoverable amount of trade accounts receivable, advance payment to contractors, unbilled receivables and retention receivables (“account receivable”), which is an inherently uncertainty involving various factors including the current status of account receivables, the payment histories and the effect from economic fluctuations. Also, as at 31 December 2018, the Group and the Company had those account receivables totaling Baht 964.74 million and Baht 870.44 million, respectively, and allowance for doubtful accounts totaling Baht 102.25 million and Baht 72.38 million, respectively.</p> <p>Accordingly, I pay particular attention to the adequacy of allowance for doubtful accounts of those receivables.</p> <p>Accounting policies and details of trade accounts receivable, retention receivables under construction contracts and unbilled construction in progress were disclosed in notes 3.4, 3.5, 8 and 9, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understand the process of accounting records, contracting, issuing invoice, authorization of transactions, debt monitoring, collection of debts, estimate of allowance for doubtful accounts and related internal control procedure;</li> <li>• Review the design and implementation of such internal control procedures;</li> <li>• Perform the operating effectiveness testing over the internal control procedures;</li> <li>• Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Send the confirmation of requests to trade accounts receivable and retention receivables under construction contracts at the end of year;</li> <li>- Verify the analytical receivables aging report of trade accounts receivable, retention receivables under construction contracts and unbilled construction work in progress to corroborate on whether each receivable was classified in the appropriated arrear period, and the method of computation of the allowance for doubtful accounts;</li> <li>- Verify subsequent collection from receivables after the reporting period;</li> <li>- Review the litigation report with respect to receivables and opinion of internal legal consultant of the Company;</li> <li>- Review the financial position of long-term overdue receivables based on the latest financial and other information to be necessary in order to consider the ability to make payment;</li> </ul> </li> </ul>



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### **Other matter**

The consolidated financial statements of Seafco Public Company Limited and its subsidiaries and the separate financial statements of Seafco Public Company Limited for the year ended 31 December 2017 which are presented herein as comparative information, were audited by another auditor who expressed an unmodified opinion on those statements in her report dated 26 February 2018.

### **Other Information**

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

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

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

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



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanakorn Fakfaipol.

(Mr. Thanakorn Fakfaipol)

Certified Public Accountant No. 4879

Bunchikij Co., Ltd.

Bangkok

26 February 2019





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Seafco Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2018

Unit : Baht

Assets	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Current assets</b>					
Cash and cash equivalents	6	218,497,056	260,973,316	203,015,805	247,918,071
Current investments	7	180,693,381	100,044,776	180,693,381	100,044,776
Trade accounts and other receivables	8	433,884,642	440,636,646	415,130,670	394,482,269
Short-term loans to related party	5.2	-	-	1,300,000	-
Unbilled receivables	9	247,768,980	207,542,004	217,513,458	199,462,171
Inventories	10	89,631,539	92,753,128	87,461,225	90,102,445
Prepayment for wages and goods acquisition		12,648,773	1,040,800	12,648,773	923,553
<b>Total current assets</b>		<b>1,183,124,371</b>	<b>1,102,990,670</b>	<b>1,117,763,312</b>	<b>1,032,933,285</b>
<b>Non-current assets</b>					
Bank deposits used as collateral	11	64,000,000	67,227,446	64,000,000	67,000,000
Investments in subsidiaries	12	-	-	12,549,600	22,799,600
Long-term investments	13	4,106,239	8,842,530	-	5,000,000
Investment properties	14	18,966,449	29,666,449	18,966,449	29,666,449
Property, plant and equipment	15	1,457,459,245	948,206,888	1,409,719,704	914,081,296
Intangible assets	16	3,484,524	3,751,925	3,484,524	3,751,925
Retention receivables	9	213,410,381	241,181,019	189,863,787	224,376,983
Withholding tax deducted at source		8,753,691	27,755,745	8,715,628	27,716,803
Deferred tax assets	17	31,060,011	11,433,174	31,060,011	11,433,174
Other non-current assets		8,737,721	20,873,081	8,737,721	20,873,081
<b>Total non-current assets</b>		<b>1,809,978,261</b>	<b>1,358,938,257</b>	<b>1,747,097,424</b>	<b>1,326,699,311</b>
<b>Total assets</b>		<b>2,993,102,632</b>	<b>2,461,928,927</b>	<b>2,864,860,736</b>	<b>2,359,632,596</b>

The accompanying notes are an integral part of these financial statements.



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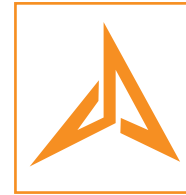
Statements of financial position

As at 31 December 2018

Unit : Baht

Liabilities and equity	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	18	-	80,900,567	-	80,900,567
Trade and other payables	19	733,707,196	551,414,191	693,951,334	518,936,994
Short-term loans		-	3,600,000	-	-
Current portion of long-term loans financial institutions	18	151,504,200	73,782,000	146,558,700	73,782,000
Current portion of finance lease liabilities	18	36,175,894	22,847,186	36,175,894	22,847,186
Current portion of debentures		-	150,000,000	-	150,000,000
Amounts received in advance under agreements and construction income received in advance	9	198,348,230	133,746,746	188,423,102	133,746,746
Retention payables - contractors		26,886,190	27,519,703	11,529,338	12,035,013
Income tax payable		17,338,503	1,246,237	15,614,635	-
Other current provisions	20	36,143,433	17,869,794	29,268,925	14,608,521
<b>Total current liabilities</b>		<b>1,200,103,646</b>	<b>1,062,926,424</b>	<b>1,121,521,928</b>	<b>1,006,857,027</b>
<b>Non-current liabilities</b>					
Long-term loans financial institutions	18	248,958,101	113,284,000	237,418,601	113,284,000
Finance lease liabilities	18	86,879,606	45,690,658	86,879,606	45,690,658
Employee benefit obligations	21	49,935,451	44,031,230	49,935,451	44,031,230
<b>Total non-current liabilities</b>		<b>385,773,158</b>	<b>203,005,888</b>	<b>374,233,658</b>	<b>203,005,888</b>
<b>Total liabilities</b>		<b>1,585,876,804</b>	<b>1,265,932,312</b>	<b>1,495,755,586</b>	<b>1,209,862,915</b>

The accompanying notes are an integral part of these financial statements.



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Statements of financial position

As at 31 December 2018

Unit : Baht

Liabilities and equity	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Equity</b>					
Share capital	22				
Authorized share capital					
672,463,018 common shares of Baht 0.50 each		336,231,214		336,231,214	
611,330,016 common shares of Baht 0.50 each			305,665,008		305,665,008
Issued and fully paid - up capital					
672,463,018 common shares of Baht 0.50 each		336,231,214		336,231,214	
611,330,016 common shares of Baht 0.50 each			305,665,008		305,665,008
Premium on share capital	23	164,000,000	164,000,000	164,000,000	164,000,000
Retained earnings					
Appropriated to legal reserve	23	33,623,151	30,566,626	33,623,151	30,566,626
Unappropriated		870,474,697	677,721,322	838,325,810	653,216,235
Other components of equity		(5,546,364)	(6,132,226)	(3,075,025)	(3,678,188)
<b>Total equity attributable to owners of the Company</b>		<b>1,398,782,698</b>	<b>1,171,820,730</b>	<b>1,369,105,150</b>	<b>1,149,769,681</b>
Non-controlling interests		8,443,130	24,175,885	-	-
<b>Total equity</b>		<b>1,407,225,828</b>	<b>1,195,996,615</b>	<b>1,369,105,150</b>	<b>1,149,769,681</b>
<b>Total Liabilities and equity</b>		<b>2,993,102,632</b>	<b>2,461,928,927</b>	<b>2,864,860,736</b>	<b>2,359,632,596</b>

The accompanying notes are an integral part of these financial statements.



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Statements of Comprehensive Income

For the year ended 31 December 2018

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Revenues</b>					
Revenues from construction services		2,752,242,982	1,816,788,408	2,594,426,622	1,769,141,839
Sale of construction materials		12,962,542	9,560,409	11,391,278	9,560,409
Other income					
Gain on sale of fixed asset		-	50,214,658	5,573,546	52,681,813
Reversal of doubtful accounts		-	4,092,466	-	4,092,466
Profit from cancellation of joint venture		-	1,886,443	-	2,726,659
Others		24,519,315	24,706,051	13,795,772	23,159,109
<b>Total Revenues</b>		<b>2,789,724,839</b>	<b>1,907,248,435</b>	<b>2,625,187,218</b>	<b>1,861,362,295</b>
<b>Expenses</b>					
Cost of construction services and sales of construction materials		2,140,431,691	1,492,596,385	2,004,266,313	1,448,118,965
Administrative expenses	26	192,752,993	137,027,502	160,063,203	135,326,542
Finance cost		27,521,981	17,720,684	26,849,071	17,720,684
<b>Total expenses</b>		<b>2,360,706,665</b>	<b>1,647,344,571</b>	<b>2,191,178,587</b>	<b>1,601,166,191</b>
<b>Profit before income tax expenses</b>		<b>429,018,174</b>	<b>259,903,864</b>	<b>434,008,631</b>	<b>260,196,104</b>
Income tax expense	29	76,536,112	48,752,414	73,437,613	46,175,207
<b>Net profit for the year</b>		<b>352,482,062</b>	<b>211,151,450</b>	<b>360,571,018</b>	<b>214,020,897</b>
<b>Other comprehensive income (loss):</b>					
<b>Items that will be reclassified subseruently to profit or loss</b>					
Foreign currency translation differences for foreign operations		(17,301)	(784,775)	-	-
<b>Total items that will be reclassified subseruently to profit or loss</b>		<b>(17,301)</b>	<b>(784,775)</b>	<b>-</b>	<b>-</b>
<b>Items that will not be reclassified subseruently to profit or loss</b>					
Actuarial loss	21	(3,843,781)	(2,577,045)	(3,843,781)	(2,577,045)
Income tax of items that will not be reclassified to profit or loss		768,756	515,409	768,756	515,409
<b>Total items that will not be reclassified to profit or loss</b>		<b>(3,075,025)</b>	<b>(2,061,636)</b>	<b>(3,075,025)</b>	<b>(2,061,636)</b>
<b>Other comprehensive income (expense)</b>					
for the years , net of income tax		(3,092,326)	(2,846,411)	(3,075,025)	(2,061,636)
<b>Total comprehensive income for the year</b>		<b>349,389,736</b>	<b>208,305,039</b>	<b>357,495,993</b>	<b>211,959,261</b>

The accompanying notes are an integral part of these financial statements.



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Seafco Public Company Limited and its Subsidiaries

Statements of Comprehensive Income

For the year ended 31 December 2018

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit attributable to:</b>					
Owners of the Company		368,214,817	210,875,419	360,571,018	214,020,897
Non-controlling interests		(15,732,755)	276,031	-	-
<b>Profit for the year</b>		<b>352,482,062</b>	<b>211,151,450</b>	<b>360,571,018</b>	<b>214,020,897</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		365,122,491	208,029,008	357,495,993	211,959,261
Non-controlling interests		(15,732,755)	276,031	-	-
<b>Total comprehensive income for the year</b>		<b>349,389,736</b>	<b>208,305,039</b>	<b>357,495,993</b>	<b>211,959,261</b>
<b>Earnings per share</b>	30				
Basic earnings per share					
attributable to equity holders of the Company		0.55	0.31	0.54	0.32

The accompanying notes are an integral part of these financial statements.

## Seafco Public Company Limited and its Subsidiaries

## Consolidated statement of changes in equity

For the year ended 31 December 2018

		Equity attributable to owners of the Company							Unit : Baht			
Notes		Issued and paid - up share capital	Share premium	Retained earnings			Other components of equity			Equity attributable to owners of the Company	Non-Controlling Interests	Total equity
				Legal reserve	Unappropriated	Currency translation differences	Actuarial loss	Total other components of equity				
	Balance at 1 January 2017	305,665,008	164,000,000	30,566,626	558,542,930	(1,669,263)	(1,616,552)	(3,285,815)	1,055,488,749	12,774,079	1,068,262,828	
	Dividend paid (cash)	-	-	-	(91,697,027)	-	-	-	(91,697,027)	-	(91,697,027)	
	Subsidiaries increase capital	-	-	-	-	-	-	-	-	11,125,775	11,125,775	
	Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-	
	Profit for the period	-	-	-	210,875,419	-	-	-	210,875,419	276,031	211,151,450	
	Other comprehensive income	-	-	-	-	-	-	-	-	-	-	
	Foreign currency translation differences for foreign operations	-	-	-	-	(784,775)	-	(784,775)	(784,775)	-	(784,775)	
	Actuarial loss	-	-	-	-	-	(2,061,636)	(2,061,636)	(2,061,636)	-	(2,061,636)	
	Balance at 31 December 2017	305,665,008	164,000,000	30,566,626	677,721,322	(2,454,038)	(3,678,188)	(6,132,226)	1,171,820,730	24,175,885	1,195,996,615	
	Balance at 1 January 2018	305,665,008	164,000,000	30,566,626	677,721,322	(2,454,038)	(3,678,188)	(6,132,226)	1,171,820,730	24,175,885	1,195,996,615	
	Transfer actuarial loss	-	-	-	(3,678,188)	-	3,678,188	3,678,188	-	-	-	
	Stock dividend	30,566,206	-	-	(30,566,206)	-	-	-	-	-	-	
	Dividend paid (cash)	-	-	-	(138,160,523)	-	-	-	(138,160,523)	-	(138,160,523)	
	Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	(15,732,755)	352,482,062	
	Profit for the period	-	-	-	368,214,817	-	-	-	368,214,817	-	-	
	Other comprehensive income	-	-	-	-	-	-	-	-	-	-	
	Foreign currency translation differences for foreign operations	-	-	-	-	(17,301)	-	(17,301)	(17,301)	-	(17,301)	
	Actuarial loss	-	-	-	-	-	(3,075,025)	(3,075,025)	(3,075,025)	-	(3,075,025)	
	Transfer to Legal Reserve	-	-	3,056,525	(3,056,525)	-	-	-	-	-	-	
	Balance at 31 December 2018	336,231,214	164,000,000	33,623,151	870,474,697	(2,471,339)	(3,075,025)	(5,546,364)	1,398,782,698	8,443,130	1,407,225,828	

The accompanying notes are an integral part of these financial statements.

**Seafco Public Company Limited and its Subsidiaries**  
**Separate statement of changes in equity**  
**For the year ended 31 December 2018**

		Notes	Issued and paid - up share capital	Share premium	Retained earnings		Other components of equity		Total equity
					Legal reserve	Unappropriated		Actuarial loss	
Balance at 1 January 2017		31	305,665,008	164,000,000	30,566,626	530,892,366	(1,616,552)		1,029,507,448
Dividend paid (cash)			-	-	-	(91,697,028)	-		(91,697,028)
Total comprehensive income (loss) for the period									
Profit for the year			-	-	-	214,020,897	-		214,020,897
Other comprehensive income									
Actuarial loss		21	-	-	-	-	(2,061,636)		(2,061,636)
Balance at 31 December 2017			305,665,008	164,000,000	30,566,626	653,216,235	(3,678,188)		1,149,769,681
Balance at 1 January 2018			305,665,008	164,000,000	30,566,626	653,216,235	(3,678,188)		1,149,769,681
Transfer actuarial loss			-	-	-	(3,678,188)	3,678,188		-
Stock dividend		31	30,566,206	-	-	(30,566,206)	-		-
Dividend paid (cash)		31	-	-	-	(138,160,524)	-		(138,160,524)
Total comprehensive income (loss) for the year									
Profit for the year			-	-	-	360,571,018	-		360,571,018
Other comprehensive income									
Actuarial loss		21	-	-	-	(3,075,025)	(3,075,025)		(3,075,025)
Transfer to Legal Reserve			-	-	3,056,525	(3,056,525)	-		-
Balance at 31 December 2018			336,231,214	164,000,000	33,623,151	838,325,810	(3,075,025)		1,369,105,150

Unit : Baht

The accompanying notes are an integral part of these financial statements.



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Seafco Public Company Limited and its Subsidiaries

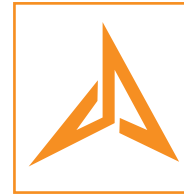
Statements of Cash Flows

For the year ended 31 December 2018

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b><i>Cash flows from operating activities</i></b>					
Profit before income tax		429,018,174	259,903,864	434,008,631	260,196,104
<i>Adjustments to reconcile gain before tax to cash receipts(payment)</i>					
Depreciation and amortization		152,667,424	116,965,682	147,625,022	114,333,117
Bad debt/doubtful accounts		57,048,440	3,283,300	27,175,481	3,283,300
Allowance for impairment of investments		5,000,000	-	15,250,000	-
Provision		18,273,638	2,045,212	14,660,404	(809,310)
Unrealized (gain) loss from exchange rates		(3,156)	355,900	(3,156)	355,900
Unrealized gain on changes in investment value		(648,604)	(44,776)	(648,604)	(44,776)
Profit from cancellation of joint venture		-	(1,886,443)	-	(2,726,659)
Allowance for diminution in value of inventories		5,921,714	1,796,114	5,921,714	1,796,114
Gain on disposal of fixed assets		(6,595,038)	(49,656,406)	(6,600,501)	(52,830,921)
Loss on written-off fixed assets		1,225,049	152,704	925,873	150,831
Write-off other assets		7,246,910	5,200,998	5,886,349	4,829,987
Gain on sale of investment in subsidiaries		-	-	-	(282,920)
Employee benefits		7,514,271	5,155,623	7,918,871	5,155,623
Interest expense		27,521,981	17,720,684	27,521,981	17,720,684
		<b>704,190,803</b>	<b>360,992,456</b>	<b>679,642,065</b>	<b>351,127,074</b>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade accounts and other receivables		(48,800,130)	(62,274,058)	(45,142,197)	(54,174,651)
Unbilled receivable		(40,226,975)	41,527,017	(18,051,287)	45,934,476
Inventories		(769,533)	(17,274,457)	(1,249,902)	(18,077,804)
Prepayment for wages and acquisition of goods		(11,607,972)	1,810,782	(11,725,221)	1,735,781
Retention receivables		20,673,124	(1,090,487)	27,415,681	(213,442)
Other non-current assets		12,135,360	(18,211,277)	12,135,360	(18,211,277)
Trade accounts and other payables		230,131,492	86,484,217	226,129,848	89,661,056
Amounts received in advance under agreements and construction income received in advance		64,601,484	117,934,212	54,676,356	118,817,120
Retention payables - contractors		(633,513)	(1,357,882)	(505,675)	(1,357,882)
Employee benefit obligations		(5,453,831)	(6,169,800)	(5,858,431)	(6,169,800)
Cash provided by operating activities		<b>924,240,309</b>	<b>502,370,723</b>	<b>917,466,597</b>	<b>509,070,651</b>
Interest paid		(28,124,486)	(15,996,811)	(28,124,486)	(15,996,811)
Income tax paid		(61,351,987)	(43,637,133)	(58,731,996)	(43,145,791)
<b>Net Cash provided by operating activities</b>		<b>834,763,836</b>	<b>442,736,779</b>	<b>830,610,115</b>	<b>449,928,049</b>





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Seafco Public Company Limited and its Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2018

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from investing activities					
(Increase) Decrease in short-term loans		-	5,000,000	(1,300,000)	-
(Increase) decrease in current investments		(80,000,000)	(98,560,744)	(80,000,000)	(98,560,744)
Decrease in Bank deposits used as collateral		3,227,446	739,734	3,000,000	737,115
Proceeds from cancellation of joint venture		-	2,726,659	-	2,726,659
Proceeds from sales of investments in subsidiaries		-	-	-	482,720
Decrease in investment in subsidiaries		-	-	-	(8,000,000)
(Increase) Decrease in other long-term investments		(263,710)	1,220,293	-	1,262,571
Purchases of property, plant and equipment		(702,883,742)	(229,569,261)	(687,237,789)	(209,068,751)
Purchases of Intangible assets		(194,267)	-	(194,267)	-
Cash received from sale of fixed assets		7,851,808	42,616,967	7,851,808	42,608,217
Net cash used in investing activities		(772,262,465)	(275,826,352)	(757,880,248)	(267,812,213)
Cash flows from financing activities					
Increase (Decrease) in bank overdrafts and short-term loan					
from financial institutions		(80,900,567)	64,864,188	(80,900,567)	64,864,188
Increase (Decrease) in short-term loans		(3,600,000)	3,600,000	-	-
Increase in long-term loans		350,397,651	101,720,000	333,912,651	101,720,000
Decrease in long-term loans		(137,001,350)	(15,564,000)	(137,001,350)	(15,564,000)
Decrease in debenture		(150,000,000)	-	(150,000,000)	-
Increase in financial lease liabilities		82,411,394	-	82,411,394	-
Payments for financial lease liabilities		(27,893,738)	(18,468,485)	(27,893,738)	(18,468,485)
Payments for dividend		(138,160,523)	(91,697,027)	(138,160,523)	(91,697,027)
Proceeds from non-controlling interests		-	11,125,775	-	-
Net cash provided by (used in) financing activities		(104,747,133)	55,580,451	(117,632,133)	40,854,676
Gain (loss) from currency translation of foreign					
subsidiaries financial statements		(17,301)	(953,807)	-	-
Net increase (decrease) in cash and cash equivalents		(42,263,063)	221,537,071	(44,902,266)	222,970,512
Cash and cash equivalents at 1 January		260,760,119	39,436,245	247,918,071	24,947,559
Cash and cash equivalents at 31 December		218,497,056	260,973,316	203,015,805	247,918,071
Supplemental disclosures of Cash flow information					
Non cash transaction					
Increase in equipment that not paid		305,067	672,040	305,067	672,040

The accompanying notes are an integral part of these financial statements.



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**Seafco Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2018**

**1. General information**

Seafco Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 144 Prayasuren Road, Bangchan, Khlong Sam Wah, Bangkok 10510.

The Company was registered with the Stock Exchange of Thailand on 18 March 2004

The major shareholder is Thasnanipan family group with shareholding 25.86%.

The Company and its subsidiaries (the “Group”) is principally engaged in business for the construction of foundation and general public works. Details of the Company’s subsidiaries as at 31 Decemberr 2018 and 2017 are described in Note 12 to the financial statements

**2 Basis of preparation of the financial statement**

- 2.1 The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.
- 2.2 The financial statements are presented for Thai currency reporting purpose and prepared in Thai language. This English translation of financial statements has been prepared for the convenience of the readers. All financial information presented in Thai Baht has been rounded in the notes to the financial statements unless otherwise stated.
- 2.3 New and Revised Thai Financial Reporting Standards

The Group that are effective in the current accounting period.

The Group have adopted the new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, Thai Accounting Standard Interpretations, and Guidelines promulgated by the Federation of Accounting Professions that are effective for accounting periods beginning on or after 1 January 2018. The adoption of these standards, interpretations and guidelines does not have any material effect on the Group’s financial statements.

*The Financial Reporting Standards that have not yet been effective in the current accounting period.*

The Federation of Accounting Professions also has promulgated the new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, Thai Accounting Standard Interpretations and Guidelines that will have been effective for accounting periods beginning on or after 1 January 2019. The new standard which involves certain changes to the key principles are TFRS 15; Revenue from Contracts with Customers. This standard replaces the Financial Reporting Standards as follows:

#### **Thai Accounting Standards**

TAS 11 (Revised 2017)	Construction Contracts
TAS 18 (Revised 2017)	Revenue

#### **Thai Accounting Standard Interpretation**

TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
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#### **Thai Financial Reporting Standard Interpretations**

TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers

According to the assessment made by the management of the Group, there will be no material effect on the financial statements in the period that the aforesaid standard is applied.

The followings are Thai Financial Reporting Standards, Thai Accounting Standard and Interpretations that are relevant to financial instruments and effective for the accounting periods beginning on or after 1 January 2020 :

#### **Thai Accounting Standard**

TAS 32	Financial Instruments : Presentation
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#### **Thai Financial Reporting Standards**

TFRS 7	Financial Instruments : Disclosures
TFRS 9	Financial Instruments

#### **Thai Financial Reporting Standard Interpretations**

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

The management of the Group are in the process of assessing the effects on the financial statements in the year that the aforesaid standards and interpretations are applied.

- 2.4 Historical cost is used as measurement basis in preparing these financial statements except some items indicated in relevant notes.

### **3 Significant accounting policies**

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

#### **3.1 Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).



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### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### *Non-controlling interests*

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **3.2 Foreign currencies**

### *Foreign currency transactions*

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

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

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign exchange differences are generally recognised in profit or loss.

### *Foreign operations*

The assets and liabilities of foreign operations, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates monthly averaged.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency transaction reversal in equity until disposal of the investment.

### **3.3 Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

### **3.4 Trade and other accounts receivable**

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

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### **3.5 Unbilled receivables**

Unbilled receivables comprises the costs of materials and labor, subcontractor charges, services and overheads plus the attributable net gains or losses less the amounts already billed to customers.

The excess of the value of a construction contract in progress over the amount billed to the customer is presented as current assets. The excess of the amount billed to a customer over the value of the construction contract in progress is presented as “Construction revenue received in advance” under current liabilities.

### **3.6 Inventories**

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

An allowance is made for all deteriorated, changed and slow-moving inventories.



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### **3.7 Investments**

#### *Current Investments*

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss. The fair value of unit trusts is determined from their net asset value.

#### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the FIFO method applied to the carrying value of the total holding of the investment.

#### *Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

#### *Investments in other equity securities*

Equity securities which are not marketable are stated at cost less any impairment losses.

### **3.8 Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and other costs directly attributable to bringing the investment property to a working condition for its intended use.

The Group did not depreciate the investment in properties in land.

### 3.9 Property, plant and equipment

#### *Recognition and measurement*

##### *Owned assets*

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

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

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

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

##### *Leased assets*

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

##### *Subsequent costs*

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

##### *Depreciation*

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



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

Land improvement	10	years
Buildings and building improvement	5,20	years
Machinery and equipment	5,10,15	years
Furniture, fixtures and office equipment	3,5 และ 10	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction, and installation

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

### **3.10 Intangible assets**

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

#### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	10	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **3.11 Impairment of assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.



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

#### *Calculation of recoverable amount*

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

#### *Reversals of impairment*

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

### **3.12 Interest-bearing liabilities**

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

### **3.13 Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

### **3.14 Long-term leases**

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### **3.15 Employee benefits**

#### *Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

#### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group/Company can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **3.16 Provisions**

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

### **3.17 Revenue**

#### *Revenues from construction*

Revenues from construction are recognized when services have been rendered taking into account the stage of completion measured by the proportion of actual construction costs incurred up to the end of the year and the total anticipated costs to complete the construction. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

#### *Sales of construction materials*

Sales of construction materials are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### *Dividend income*

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

#### *Interest income*

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

### **3.18 Expenses**

#### *Operating leases*

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.



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

#### *Finance costs*

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

#### *Other expense*

Other expense is recognized in profit or loss as it accrues.

### **3.19 Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements

about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **3.20 Earnings per share**

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

### **3.21 Segment reporting**

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment, as well as those that can be allocated on reasonable basis.

### **3.22 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:



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- Level 1      Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2      Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3      Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **4 Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

##### **Allowance for doubtful accounts**

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

##### **Reduce cost of inventories to net realisable value**

In determining a reduce cost of inventories to net realisable value, the management makes judgment and estimates net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

### **Impairment of equity investments**

The Group treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management

### **Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Estimated construction project costs**

The Group estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### **Provision for losses on construction projects**

Management applied judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans**

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.



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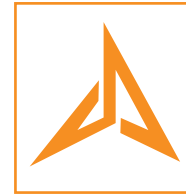
## 5. Related parties

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

Relationship with management and related parties and the pricing policies for particular types of transactions were as follows;

<u>Name of entities</u>	<u>Type of Business</u>	<u>Nature of relationships</u>	<u>Transactions</u>	<u>Pricing policy</u>
<b><u>Subsidiaries</u></b>				
Seafco Construction Co., Ltd.	Construction contractual work	Subsidiary	Hire of work income / services	Estimated cost / Actual cost
Seafco Intertrade Co., Ltd.	Construction contractual work	Subsidiary	Loans	At the interest rate of 5% per annum
			Other income	As agreed
Seafco (Myanmar) Co., Ltd.	Construction contractual work	Subsidiary	Sales of materials income	Market value
<b><u>Related company</u></b>				
S.T.P. Assets Co., Ltd.	Rent for movable and immovable assets	Common shareholder and close relative of director is a director of such company	Other income - sales of fixed assets	Market value
			Cost of utilities expenses	Actual cost
			Machinery rental	Less than market value
			Other expenses	Actual cost
			Loans	At the interest rate of 4.50 - 4.90% per annum
E. D. E. Co., Ltd.	Hire of foundation pile testing	Shareholder of this company is close relative of the Company's shareholders	Cost of utilities expenses	Actual cost
			Machinery rental	Less than market value
			Test of foundation pile	Market value
			Field site expenses and others	Actual cost
			Other expenses	
Alttech Co., Ltd.	Construction contractual work	Subsidiary's shareholder and director	Contracted wages	As agreed
New Technology Engineering Construction Co., Ltd.	Construction contractual work	Subsidiary's shareholder and director	Service income	Actual cost
			Contracted wages	As agreed
B Plus Service Co., Ltd.	Construction contractual work	Shareholder of this company is close relative of the Company's shareholders.	Field site expenses and others	Market value
Stent Geotechnical Co., Ltd.	Construction contractual work and rent for assets	Shareholder of this company is close relative of the Company's shareholder and director	Other income - Sales of fixed assets	Market value





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The related party transactions for each of the year ended 31 December are detailed as follows:

Unit : Thousand Baht

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b><u>Other income</u></b>				
<b>Subsidiary company</b>				
Seafco Intertrade Co., Ltd.	-	-	403	270
<b>Other related company</b>				
Seafco (Myanmar) Co., Ltd.	-	-	93	-
S.T.P. Assets Co., Ltd.	606	13,352	606	13,352
Stent Geotechnical Co., Ltd.	-	17,937	-	17,937
<b>Total</b>	<b>606</b>	<b>31,289</b>	<b>1,102</b>	<b>31,559</b>
<b><u>Costs of Constructions</u></b>				
<b>Other related companies</b>				
1. Cost of utilities expenses				
S.T.P. Assets Co., Ltd.	7,613	5,340	7,613	5,340
E. D. E. Co., Ltd.	1,048	776	1,048	776
2. Machinery rental				
S.T.P. Assets Co., Ltd.	17,824	5,061	17,824	5,061
E. D. E. Co., Ltd.	1,222	1,060	1,222	1,060
3. Test of foundation piles				
E. D. E. Co., Ltd.	2,783	3,112	2,783	3,112
4. Field site expenses and others				
E. D. E. Co., Ltd.	270	263	270	263
B Plus Service Co., Ltd.	-	4,305	-	4,305
<b>Total</b>	<b>30,760</b>	<b>19,917</b>	<b>30,760</b>	<b>19,917</b>



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Unit : Thousand Baht

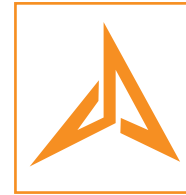
For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Administrative expenses</b>				
<b>Other related companies</b>				
S.T.P. Assets Co., Ltd.	1,705	2,121	1,705	2,121
E. D. E. Co., Ltd.	1,527	1,857	1,527	1,857
<b>Total</b>	<b>3,232</b>	<b>3,978</b>	<b>3,232</b>	<b>3,978</b>
<b>Key management personnel</b>				
Short-term employee benefits	59,283	41,099	59,283	41,099
Post-employment benefits	8,006	747	8,006	747
<b>Total key management personnel compensation</b>	<b>67,289</b>	<b>41,846</b>	<b>67,289</b>	<b>41,846</b>

Balances as at 31 December 2018 and 2017 with related parties are as follows :

5.1 *Other receivables - related companies.*

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Subsidiary companies</b>				
Seafco Intertrade Co., Ltd.	-	-	41	2,513
Seafco (Myanmar) Co.,Ltd.	-	-	599	502
<b>Other related companies</b>				
New Technology Engineering Construction Co., Ltd	-	28,374	-	14
Stent Geotechnical Co., Ltd.	-	22,000	-	22,000
S.T.P. Assets Co., Ltd.	17	-	17	-
<b>Total</b>	<b>17</b>	<b>50,374</b>	<b>657</b>	<b>25,029</b>



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As at 31 December 2018 and 2017, other receivables are analysed by aging as follows :

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Overdue :</b>				
3-6 months	-	-	-	-
Over 12 months	28,360	28,374	14	14
<b>Total</b>	<b>28,360</b>	<b>28,374</b>	<b>14</b>	<b>14</b>
Less Allowance for doubtful accounts	(28,360)	-	-	-
<b>Net</b>	<b>-</b>	<b>28,374</b>	<b>14</b>	<b>14</b>

## 5.2 Short-term loans to related party

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Subsidiary company</b>				
Seafco Intertrade Co., Ltd.	-	-	1,300	-

The company entered into loan agreement on 21 May 2018, to provide unsecured loan of Baht 1.3 million to the aforesaid subsidiary with interest at the rate of 5% per annum.

Movements during the nine-month periods ended 31 December 2018 of short-term loans to related party are as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Subsidiary company</b>				
At 1 January	-	-	-	-
Increase	-	-	1,300	-
Decrease	-	-	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>1,300</b>	<b>-</b>



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5.3 *Prepayment for wages and goods acquisition.*

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Other related company</b>				
New Technology Engineering				
Construction Co., Ltd.	-	12	-	-

5.4 *Trade accounts payable and other payables - related companies.*

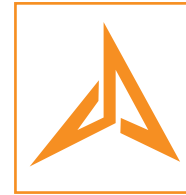
Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade payables</b>				
<b>Other related companies</b>	2,976	144	2,976	144
S.T.P. Assets Co., Ltd.	1,045	11	1,045	11
E. D. E. Co., Ltd.				
New Technology Engineering				
Construction Co., Ltd.	9,434	9,434	-	-
<b>Total</b>	<b>13,455</b>	<b>9,589</b>	<b>4,021</b>	<b>155</b>

5.5 *Retention payables - contractors*

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Other related companies</b>				
S.T.P. Assets Co., Ltd.	-	1,429	-	1,429
E. D. E. Co., Ltd.	-	231	-	231
Altentech Co., Ltd.	1,798	1,798	-	-
New Technology Engineering				
Construction Co., Ltd.	13,560	13,560	1	1
B Plus Service Co., Ltd.	-	2	-	2
<b>Total</b>	<b>15,358</b>	<b>17,020</b>	<b>1</b>	<b>1,663</b>



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## 6 Cash and cash equivalents

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	3,693	2,381	766	902
Cash at banks - current accounts	209,556	256,330	200,192	245,507
Cash at banks - savings accounts	5,248	2,262	2,058	1,509
<b>Total</b>	<b>218,497</b>	<b>260,973</b>	<b>203,016</b>	<b>247,918</b>

## 7 Current investments

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2018	2017
Unit trusts	180,045	100,000
Add Gain on fair value adjustment	648	45
<b>Total</b>	<b>180,693</b>	<b>100,045</b>

The movements of current investments for each of the year ended 31 December 2018 and 2017 are as follows:

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2018	2017
Beginning balance of the period	100,045	-
Acquisition	230,000	100,000
Disposal	(150,000)	-
<b>Total</b>	<b>180,045</b>	<b>100,000</b>
Gain from fair value adjustment	648	45
<b>Net</b>	<b>180,693</b>	<b>100,045</b>



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## 8 Trade accounts and other receivables

Unit : Thousand Baht

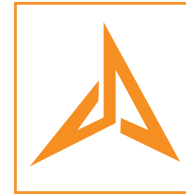
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables	466,124	414,880	453,980	396,270
Less Allowance for doubtful accounts	(64,813)	(14,862)	(63,299)	(43,221)
<b>Net</b>	<b>401,311</b>	<b>400,018</b>	<b>390,681</b>	<b>353,049</b>
Other receivables				
From sales of fixed assets	-	25,181	-	28,355
Advance payments to contractors	28,359	28,359	-	-
Others	32,574	15,438	24,450	13,078
Total	60,933	68,978	24,450	41,433
Less Allowance for doubtful accounts	(28,359)	(28,359)	-	-
<b>Net</b>	<b>32,574</b>	<b>40,619</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables</b>	<b>433,885</b>	<b>440,637</b>	<b>415,131</b>	<b>394,482</b>

As at 31 December 2018 and 2017, Trade and other receivables are analysed by aging as follows :

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Within credit terms	250,965	203,444	248,425	195,213
Overdue :				
Less than 3 months	126,393	126,688	126,393	125,818
3 - 6 months	8,750	14,015	8,750	14,015
6 - 12 months	97	8,422	97	7,449
Over 12 months	79,919	62,311	70,315	53,775
<b>Total</b>	<b>466,124</b>	<b>414,880</b>	<b>453,980</b>	<b>396,270</b>

The normal credit terms granted by the Company ranges from 30 days to 45 days.



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**9 Unbilled receivables/Advances received from employers and construction revenue received in advance**

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Unbilled receivables</b>				
Project value as per contract	3,525,271	3,443,906	3,294,655	3,277,449
Accumulated amount recognised as revenue on percentage of completion basis	2,210,636	1,977,340	2,018,053	1,941,178
Less Value of total billed	(1,962,867)	(1,769,798)	(1,800,540)	(1,741,716)
<b>Unbilled receivables</b>	<b>247,769</b>	<b>207,542</b>	<b>217,513</b>	<b>199,462</b>
<b>Retentions</b>	222,493	243,166	198,946	266,362
Less Allowance for doubtful accounts	(9,083)	(1,985)	(9,083)	(1,985)
<b>Net</b>	<b>213,410</b>	<b>241,181</b>	<b>189,863</b>	<b>224,377</b>
<b>Advances received from employers and construction revenue received in advance</b>				
Project value as per contract	1,047,267	-	1,047,267	-
Value of total billed	599,723	-	599,723	-
Less Accumulated amount recognised as revenue on percentage of completion basis	(644,064)	-	(644,065)	-
Construction revenue received in advance	(44,341)	-	(44,342)	-
Advances received from employers	(154,007)	133,747	(144,081)	133,747
<b>Total</b>	<b>(198,348)</b>	<b>133,747</b>	<b>(188,423)</b>	<b>133,747</b>

**10. Inventories**

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Construction materials	33,849	38,604	33,849	35,953
Supplies	76,210	68,655	74,040	68,655
<b>Total</b>	<b>110,059</b>	<b>107,259</b>	<b>107,889</b>	<b>104,608</b>
Less allowance for diminution in value of inventories	(20,427)	(14,506)	(20,428)	(14,506)
<b>Net</b>	<b>89,632</b>	<b>92,753</b>	<b>87,461</b>	<b>90,102</b>



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## 11 Bank deposits used as collateral

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Savings deposits	43,000	43,000	43,000	43,000
Fixed deposits	21,000	24,227	21,000	24,000
<b>Total</b>	<b>64,000</b>	<b>67,227</b>	<b>64,000</b>	<b>67,000</b>

As at 31 December 2018 and 2017, the Group have savings deposit with several banks to guarantee bank overdrafts and short-term borrowings from financial institution (note 18) and letter of guarantee (note 33)

## 12 Investments in subsidiaries

Unit : Thousand Baht

	Separate financial statements	
	2018	2017
At 1 January	22,800	14,999
Increase	-	8,000
Decrease	-	(200)
Less allowance for impairment of investment in subsidiaries	(10,250)	-
<b>At 31 December</b>	<b>12,550</b>	<b>22,799</b>

On 24 October 2017, Seafco Construction Co., Ltd. registered additional ordinary shares of 2,600,000 shares, with a par value of Baht 10 per share. The Company had invested in these additional shares, amounting to Baht 8 million. The proportion of ownership remain unchanged.

Seafco Construction Co., Ltd, the subsidiary, has ceased its operation. The Company recognised impairment loss on investment in subsidiary in the separate statement of comprehensive income for the year ended 31 December 2018, amounting to Baht 10.25 million.

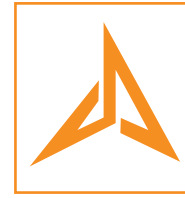


Investments in subsidiaries as at 31 December 2018 and 2017, were as follows:

Name	Type of business	Ownership interest		Separate financial statements						At cost - net of impairment	
				Paid-up capital		Cost		Impairment			
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		2018	2017								
		(%)									
Seafco Construction Co., Ltd.	Construction contractual work	50.000	50.000	26,000	26,000	13,000	13,000	-	-	2,750	13,000
Seafco Intertrade Co., Ltd.	Construction contractual work	97.996	97.996	10,000	10,000	9,800	9,800	-	-	9,800	9,800
Total						22,800	22,800	(10,250)	(10,250)	12,550	22,800

Unit : Thousand Baht

Seafco Intertrade Co., Ltd., the Group's subsidiary, made an investment in Seafco (Myanmar) Co., Ltd., which was incorporated in the Republic of the Union of Myanmar. Accordingly the Group obtained indirect controlling interest of Seafco (Myanmar) Co., Ltd. or indirect subsidiary of the Group with indirect ownership of 78.397%.



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### 13 Other long-Term Investments

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other investments- equity securities				
Oriental Residence Bangkok	5,000	5,000	5,000	5,000
Less allowance for impairment	(5,000)	-	(5,000)	-
<b>Net</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
Other	4,106	3,843	-	-
<b>Total</b>	<b>4,106</b>	<b>8,843</b>	<b>-</b>	<b>5,000</b>

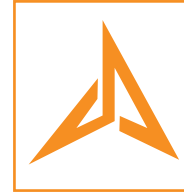
### 14 Investment properties

As at 31 December 2018, the investment property represents land and condominium units received as payments for construction services provided to customers at the cost value of Baht 18.97 million (2017 : Baht 29.67 million), while the approximate fair value is Baht 20.40 million (2017: Baht 35.43 million).

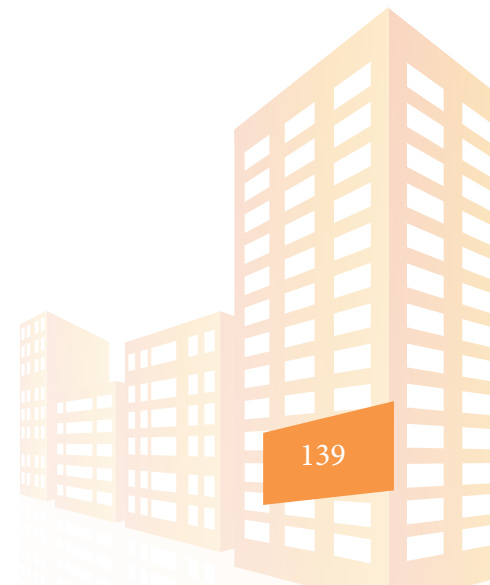
15 Property, plant and equipment

Unit : Thousand Baht

	Consolidated financial statements						Total
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	
<b>Cost</b>							
As at 1 January 2017	57,745	58,557	1,656,489	55,488	89,339	1,268	1,918,886
Additions	-	72	255,423	3,899	8,516	71,733	339,643
Transfer	1,484	1,573	16,983	78	1,759	(21,877)	-
Disposals	4,000	108	(292,590)	(3,426)	(4,785)	(234)	(305,143)
<b>As at 31 December 2017</b>	<b>55,229</b>	<b>60,094</b>	<b>1,636,305</b>	<b>56,039</b>	<b>94,829</b>	<b>50,890</b>	<b>1,953,386</b>
Additions	-	-	227,519	4,723	11,315	419,799	663,356
Transfer	11,935	4,239	419,167	80	5,158	(431,910)	8,669
Disposals	-	(40)	(34,928)	(2,780)	(6,017)	-	(43,765)
<b>As at 31 December 2018</b>	<b>67,164</b>	<b>64,293</b>	<b>2,248,063</b>	<b>58,062</b>	<b>105,285</b>	<b>38,779</b>	<b>2,581,646</b>



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Unit : Thousand Baht

	Consolidated financial statements						Total
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	
<b>Accumulated depreciation</b>							
As at 1 January 2017	-	33,383	1,035,805	38,817	69,829	-	1,177,834
Depreciation charge for the year	59	2,221	103,876	4,879	5,510	-	116,545
Disposals	-	(104)	(281,421)	(3,063)	(4,612)	-	(289,200)
<b>As at 31 December 2017</b>	<b>59</b>	<b>35,500</b>	<b>858,260</b>	<b>40,633</b>	<b>70,727</b>	<b>-</b>	<b>1,005,179</b>
Depreciation charge for the year	217	2,399	136,754	5,081	7,755	-	152,206
Disposals	-	(33)	(25,047)	(2,119)	(5,999)	-	(33,198)
<b>As at 31 December 2018</b>	<b>276</b>	<b>37,866</b>	<b>969,967</b>	<b>43,595</b>	<b>72,483</b>	<b>-</b>	<b>1,124,187</b>

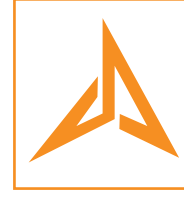
Unit : Thousand Baht

	Consolidated financial statements						Total
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	
<b>Net book value</b>							
<b>At 31 December 2017</b>							
Owned assets	55,170	24,595	703,683	15,406	14,441	50,890	864,185
Assets under finance leases	-	-	74,361	-	9,661	-	84,022
	<b>55,170</b>	<b>24,595</b>	<b>778,044</b>	<b>15,406</b>	<b>24,102</b>	<b>50,890</b>	<b>948,207</b>
<b>At 31 December 2018</b>							
Owned assets	66,888	26,428	1,131,585	14,467	18,387	38,779	1,296,534
Assets under finance leases	-	-	146,510	-	14,415	-	160,925
	<b>66,888</b>	<b>26,428</b>	<b>1,278,095</b>	<b>14,467</b>	<b>32,802</b>	<b>38,779</b>	<b>1,457,459</b>

The gross carrying amount of Group's fully depreciated buildings and equipment that was still in use as at 31 December 2018 was amounted to Baht 616.68 million

(2017 : Baht 550.76 million).

The Group have mortgaged certain plots of its land with constructions thereon, with their book values as at 31 December 2018 amounting to approximately Baht 44.80 million (2017 : Baht 114.92 million), and certain machinery, with their book values as at 31 December 2018 amounting to approximately Baht 72.77 million to guarantee bank overdrafts and short-term borrowings from financial institutions (note 18) and letter of guarantee (note 33).



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Unit : Thousand Baht

	Separate financial statement						Total
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	
<b>Cost</b>							
As at 1 January 2017	57,745	58,557	1,639,281	52,421	88,694	1,136	1,897,834
Additions	-	72	235,491	3,728	8,517	71,335	319,143
Transfer	1,484	1,573	16,833	-	1,759	(21,649)	-
Disposals	(4,000)	(108)	(292,590)	(3,415)	(4,786)	(234)	305,133)
<b>As at 31 December 2017</b>	<b>55,229</b>	<b>60,094</b>	<b>1,599,015</b>	<b>52,734</b>	<b>94,184</b>	<b>50,588</b>	<b>1,911,844</b>
Additions	-	-	206,573	4,155	11,315	419,608	641,651
Transfer	11,935	4,239	419,167	80	5,158	(431,909)	8,670
Disposals	-	(40)	(30,832)	(1,295)	(6,017)	-	(38,184)
<b>As at 31 December 2018</b>	<b>67,164</b>	<b>64,293</b>	<b>2,193,923</b>	<b>55,674</b>	<b>104,640</b>	<b>38,287</b>	<b>2,523,981</b>

Unit : Thousand Baht

	Separate financial statement						Total
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	
<b>Accumulated depreciation</b>							
As at 1 January 2017	-	33,383	1,032,850	37,357	69,460	-	1,173,050
Depreciation charge for the year	59	2,221	101,691	4,561	5,381	-	113,913
Disposals	-	(104)	(281,421)	(3,062)	(4,612)	-	(289,199)
<b>As at 31 December 2017</b>	<b>59</b>	<b>35,500</b>	<b>853,120</b>	<b>38,856</b>	<b>70,229</b>	<b>-</b>	<b>997,764</b>
Depreciation charge for the year	217	2,399	132,228	4,693	7,625	-	147,162
Disposals	-	(33)	(23,714)	(920)	(5,998)	-	(30,665)
<b>As at 31 December 2018</b>	<b>276</b>	<b>37,866</b>	<b>961,634</b>	<b>42,629</b>	<b>71,856</b>	<b>-</b>	<b>1,114,261</b>



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Unit : Thousand Baht

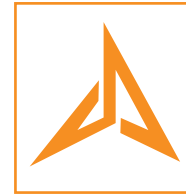
	Separate financial statement						Total
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	
<b>At 31 December 2017</b>							
Owned assets	55,170	24,594	671,534	13,878	14,294	50,588	830,059
Assets under finance leases	-	-	74,361	-	9,661	-	84,022
	<b>55,170</b>	<b>24,594</b>	<b>745,895</b>	<b>13,878</b>	<b>23,955</b>	<b>50,588</b>	<b>914,081</b>
<b>At 31 December 2018</b>							
Owned assets	66,888	26,427	1,085,779	13,045	18,369	38,287	1,248,795
Assets under finance leases	-	-	146,510	-	14,415	-	160,925
	<b>66,888</b>	<b>26,427</b>	<b>1,232,289</b>	<b>13,045</b>	<b>32,784</b>	<b>38,287</b>	<b>1,409,720</b>

The gross carrying amount of Group's fully depreciated buildings and equipment that was still in use as at 31 December 2018 was amounted to Baht 614.40 million

(2017 : Baht 549.34 million).

The Group have mortgaged certain plots of its land with constructions thereon, with their book values as at 31 December 2018 amounting to approximately Baht 44.80 million (2017 : Baht 114.92 million), and certain machinery, with their book values as at 31 December 2018 amounting to approximately Baht 72.77 million to guarantee bank overdrafts and short-term borrowings from financial institutions (note 18) and letter of guarantee (note 33).



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Unit : Thousand Baht

**Consolidated and  
Separate financial statements**

Software licences

**Cost**

As at 1 January 2017	3,750
Additions	797

<b>As at 31 December 2017</b>	<b>4,547</b>
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Additions	194
-----------	-----

<b>As at 31 December 2018</b>	<b>4,741</b>
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**Amortisation**

As at 1 January 2017	375
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Amortisation charge for year	420
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<b>As at 31 December 2017</b>	<b>795</b>
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Amortisation charge for year	462
------------------------------	-----

<b>As at 31 December 2018</b>	<b>1,257</b>
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**Net book value**

<b>As at 31 December 2017</b>	<b>3,752</b>
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<b>As at 31 December 2018</b>	<b>3,484</b>
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## 17 Deferred tax assets

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

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2018	2017
<b>Deferred tax assets</b>		
Trade accounts receivable (allowance for doubtful accounts)	10,480	3,708
Inventories (allowance for devaluation of inventories)	4,086	22
Retentions receivable (allowance for doubtful accounts)	1,816	321
Investments in subsidiary (impairment loss)	3,050	-
Other current provisions	5,854	2,922
Provision for long-term employee benefits	9,987	8,806
<b>Total</b>	<b>35,273</b>	<b>15,779</b>
<b>Deferred tax liability</b>		
Financial lease liabilities	(4,213)	(4,346)
<b>Total</b>	<b>(4,213)</b>	<b>(4,346)</b>
<b>Deferred tax assets - net</b>	<b>31,060</b>	<b>11,433</b>



Consolidated and Separate financial statements								
	1 January 2017	(Charged) / Credited to:		31 December 2017	1 January 2017	(Charged) / Credited to:		31 December 2017
		Profit or loss	other comprehensive income			Profit or loss	other comprehensive income	
<b>Deferred tax assets</b>								
Trade accounts receivable (allowance for doubtful accounts)	3,668	40	-	3,708	3,708	6,772	-	10,480
Inventories (allowance for devaluation of inventories)	22	-	-	22	22	4,064	-	4,086
Retentions receivable (allowance for doubtful accounts)	321	-	-	321	321	1,495	-	1,816
Investments in subsidiary (impairment loss)	-	-	-	-	-	3,050	-	3,050
Other current provisions	3,084	(162)	-	2,922	2,922	2,932	-	5,854
Provision for long-term employee benefits	8,201	90	515	8,806	8,806	414	767	9,987
<b>Total</b>	<b>15,296</b>	<b>(32)</b>	<b>515</b>	<b>15,779</b>	<b>15,779</b>	<b>18,727</b>	<b>767</b>	<b>35,273</b>
<b>Deferred tax liabilities</b>								
Financial lease liabilities	(6,054)	1,708	-	(4,346)	(4,346)	133	-	(4,213)
<b>Total</b>	<b>(6,054)</b>	<b>1,708</b>	<b>-</b>	<b>(4,346)</b>	<b>(4,346)</b>	<b>133</b>	<b>-</b>	<b>(4,213)</b>
<b>Net</b>	<b>9,242</b>	<b>1,676</b>	<b>515</b>	<b>11,433</b>	<b>11,433</b>	<b>18,860</b>	<b>767</b>	<b>31,060</b>



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## 18 Interest-bearing liabilities

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b><u>Current</u></b>				
Short-term loans from financial institutions - secured	-	80,901	-	80,901
Current portion of long-term loans from financial institutions- secured	151,504	73,782	146,559	73,782
Current portion of finance lease liabilities	36,176	22,847	36,176	22,847
Current portion of debentures	-	150,000	-	150,000
<b>Total current interest-bearing liabilities</b>	<b>187,680</b>	<b>327,530</b>	<b>182,735</b>	<b>327,530</b>
<b><u>Non-current</u></b>				
Long-term loans from financial institutions - secured	248,958	113,284	237,419	113,284
Finance lease liabilities	86,880	45,691	86,880	45,691
<b>Total non-current interest- bearing liabilities</b>	<b>335,838</b>	<b>158,975</b>	<b>324,299</b>	<b>158,975</b>

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

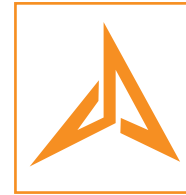
Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Within one year	151,504	304,683	146,559	304,683
After one year but within five years	248,958	113,284	237,419	113,284
<b>Total</b>	<b>400,462</b>	<b>417,967</b>	<b>383,978</b>	<b>417,967</b>

The loans consist of:

### ***Bank overdrafts and short-term loans from financial institutions***

The Company had overdrafts line with 8 banks amounting to Baht 153 million (2017: Baht 152.50 million) with interests at the rates saving from S/A + 1.5 per annum to MOR + 1 per annum (2017 : MOR+1 per annum.) Such bank overdrafts are collateralized by bank deposits (Note 11), land and construction thereon (Note 15) and trust receipt credit line of Baht 395 million (2017: Baht 80.40 million) with a bank at the agreed interest rate at the loaned date. Such loans have no any collaterals.



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**Long term Loans from Financial institution**

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>The Company</b>				
Loan facility agreements with bank in the total amount of Baht 90 million for the purchase of machinery principal repayment will be made quarterly of Baht 7.50 million each, and the monthly interest payment at the rate of BIBOR (3Months) + 2 per annum, commencing April 2018 and the repayment shall be completed by January 2019.				
As at 16 January 2018, The company had loans with the bank amount of Baht 43 million principal repayment will be made quarterly of Baht 7.50 million each, and the monthly interest payment at the rate of BIBOR (3Months) + 2per annum, commencing June 2018 and the repayment shall be completed by March 2019.				
As at 16 January 2018, the company had loans with the bank amount of Baht 23 million principal repayment will be made quarterly of Baht 7.50 million each, and the monthly interest payment at the rate of BIBOR (3Months) + 2 per annum, commencing June 2018 and the repayment shall be completed by March 2019.	26,220	27,720	26,220	27,720
Loan facility agreements with bank in the total amount of Baht 100 million with principal repayment will be made on a monthly basis of Baht 1.73 million each, and the monthly interest payment at the rate of BIBOR ( 1 Months) +1.8 per annum, commencing July 2018 and the repayment shall be completed by June 2022.	72,739	-	72,739	-

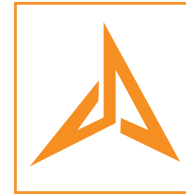


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Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Loan facility agreements with bank in the total amount of Baht 100 million with principal repayment will be made on a monthly basis of Baht 2.09 million each, and the monthly interest payment at the rate of BIBOR (1 Months) +1.8 per annum, commencing December 2018 and the repayment shall be completed by November 2022	97,910	-	97,910	-
Loan facility agreements with bank in the total amount of Baht 90 million for the purchase of machinery with principal repayment will be made quarterly of Baht 5.7 million each, and the monthly interest payment at the rate of BIBOR (1Months) + 1.8 per annum, commencing October 2018 and the repayment shall be completed by April 2022	79,044	-	79,044	-
Loan facility agreements with bank in the total amount of Baht 35 million in order to make payment for machineries. The principal is repayable on a monthly basis in the amount of Baht 0.73million,commenced in April 2014 and the payment will be completed in March 2018. The interest is payable on a monthly basis at the rate of MLR per annum.	-	2,150	-	2,150
Loan facility agreements with bank in the total amount of Baht 90 million with principal repayment on quarterbasis of Baht 7.50 million each, and the quarterly interest payment at the rate of BIBOR (3Months)+2 per annum ,basis commencing in February 2017 and the payment will be completed in November 2019	30,000	60,000	30,000	60,000



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Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Loan facility agreements with bank in the total amount of Baht 25.46 million in order to make payment formachineries acquired from oversea. The principal is repayable on a monthly basis in the amount of Baht 0.57million, commenced in September 2017 and the payment will be completed in August 2021.The interest is payable on a monthly basis at the rate of MLR per annum.	16,404	23,196	16,404	23,196
Loan facility agreements with bank in the total amount of Baht 74 million in order to make payment for machinery from overseas with principle repayment on monthly basis of Baht 1.23 million each, and the monthly interest payment at the rate of Prime Rate - 2.25% per annum, commencing in March 2018 and the payment will be completed in February 2023.	61,660	74,000	61,660	74,000
<b>Subsidiary</b>				
Loan facility agreements with bank in the total amount of USD 0.5 million for the purchase of machinery with principal repayment will be made quarterly of USD 0.05 million each, and the monthly interest payment at the rate of LIBOR (3 Months) + 2.5 per annum, commencing in June 2019 and the repayment shall be completed by September 2021.	16,485	-	-	-
	<u>400,462</u>	<u>187,066</u>	<u>383,977</u>	<u>187,066</u>

A long term loan from the financial institution The loan is secured by mortgaging certain plots of land with constructions thereon and equipment (note15). Subsidiary 's loans collateralized by SBLC from bank. Besides that, the Company must be in compliance with the debt covenants and maintain the required financial ratios as stated in the agreements such as maintaining the debt to equity ratio etc.



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### *Debentures*

On 11 September 2015, the Company issued and sold 150,000 units of unsubordinated and unsecured debenture, Baht 1,000 each, to specific holder for a total value of Baht 150 million. Interest is paid four times a year at the rate of 4.60% per annum, and was redeemed on 12 September 2018.

### *Finance lease liabilities*

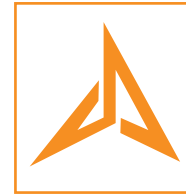
Finance lease liabilities as at 31 December were payable follows:

	Unit : Thousand Baht	
	Consolidated and Separate financial statements	
	2561	2560
<b><i>Within one year</i></b>		
Future minimum lease payments	41,123	25,197
Less Deferred interest	(4,947)	(2,350)
Present value of minimum lease payments	36,176	22,847
<b><i>After one year but within five years</i></b>		
Future minimum lease payments	92,532	48,056
Less Deferred interest	(5,652)	(2,365)
Present value of minimum lease payments	86,880	45,691

## 19 Trade and other payables

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade payables</b>				
Related parties	13,455	9,589	4,021	155
Other parties	665,448	450,867	637,360	427,976
<b>Total</b>	<b>678,903</b>	<b>460,456</b>	<b>641,381</b>	<b>428,131</b>
<b>Other payables</b>				
Assets payables	5,896	56,825	5,897	56,825
Accrued expenses	36,213	24,043	34,551	23,893
Others	12,695	10,091	12,122	10,088
<b>Total</b>	<b>54,804</b>	<b>90,959</b>	<b>52,570</b>	<b>90,806</b>
<b>Total trade and other payables</b>	<b>733,707</b>	<b>551,414</b>	<b>693,951</b>	<b>518,937</b>





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## 20 Other current provisions

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b><i>Provision for loss of construction projects</i></b>				
As at 1 January 2017	14,592	15,384	14,592	15,384
Add Recorded during the year	30,059	11,375	23,185	8,114
Less Decrease in provision as project cost actually occurred in the year	(8,508)	(8,906)	(8,508)	(8,906)
<b>As at 1 January 2018</b>	<b>36,143</b>	<b>17,853</b>	<b>29,269</b>	<b>14,592</b>
Other provisions	-	16	-	16
<b>Total</b>	<b>36,143</b>	<b>17,869</b>	<b>29,269</b>	<b>14,608</b>

## 21 Employee benefit obligations

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2018	2017
<b>Statement of financial position</b>		
Employee benefit obligations	49,935	44,031
<b><i>Year ended 31 December</i></b>		
<b>Statement of comprehensive income :</b>		
<b>Recognised in profit or loss:</b>		
Post-employment benefits	4,075	6,619
	<b>4,075</b>	<b>6,619</b>
<b>Recognised in other comprehensive income:</b>		
Actuarial losses recognised in the year	3,844	2,577
	<b>3,844</b>	<b>2,577</b>



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Movements in the present value of the dened benet obligations

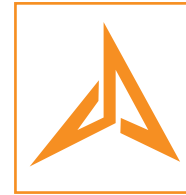
Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2018	2017
Defined benefit obligations at 1 January	44,031	41,006
Actuarial gains	3,844	2,577
Current service costs	2,958	5,156
Interest on obligation	1,117	1,463
Benefit paid	(2,015)	(6,170)
<b>Defined benefit obligations at 31 December</b>	<b>49,935</b>	<b>44,032</b>

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

Unit : Thousand Baht

	Consolidated and Separate financial statements
	2018
<i>For the years ended 31 December</i>	
Demographic assumptions	(198)
Financial assumptions	126
Experience adjustment	3,916
<b>Total</b>	<b>3,844</b>



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### *Actuarial assumptions*

Principal actuarial assumptions at the end of the reporting period

	Consolidated and Separate financial statements	
	2018	2017
	(%)	
Discount rate*	2.8	2.54
Salary increase rate	6	5.7
Employee turnover rate**	3.82-45.84	3.82-45.84
Mortality rate***	105	100

\* Market yield from government's bond for legal severance payments plan

\*\* Upon the length of service

\*\*\* In 2018, reference from TMO2017: Thai Mortality Ordinary Table 2017

In 2017, reference from TMO2008: Thai Mortality Ordinary Table 2008

### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for defined benefit plans by the amounts shown below.

	Unit : Thousand Baht Consolidated and Separate financial statements	
	2018	
Discount rate		
0.5% increase		(1,959)
0.5% decrease		2,112
Salary increase rate		
1.0% increase		4,208
1.0% decrease		(3,706)
Employee turnover rate		
10.0% increase		(2,288)
10.0% decrease		2,739



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

### *Change to severance payment under new Labor Protection Act.*

On December 13, 2018, the National Legislative Assembly passed a final resolution to approve the draft of new amendment to the Labor Protection Act. Such draft is currently in the process of announcement being made through the Royal Thai Government Gazette.

The aforementioned draft has stipulated that employee who is terminated for an uninterrupted service period of 20 years or more is entitled to receive severance payment for not less than 400 days of the wage at the most recent date of employment. The current maximum severance payment is based on 300 days.

The effects of such change will result in an increase in the employee benefit obligations of the Group in the consolidated financial position of 2019 amounting to approximately Baht 14.15 million (the Company's separate financial position of 2019 : Baht 14.15 million) and a decrease in the total comprehensive income of the Group in the consolidated comprehensive income for 2019 amounting to approximately Baht 11.32 million (the Company's separate comprehensive income for 2019 : Baht 11.32 million).

## 22 Shares capital

	Par Value (in Baht)	Consolidated and Separate financial statements			
		2018		2017	
		Number of share	Amount baht	Number of share	Amount baht
		(thousand shares/ Thousand Baht)			
<b>Authorized Share Capital</b>					
At 1 January					
Authorized Share Capital					
- ordinary shares	0.5	611,330	305,665	611,330	305,665
Add Stock dividend (Note 31)	0.5	61,133	30,567	-	-
<b>At 31 December</b>					
- ordinary shares		672,463	336,232	611,330	305,665
<b>Issued and paid - up</b>					
At 1 January					
- ordinary shares	0.5	611,330	305,665	611,330	305,665
Add Stock dividend (Note 31)	0.5	61,133	30,566	-	-
<b>At 31 December</b>					
- ordinary shares		672,463	336,231	611,330	305,665

According to the minutes of shareholders' extraordinary meeting No. 1/2017 held on 12 October 2017, passed the resolution to change par value of share capital from Baht 1 each to Baht 0.50 each. As a result, the Company has the registered share capital totally 611,330,016 shares at par value of Baht 0.50 each. The Company has registered the change par value of share capital with the Ministry of Commerce on 19 October 2017.

## 23 Capital surplus and reserves

### *Share premium*

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

### **Legal reserve**

Section 116 of the Public Companies Act B.E. 1992 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### **Other component of equity**

### *Currency translation differences*

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations to Thai Baht.

## 24 Contracts in progress

As at 31 December 2018, the aggregate amount of construction cost incurred and recognised profits or losses to date for contracts in progress of the Group was approximately Baht 2,280.13 million (2017 : Baht 960.74 million) (Separate financial statements: Baht 2,071.81million (2017: Baht 934.49 million)), gross amounts due from customers for contracts in progress were approximately Baht 243.29 million (2017: Baht 151.94 million) (Separate financial statements: Baht 213.03 million (2017: Baht 144.13 million))

## 25 Segment information

Operating segment information is reported in a manner consistent with the internal reports of the Group that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assessing its performance. The chief operating decision maker of Group has been identified as the President of executive directors.

The Group 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.



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Unit : Million Baht

	Consolidated financial statements	
	2018	2017
Foundation and wall works	2,751,689	1,809,160
General civil works	917	9,252

### *Major customers*

The Group recognized revenues from constructions two major customers (income received from customers over 10% of total income) for the years ended 31 December 2018, amounting to Baht 1,247.65 million. (31 December 2017 : Baht 463.86 million).

## 26 Administrative expenses

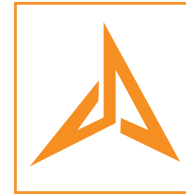
Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Personnel expenses	58,444	76,506	54,125	74,301
Provision expense	59,245	-	29,372	-
Impairment losses	5,000	-	15,250	-
Office supplies and utilities expenses	2,285	2,167	2,286	2,167
Rental expenses	3,569	5,348	3,569	5,348
Depreciation and amortisation	9,359	8,518	9,397	8,267
System monitoring and maintenance expenses	2,529	2,333	2,529	2,333
Others	52,322	42,155	43,535	42,910
<b>Total</b>	<b>192,753</b>	<b>137,027</b>	<b>160,063</b>	<b>135,326</b>

## 27 Employee benefit expenses

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Wages and salaries	37,735	40,874	34,063	40,874
Overtime	201	1,010	201	1,010
Welfare	2,415	2,561	1,769	2,561
Bonus	10,451	10,577	10,451	10,577
Incentive	1,524	2,206	1,524	1,323
Defined contribution plans	1,629	1,845	1,629	1,845
Retirement benefits	687	1,825	687	1,826
Others	3,801	15,608	3,801	14,285
<b>Total</b>	<b>58,443</b>	<b>76,506</b>	<b>54,125</b>	<b>76,301</b>

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The dened contribution plans comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 3% - 10% of their basic salaries and by the Group at rates 3%-15% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager. For the years 2018, the Group have contribution to be paid to the fund for the amount of Baht 4.10 million.( 2017 : Baht 3.8 million).

**28 Expenses by nature**

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Construction materials and supplies used	1,192,342	789,882	1,154,399	789,882
Subcontractors costs	120,965	47,576	115,334	47,576
Personnel expenses	321,061	239,337	302,853	239,337
Depreciation and amortisation	142,242	106,066	138,228	106,066
Repair and maintenance expenses	14,597	9,330	14,597	9,330
Transportation expenses	35,073	48,413	35,073	48,413
Rental expenses	127,327	103,918	127,327	103,918

**29 Income tax**

Income tax of the Group was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Group recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

*Foreign Subsidiaries*

Seafco (Myanmar) Co.,Ltd.

Current income tax is calculated based on statutory income tax of The Republic of the Union of Myanmar at the rate of 25%. There was no tax effect in other comprehensive income.

*Income tax recognised in profit or loss*

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current tax expense</b>				
Current year	92,296	50,429	92,296	47,851
<b>Deferred tax expense</b>				
Relating to origination and reversal of temporary differences	(20,345)	(1,676)	(20,345)	(1,676)
<b>Total income tax expense</b>	<b>71,951</b>	<b>48,753</b>	<b>71,951</b>	<b>46,175</b>

Unit : Thousand Baht



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*Income tax recognised in other comprehensive income*

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Actuarial loss	3,844	2,577	3,844	2,577
Income tax expenses(income) reported in the statement of comprehensivincome	769	515	769	515
<b>Total</b>	<b>4,613</b>	<b>3,092</b>	<b>4,613</b>	<b>3,092</b>

Reconciliation of effective tax rate

Unit : Thousand Baht

	Consolidated financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		429,018		263,719
Income tax using the Thai corporation tax rate	20,25	89,900	20,25	52,987
Exemption of income/Additional expenses deduction allowed		(3,211)		(9,044)
Expenses net deductible for tax purposes and others		8,707		6,485
Current income tax		95,396		50,428
Movements in temporary differences		(18,860)		(1,676)
<b>Income tax expenses</b>	<b>18</b>	<b>76,536</b>	<b>18</b>	<b>48,752</b>

Unit : Thousand Baht

	Separate financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		434,009		260,196
Income tax using the Thai corporation tax rate	20	86,802	20	52,039
Exemption of income/Additional expenses deduction allowed		(3,211)		(9,044)
Expenses net deductible for tax purposes and others		8,707		4,856
Current income tax		92,298		47,851
Movements in temporary differences		(18,860)		(1,676)
<b>Income tax expenses</b>	<b>17</b>	<b>73,438</b>	<b>18</b>	<b>46,175</b>



### 30 Earnings per share

Basic earnings per share for the years ended 31 December 2018 and 2017 are determined by dividing the profit attributable to ordinary shareholders of the Company for the years by the weighted average number of ordinary shares outstanding during the years, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the increase in share capital arising from the issue of a stock dividend of 61,132 million shares on 25 May 2018. The number of ordinary shares of the prior years has been adjusted as if the stock dividend had been issued at the beginning of the earliest years reported as follows:

	Unit : Thousand Baht/Thousand Share			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to ordinary shareholders of the Company	368,214	210,875	360,571	214,021
Number of ordinary shares outstanding	611,330	611,330	611,330	611,330
Add Stock dividend (Note 31)	61,133	61,133	61,133	61,133
Weighted average number of paid-up ordinary shares	672,463	672,463	672,463	672,463
<b>Basic earnings per share (Baht)</b>	<b>0.55</b>	<b>0.31</b>	<b>0.54</b>	<b>0.32</b>

### 31 Dividend paid

The Company's Board of directors' meeting No.4/2018 held on 12 November 2018 approved to pay an interim dividend from the results of operation for the three months of 2018 to the shareholders at Baht 0.05 per share for 672.46 million shares, totaling Baht 33.62 million. The Company paid dividend to shareholders on 28 November 2018.

The Company's Board of directors' meeting No.3/2018 held on 10 August 2018 approved to pay an interim dividend from the results of operation for the first six months of 2018 to the shareholders at Baht 0.11 per share for 672.46 million shares, totaling Baht 73.97 million. The Company paid dividend to shareholders on 6 September 2018.

The Company's Shareholders at their 2018 Annual General Shareholders' Meeting held on 26 April 2018 approved an annual dividend to common shareholders at of Baht 0.175 per share, including an interim dividend made during the year at Baht 0.075 per share. According to the resolution of shareholders, all common shareholders are eligible to receive additional cash dividend at Baht 0.05 per share, totaling Baht 30.57 million, and stock dividend at the ratio of 10 existing shares to 1 new common share Baht 0.50 per share, totaling Baht 30.57 million. The Company paid dividend to shareholders on 25 May 2018.

The Company's Board of directors' meeting No.3/2017 held on 10 August 2017 approved to pay an interim dividend from the results of operation for the first six months of 2017 to the shareholders at Baht 0.15 per share for 305.67 million shares, totaling Baht 45.85 million. The Company paid dividend to shareholders on 7 September 2017.



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The Company's Shareholders at their Annual General Shareholders' Meeting 2017 held on 21 April 2017 approved a dividend payment in cash for common shares of Baht 0.26 per share, including an interim dividend made during the year at Baht 0.11 per share. Accordingly, all common shareholders are eligible to receive additional dividend payment at Baht 0.15 per share, totaling Baht 45.85 million. The Company paid dividend to shareholders on 17 May 2017.

## **32 Financial instruments**

### **Financial risk management policies**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

### **Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

### **Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because deposits at banks, short-term loans, restricted bank deposit, bank overdrafts and short-term loans from financial institutions, long-term loan, debentures and liabilities under finance lease agreements interest rates are fluctuations in market interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

Unit : Thousand Baht

As at 31 December 2018							
Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	After 1 year but within 5 years	After 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	202,164	766	202,930	MOR
Current investment	-	-	-	180,693	-	180,693	10.98-13.14
Trade and other receivables	-	-	-	-	415,131	415,131	
Short-term loan to related party	-	1,300	-	-	-	1,300	5
Bank deposits used as collateral	64,000	-	-	-	-	64,000	0.80-1.15
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	693,951	693,951	-
Long-term loan from financial institution	151,504	248,958	-	-	-	400,462	3.49-6.25
Financial lease liabilities	36,176	86,880	-	-	-	123,056	2.58-6.67



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Unit : Thousand Baht

	As at 31 December 2018					
	Separate financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	After 1 year but within 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	202,164	766	202,930	MOR
Current investment	-	-	180,693	-	180,693	10.98-13.14
Trade and other receivables	-	-	-	415,131	415,131	-
Short-term loan to related party	-	1,300	-	-	1,300	5
Bank deposits used as collateral	64,000	-	-	-	64,000	0.80-1.15
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	693,951	693,951	-
Short-term loans	-	-	-	-	-	-
Long-term loan from financial institution	146,559	237,418	-	-	383,977	3.49-6.25
Financial lease liabilities	36,176	86,880	-	-	123,056	2.58-6.67

Unit : Thousand Baht

As at 31 December 2017							
Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	After 1 year but within 5 years	After 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	246,803	902	247,705	MOR
Current investment	-	-	-	100,045	-	100,045	10.86-12.99
Trade and other receivables	-	-	-	-	394,482	394,482	-
Bank deposits used as collateral	64,000	-	-	-	-	64,000	0.80-1.15
<b>Financial liabilities</b>							
Bank overdrafts and shot-term loans from financial institutions	-	-	-	80,901	-	80,901	MOR
Trade and other payables	-	-	-	-	518,937	518,937	-
Long-term loan from financial institution	73,782	113,284	-	-	-	187,066	3.49-6.25
Financial lease liabilities	22,847	45,691	-	-	-	68,538	2.58-6.67
Leasehold improvements	150,000	-	-	-	-	150,000	4.60



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Unit : Thousand Baht

As at 31 December 2017								
Separate financial statements								
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
	Within 1 year	After 1 year but within 5 years	After 5 years					
<b>Financial assets</b>								
Cash and cash equivalents	-	-	-	246,803	902	247,705	MOR	
Current investment	-	-	-	100,045	-	100,045	10.86-12.99	
Trade and other receivables	-	-	-	-	394,482	394,482	-	
Bank deposits used as collateral	64,000	-	-	-	-	64,000	0.80-1.15	
<b>Financial liabilities</b>								
Bank overdrafts and shot-term								
lones from financial institutions	-	-	-	80,901	-	80,901	MOR	
Trade and other payables	-	-	-	-	518,937	518,937	-	
Long-term loan from								
financial institution	73,782	113,284	-	-	187,066	187,066	3.49-6.25	
Financial lease liabilities	22,847	45,691	-	-	68,538	68,538	2.58-6.67	
debentures	150,000	-	-	-	150,000	150,000	4.60	

### Foreign currency risk

The balances of financial liabilities denominated in foreign currencies and hadn't been hedged against foreign exchange rate risk, are summarised as follows :

	Unit : Thousand Baht	
	Consolidated and Separate financial statements	
	2018	2017
<b>US Dollar</b>		
Trust receipt payable	-	78
Trade accounts payable	-	35
<b>SG Dollar</b>		
Trade accounts payable	2	12
<b>EUR</b>		
Trade accounts payable	7	-
Assets payable	-	897
<b>Gross balance sheet exposure</b>	<b>9</b>	<b>1,022</b>

### Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group 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 statements of financial position at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

### Liquidity risk

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

### Measurement of fair values

The Company had assets that were measured at fair value using different levels of inputs as follows:

	Unit : Thousand Baht			
	Consolidated and Separate financial statements			
<b>At 31 December 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Current investments (Unit fund)	-	180,693	-	180,693
<b>Total assets</b>	<b>-</b>	<b>180,693</b>	<b>-</b>	<b>180,693</b>



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Unit : Thousand Baht

	Consolidated and Separate financial statements			
At 31 December 2017	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Current investments (Unit fund)	-	100,045	-	100,045
<b>Total assets</b>	-	100,045	-	100,045

As at 31 December 2018 and 2017, the fair value of financial assets and liabilities do not differ significantly from amount recorded in the statements of financial position.

#### Valuation techniques and inputs for Level 2 valuations

The fair value of investments in investment units which are not listed on the Stock Exchange of Thailand, is determined by using the net assets value per unit as announced by the fund managers.

During the current period, there was no transfer within the fair value hierarchy.

### 33 Commitments with non-related parties

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2018	2017
<b><i>Project construction cost commitments</i></b>		
US Dollar	-	135
SG Dollar	-	1,172
Euro	1	1,585
Yen	-	117,236
Baht	305,065	240,128
	<b>305,066</b>	<b>360,256</b>
<b><i>Non-cancellable operating lease commitments</i></b>		
Within one year	304,895	239,817
After one year but within five years	170	310
<b>Total</b>	<b>305,065</b>	<b>240,127</b>
<b>Other commitments</b>		
Yen	-	101
Baht	-	117,236
Bank guarantees	-	36,808
<b>Total</b>	<b>-</b>	<b>154,145</b>



the Group and the Company had the following commitments:

***Project construction cost commitments***

The Group had commitments in respect of project construction costs, for which the Group had entered into agreements. In accordance with the agreements the Group will make payment of these commitments upon delivery of the relevant goods or services.

***Operating lease commitments***

As at 31 December 2018, the Company had outstanding commitments of approximately Baht 305.07 million (2016: Baht 240.13 million) with the period of 3 months to 3 years.

***Letters of credit***

As at 31 December 2018 the Group had unused letters of credit for purchase fixed asset Baht 16.39 million (2017 :Baht 106.37 million)

***Bank guarantees***

As at 31 December 2018 and 2017, the Group have outstanding bank guarantees issued by banks to some customers in accordance with the hire of work contracts, goods seller and others. Such letter of guarantee is guaranteed by bank deposit (note 11), land with its construction (note 15) and transfer the receipt of payment rights under the hire of work contracts of various customers.

As at 31 December 2018, the Group had unused Credit line Baht 818.04 million (2017 : Baht 530.38 million)

### **34 Contingent liabilities**

As at 31 December 2018, the Company had contingent liabilities in respect of claims made by contractors, sub-contractors, ex-employee and residents living near construction sites relating to breach of contracts and violation of right and cause of damages amounting to approximately Baht 129.46 million (2017 : Baht 164.83 million). The management, however, believes that there is no significant liabilities which may arise from such claims. At present, all cases are still in the judicial process.



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### **35 Events after the reporting period**

The Company's Board of directors' meeting No.1/2019 held on 26 February 2019 , passed the resolution to propose for the approval to the shareholders' general meeting to pay dividend to shareholders at Baht 0.31 per share as follows:

- Paid an interim dividend on 6 December 2018 at Baht 0.11 per share ( note 31).
- Paid an interim dividend on 28 November 2018 at Baht 0.05 per share ( note 31).
- For the remaining dividend, the Company will pay the additional cash dividend at Baht 0.10 per share and stock dividend at the ratio of 10 existing shares to 1 new common share Baht 0.05 per shar.

### **36 Reclassification of accounts**

Certain accounts in the 2017 financial statements have been reclassified to conform with the presentation in the 2018 financial statements as follows:

Unit : Thousand Baht

	2017					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
<b>Statements of financial position</b>						
Cash and cash equivalents	260,760	213	260,973	247,705	213	247,918
Trade and other receivables	440,850	(213)	440,637	394,695	(213)	394,482
Deferred tax asset	15,779	(4,346)	11,433	15,779	(4,346)	11,433
Deferred tax liabilities	4,346	(4,346)	-	4,346	(4,346)	-
<b>Statements of Comprehensive income</b>						
Revenues from constructions	1,818,241	(1,453)	1,816,788	1,770,595	(1,453)	1,769,142
Sales of construction materials	-	9,560	9,560	-	9,560	9,560
Other income	89,007	(8,191)	80,816	91,839	(9,179)	82,660
Costs of Constructions	1,481,124	11,472	1,492,596	1,442,542	5,577	1,448,119
Administrative expenses	148,499	(11,472)	137,027	141,976	(6,649)	135,327

### 37 Approval of financial statements

These financial statements have been authorised for issue by the Company's Board of Directors on 26 February 2019.



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**Message from the chairman of Corporate governance, responsibility to society and sustainable development committee**

The company operated sustainable development to create balance with business growth, by using corporate governance in developing the company in order to create balance in economic, social and environmental condition. Every part will have equal benefit for sustainability further in the future.

In the year 2018, the company also focused on personnel development, which the company still considers that in economic, social and environment aspects, it will be better when persons who are important component, have development. The company, therefore, together with the Willpower Institute of Power of Mind, Luang Pho Viriyang Sirindharo to teach meditation courses which is opened as the 47 branch which has been opened since 2012 and has already taught a total of 10 classes for nearly 6 years. The company determines that every employee learns this course which started in 2016, allowing employees to learn about 25% of each class until 100% in 2 years, which is now almost completed by almost everyone, more than 90%. The company also allows employees, especially in the head office, to have Meditation three times a day, morning, day time and evening, for 5 minutes at a time, and in 2019, the agency will be requested to meditate every morning before starting work and those who attend this course are not limited to employees, also allow general outsiders to attend the meditation which will have third parties near the company to come to study as well. The result from the employees is that employees who have learned meditation will work better including following the company regulations and cooperating in various activities which the company held and also resulting in various operations in the organization and relationship with the surrounding communities are better. The company believes that developing people by using Dharma is an important part to develop sustainability for the company well. The company will start requesting to register the Quality Management System of ISO9001 Version 2015 which is expected to be completed by the year 2019.

For following years, the company will continue to develop this personnel development as well as developing more innovation in production and will continue to develop sustainability in accordance with international principles.

Mr. Loyleuan Bunnag

chairman of Corporate governance, responsibility to society  
and sustainable development committee

## Sustainable Development

On 10 August 2018, the Board of Director formed a Sustainable Development Committee with intention of organization sustainable development, transparency, good governance, responsibility for and protection of interests of the society and stakeholders, development of personnel of good conduct, high ethics, extensive knowledge, good quality of life, improvement of the surroundings according to the international standards, as follows:

1. Good governance
2. Fair business dealing
3. Anticorruption
4. Respect of human rights
5. Fair treatment of labor
6. Responsibilities for consumers
7. Community and social development
8. Management of the environment
9. Innovation and its dissemination

### Sustainable Development

The company has determined and analyzed the stakeholders of the company, by gathering information from all sections/departments of the company, including information from the construction units and community passing through community relations section, having duty to have communication and building relationships between the construction unit and the surrounding communities, to know the needs and information of each group of stakeholders, both the main stakeholders and the secondary stakeholders. The information will be used as a guideline for making policy, strategy, process and administration of work that can respond to needs efficiently and sustainably. In this regard, in the determination of policy of social responsibility, there is the detail as follows:

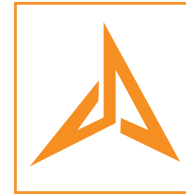
Stakeholders	Expectation	Related procedures
1. Shareholders	<ul style="list-style-type: none"> <li>- Maximum return (Under appropriate risk)</li> <li>- Transparent and auditable business operations</li> <li>- Rights of shareholders</li> <li>- Equitable treatment to shareholders</li> <li>- Disclosure and access to information appropriately and adequately</li> <li>- Determining channels for expressing opinion and recommendation</li> </ul>	<ul style="list-style-type: none"> <li>- Operation under the principles of good governance of the company.</li> </ul>



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Stakeholders	Expectation	Related procedures
2. Customers	<ul style="list-style-type: none"> <li>- Quality service and performance at international standards Able to meet customer needs and fair prices</li> <li>- Delivering work on time</li> <li>- The disclosure of relevant information correctly, appropriately and adequately</li> <li>- Contracting between customers and the company fairly and contract fulfillment</li> <li>- Maintaining customer confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>- Development of the potential of the company in various fields, whether in the matter of personnel, tools, machinery, innovation, work processes, etc., in response to the needs of customers and the development of a leading company in bored piles and diaphragm wall</li> <li>- Compliance with good governance principles and business code of conduct of the company</li> </ul>
3. Employees	<ul style="list-style-type: none"> <li>- Security and progress in duty and work</li> <li>- Fair and appropriate compensation and benefit</li> <li>- Work safety</li> <li>- Good work environment</li> <li>- Channels for expressing opinion and complaints</li> </ul>	<ul style="list-style-type: none"> <li>- Performance under good governance and business code of conduct of the company</li> <li>- Promoting and developing personnel in several aspects and developing and planning for progress in career path</li> <li>-Creating consciousness and implementing safety at work, by setting policies, measures, regulations, monitoring and evaluation and developing guidelines for working safety</li> <li>- Compliance with safety, occupational health and work environment policies, so that the workplace is hygienic</li> <li>- Determine channels for expressing opinions and complaints, with protection measures for whistleblowers</li> </ul>
4. Partners	<ul style="list-style-type: none"> <li>- Transparent process of selection of partners</li> <li>- Disclosure of information appropriately and adequately</li> <li>- Making of contracts between partners and company fairly</li> <li>- Keeping of confidential information of partners</li> <li>- Channels for expressing opinion and complaints</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with good corporate governance principles and business ethics</li> <li>- Compliance with the Company's Anti-dishonesty and Corruption Policy</li> <li>- Compliance with contracts between partners and the company</li> <li>- Determine channels for expressing opinion and complaints with protection measures for whistleblowers</li> </ul>



Stakeholders	Expectation	Related procedures
5. Creditor	<ul style="list-style-type: none"> <li>- Transparent and auditable business operations</li> <li>- Disclosure of related information correctly, appropriately and sufficiently</li> <li>- Making contracts between creditors and the company is fairly made</li> <li>- Compliance with the contracts made between the creditors and the company</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with good corporate governance and business code of conduct of the company</li> </ul>
6. Competitor	<ul style="list-style-type: none"> <li>- Not doing anything to limit the right of competitors</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with good corporate governance and business code of conduct of the company</li> </ul>
7. Government agency	<ul style="list-style-type: none"> <li>- Performance under the relevant law and regulations in engaging in business of the company</li> <li>- Transparence in doing business</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with good corporate governance and business code of conduct of the company</li> <li>- Compliance with policy of anti-dishonesty, corruption and giving or receiving graft of the company</li> </ul>
8. Community and Society	<ul style="list-style-type: none"> <li>- Engaging in business affecting life living of people in community or commuters in minimum</li> <li>- Engaging in business with keeping environment</li> <li>- Supporting community activities</li> <li>- Channel for expressing opinion and complaint</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with good corporate governance and business code of conduct of the company</li> <li>- Compliance with policy of safety, occupational health and environment</li> <li>- Determining the channels in showing opinion and complaints and measures to protect whistleblowers</li> <li>- Participation of community and society</li> </ul>

The company is committed to sustainable development towards becoming a leading company in bored piles and diaphragm wall. To achieve that objective The company has therefore established a sustainable approach to cover economic, social and environmental aspects. And good corporate governance According to international guidelines and regulatory bodies such as the Securities and Exchange Commission And the Stock Exchange of Thailand

From identifying and analyzing the needs of the stakeholders of the company Ready to summarize the guidelines that are appropriate for the business of the company To establish a clear policy and practice To meet the needs of stakeholders as follows:



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Stakeholders	Procedures of sustainability
Shareholders	- Engaging in business according to good governance and business code of conduct of the company
Customers	- Providing of service and delivering of work result with quality and work standard in international level - Disclosure of related information to customers appropriately and sufficiently - Making contract with fairness - Keeping confidential information of customers
Employees	- Work safety, potential development, fair compensation and performance according to principle of human right
Partners	- Engaging in business with fairness
Creditor	- Engaging in business with fairness; doing towards creditors according to business code of conduct of the company
Competitor	- Engaging in business with fairness, treating well towards competitors according to business code of conduct of the company
Government agency	- Engaging in business with fairness
Community and Society	- Development of community and society

## 1. Social responsibility policy

The Company adheres to the King's working principles and sustainable economy theory as a guideline for the management using modestly, carefulness, risk prevention and fairness business operation together with responsibilities to society and environment.

The company still believes that human resource is the key component of the society. The better society is dependent on developed human resource and the developed human resource is those with spiritual development in accordance with the religious teachings. That is the main emphasis of the company.

## 2. Business operation and report preparation

Social responsibilities are conducted in the following aspects

**1. Good governance.** As discussed in the section on corporate governance .

**2. Fair business operation**

The Company's board of directors has a policy to adhere to policy fair practice to trade competitor with integrity, not violate intellectual property, and promote political rights as well as keeping its commitment to the Company's stakeholders as follows:

2.1 Fair competition. Follow the conditions as agreed with the partners of the contract both debtors and creditors strictly and fairly as committed for business cooperation as following:



(1) Specify conditions and agreements in the contractual contract or buying or purchasing contract clearly and strictly follow the conditions. In case the conditions was unable to be followed, urgently inform the reasons to the partners of the contract and find the solution that satisfies both parties.

(2) Always Give information, provide research work and new innovation to interest parties and customers.

(3) Deliver quality work on time at fair price to the customers as agreed and do not set selling price in an exorbitant prices.

## 2.2 Promote trade partner responsibilities

(1) Promote trade partner responsibilities for employers, sellers and contractors to be able to participate in social activities both directly and indirectly.

(2) Verify conflict of interests of employees at all levels with contractual employers, contractors, sellers consistently to prevent unfair and inequality business operation between each contractual employers, contractors and sellers.

(3) Provide knowledge on fair labor practices and compliance to labor law to trade partners including outsources, contractors, sellers as well as follow up their performance.

(4) To conduct the business transparently and accountably for any procurement with price check against 2-3 suppliers and without gift, item, reward or award accepted with tendency towards bribery to ensure fair and transparent practice.

(5) To distribute or inform the knowledge from the company to the other entities through distribution of rules, regulations, requirements and procedures on business contacts so the suppliers or contractors have understood and are able to correctly comply and to practice and coordinate correctly and rapidly to ensure time and cost savings and satisfaction and efficiency.

2.3 Respect the right on property, promote and strictly comply with rights on property, intellectual property, copyright, patent and moral right by including it in the ethical policy of the Company. Refraining from using pirate software, promoting the employees to use the Company's resource and property effectively.

2.4 Political right. The Company conducts its business in neutral way, not engage in any political activity and independence from political parties or authoritarians. The Company do not use its budget or resource to support any political movement or allow its management or employees to use its power by any means. The Company provides the opportunity to exercise their political rights freely without any persuasions or influences.

## 3. Anticorruption

The board of directors has a anticorruption policy regarding receiving gifts or benefits which may decision making to be unfair, affecting his/her performance and bribery in business ethics manual.

## 4. Respect Human right

The board of directors gives importance and adheres to sustainable business by considering and respecting human rights and employees' dignity which is a foundation of good business operation.



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4.1 The Company has employee protection measure in relation to providing employee's information to the government if the employee violates the law or Security and Exchange Act. The employee shall be protect against unfairness including relocating the employees to different positions, nature of work, location and being suspended from work due to reporting evidences on illegal or unethical acts.

4.2 Employees are an important factor contributing to quality work. The Company, therefore treats the employee with equality in terms of opportunities and benefits, promotion and employee development for the employees to become professional and good citizens.

4.3 The Company aware of human rights and will not violate basic rights on races, sex, children, disability and etc.

In 2016 the company has participated in the project on Children's Rights and Business Principles – CRBP in the second phase prepared by Thai Pat Institute and Rural Rehabilitation Foundation of Thailand under the Royal Patronage and in 2017 the company has sent a letter asking for cooperation on compliance with labor and anti-human trafficking laws to the trading partners and stakeholders of the company to confirm and certify that the labor and anti-human trafficking laws will be complied.

## **5. Fair labor practice**

5.1 Proper welfare for the employees and officers such as annual bonus, provident fund, funeral assistance, marital assistance, employee camp and rooms for engineers, secretary and foreman, transport vehicle for employees and workers, free uniform, annual medical examination, oversea workshop and trip, New Year party, entertainment party in accordance with the tradition, birthday party for the employees every month, nursing room, entertainment room, rented footsoll court, cheap lunch for the employees and cafeteria in the company, snack for every Friday morning by the executives and fitness room to be built in the future will help the employees to save their incomes, reduce their expenses and provide morale support to the employee during their hard time and retirement age, happiness from activities arranged, prevention and promotion of health of the employees and coordination and harmony among the employees.

5.2 Supports arranged for employees to develop their knowledge and competence are as follows.

5.2.1 Newly recruited employees will be provided with an orientation to ensure understanding in the policy, mission, vision and objectives of the organization and it is arranged for development of new employees who are newly employed or have no experience in the job assigned so they will be able to perform their job properly and correctly in accordance with the procedures of the working system and to comply with rules, regulations and requirements and to understand their rights and duties as a member of the company.

5.2.2 Arrangement of in-house training courses such as training course for technician employees on use of crane and repair and maintenance so the employees assigned to perform such work related to the crane will be trained in the course required by the laws and compliance with the ministerial rule by the employer on management and operation standard on occupational safety and working environment related to machines and cranes and to reduce repair and maintenance cost and to increase efficiency.

5.2.3 Employees and staffs of the company are sent to attend the training arranged by the external agencies for competence related to each work to develop their knowledge, competence and skill for application with their job efficiently and effectively.

5.2.4 Activities on enhancement of relationship in the organization arranged to promote the relationship and coordination in the company and cooperation on various activities and adjustment of action of the employees in each division the work together

5.3 Medical examination and vaccination are arranged for the employees to ensure their quality of life as the medical examination will provide the employees an opportunity to learn of their sickness and to prevent the contagious disease such as influenza.

5.4. Safe workplace is arranged to ensure safety in life and property of the workers.

5.4.1 Five S activities arranged in the company to ensure resolution, convenience, cleanliness, sanitation and proper behavior which will help create a proper working environment and lead to more efficiency, safety, occupational health and better family life.

5.4.2 Regular inspection of equipment to ensure its function because there are equipment and machines disused for the work almost everyday so the equipment may be defective or broken. It is necessary to check the condition of the equipment regularly to ensure its function and to prevent any casualty to incur with the employees and to ensure confidence among users that the equipment is in good condition and ready for its function. There will be no accident and casualty and pollution to the nearby community and agencies.

5.4.3 Specific working area indicated because the internal environment is the key factor facilitating the operation. If the internal environment of the unit is good, the organization will perform the quality work. Therefore the units and personnel should work together to create and develop the internal environment of the company suitable to the working condition. The specific working area will reduce the accident rate, damage and expenses due to the accident and to enhance more efficiency, space and flexibility for the work to be performed with smooth operation without suspension or delay, to ensure confidence in the work for internal personnel and safety in the working area and impression of visitors coming for a meeting with the executives or contact or coordination and to enhance the corporate image.

5.4.4 Morning Talk activity arranged in the morning session before the work is started and security guards are arranged to station at the working units. Such arrangement has reduced the accident and severity of the accident and the workers are able to understand the work better because the morning talk activity is arranged and the security guards are assigned to make the supervision. As a result the working place is safer and it has indirectly improve the image of the company.

5.4.5 Arrangement of training on prevention and suppression of fire and fire extinguishing tanks at the risky spots in the company as a careful practice on prevention and suppression of fire prior to fire casualty



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5.4.6 Installation of closed-circuit television and sufficient lighting system (spotlight) and night patrol by the security guards to prevent undesirable incident.

5.5 Development of environment in the company to ensure suitability with the working conditions

5.5.1 Arrangement of documentation system to reduce garbage because the business is required to reduce the environmental impacts and to preserve the natural resources. Thus the executives have employed the documentation system with garbage reduction purpose and adjusted the working system to ensure modernization through scanning files into the computer system or online folders instead of paper file documentation, reuse or recycle of paper instead of new paper. Such practice above has reduced the garbage, conserve the energy and preserve the environment, reduce the time to separate garbage and has facilitated the storage and search method. Besides the documents or supporting documents could be backtracked conveniently, rapidly and correctly. Therefore the documents are managed efficiently with rapid service if there is any request for the documents. Moreover, there is a system that could print the documents through the printer immediately so the information is safe and not lost and the employees could handle the paper work rapidly and accurately while there is no need to buy more file cabinet and printer ink and the storage space is reduced with no redundancy of retention.

5.5.2 Modernization of communication to ensure development of communication when there is a need for coordination or urgent delivery of documents to the agencies in and outside the organization through e-mail contact or delivery of documents through the internet, etc., instead of delivery of documents through facsimile. Therefore it is more convenience and faster for the work performed so the work is completed before the schedule.

5.5.3 Clear determination of duty and responsibility within the unit suitable to the personnel and within the unit will encourage learning of the work and duty of other functions within the division to ensure self-training and self-development to facilitate replacement and to reduce damage and expenses due to suspension or delay in the operation.

5.5.4 Proper financial efficiency will facilitate the disbursement so the unit is required to be proper financial efficient while the management will set up the advance for urgent disbursement to prevent slow payment and to impress the external entities and to maintain the long-term relationship and to reduce the opportunity cost due to the late payment compared with the other companies.

## **6. Responsibility for consumers**

6.1 To ensure satisfaction of the customers in the services and quality such as

6.1.1 To compute the design as a construction option for the customer, to save the construction expenses, to ensure strength and stability of the construction because the underground structure design is complicated and sometimes the design used in the bidding is inappropriate such as the unsafe design or the design with possible problem in the future. The computation of the alternative design will reduce the construction cost with the same safety standard and technical suitability and that will save the expenses of the customers and the company (Seafco) and will ensure trust from the customers.

6.1.2 The construction work is conducted in accordance with the design and time schedule and scope of the project construction to maintain confidence of the customers through employment of piling technology and other working techniques with the timeframe provided while the quality of the piles and protection wall are proper so there is no repair for the piles and that has made a reliable relationship for a call for a construction services of the company in the future

6.2 Control and inspection of production standard to maintain the quality of the piling work through employment of temporary steel sleeve with lowest deviation as much as possible, use of liquid substance to support the drilled hole to maintain the standard of the piling work, use of steel structure which has been inspected on quality in accordance with the design and use of steel bars in accordance with the industrial product standards, use of concrete cement with strength in accordance with the project standard, including control of concrete cement flowing at the level satisfied the concrete cement level in the project contract. That will ensure the satisfaction of the customers in the quality of the work because the correction of the work is maintained at the lowest level and the construction could continue without any disruption to the construction plan.

6.3 Information technology is employed to improve the quality of the work, Pile Data program is used to reduce time and quantity of the paper work, including program on computation of steel bars to reduce the number of steel bars beyond BOQ, Survey Graph program to prepare the casting work. That has helped reduction of the document work and redundancy and time spent in the paper work while the quality of the work is improved for the project.

6.4 Visiting customers/entities are facilitated and welcomed with the meeting with the executives through preparation of the premise before the meeting with the executives to enhance the corporate image with proper beverage as needed and suggestions or information that could be disclosed in the company and polite communication for better impression and attitude towards the company, long lasting relationship and easier coordination.

6.5 Supports of quick procurement of merchandises, supplies, equipment, etc. with quality in accordance with the requirements so the working units could perform their work rapidly and smoothly with reliable outcome in a timely manner without defect to ensure satisfaction of the customers so the work is completed within the contract term and has satisfied the requirements and the customers.

6.6 Control and inspection of production standards through procurement of merchandises, supplies and equipment in accordance with the requirements or with certification such as Mor Or Kor, certificate from the reliable and acceptable manufacturer or the government agency which could be verified and accountable.

## **7. Community and social development**

The Company focuses on becoming good social citizen and ready to coordinate with governmental, private organization and civil society. The Company also promotes the engagement of the Company's stakeholders on community and society development by complying with the following guidelines



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7.1 Initiate preventive/corrective measure to be followed when the Company's operation has adverse effects to the environment and community.

7.2 Support the education by providing scholarship to students in needs.

7.3 Organize volunteer activity by encouraging employee to participate and support the employee to practice beneficence in order to develop his/her volunteer spirits and become good citizens.

7.4 Coordinate with various organizations in the community in order to develop infrastructure for schools, religious places and hygienic practices for youth and underprivileged as well as environment in the community.

7.5 Always communicate with the community. Disseminate and report social responsibilities practice to every stakeholder.

7.6 Promote Buddhism by establishing Willpower Institute, branch no. 47 to improve people's mentality as it is believed that when people adhere to dharma, the society will be better.

7.7 The construction work undertaken by the company is made with consideration on the impacts towards the community/local people within the scope as follows.

7.7.1 Measures are arranged to reduce the impact from construction of underground floor against nearby structure and to measure and inspect the work as the construction of underground floor will cause earth movement. If the design is inappropriate, the nearby structure will be damaged. The result is to control and reduce the impact from construction of underground floor against nearby structure and to reduce the dispute during the construction between the main contractor/employer and the neighboring residents and to lower the repair cost spent to repair the nearby construction.

7.7.2 The work is undertaken within the timeframe specified by the laws and the ministerial rules to reduce the problems in the nearby community and local people.

7.7.3 Use of double casing to reduce the shaking time and disturbing noise towards nearby residence and to inspection of neighboring residence before the work is started because the neighboring residence may not understand the working concept. Therefore, they are needed to be informed of the construction process and the piling work to reduce the complaints. Besides after the construction work, they will be examined again to compare with that before the construction work.

7.7.4 The protection guard is employed with the machine which makes noise such as Power pack of the drilling crane and construction of earth protection wall because during the drilling work to prepare the earth protection wall, the power pack cabinet will make noise so the protection guard will be employed to reduce the noise which will disturb neighboring residence and to reduce the complaints.

7.7.5 Use of modern machines with consistent maintenance to reduce air pollution and smell from the working unit and to reduce the construction time.

7.7.6 Temporary fence made to prevent flying materials or supplies from damaging nearby residence and to block the view of the machine during the operation and to comply with the requirements and ministerial rules and the environmental requirements.

7.7.7 Care provided to look after neighboring residence which is affected and in need of slight repair due to the construction and the piling work. The repair work for neighboring residence due to the construction will reduce the dispute incurred with nearby residents.

7.7.8 Cleaning the road in front of the project the remove the dust even though there is a machine to wash the vehicle wheels moving out of the working units, the road in front of the project may have some dirt carried from the wheels so the weekly cleaning of the road will consistently keep the road in front of the project clean.

7.8 Employment of local people If the job applicants have the same capability, employ the local people first so they have a chance to obtain a job. That is the community development and improvement to the local economy and to cut down the travelling time of the employees. Thus they have more earnings and savings. It is beneficial to the company as well because they could come to work early and there is no offence against rules and regulations as they will come to work early, not late or offending the rules and regulations. The community will be well off because local people have more income and not involved with illegal offence such as theft.

7.9 Employment of the disabled to provide them with an opportunity to get a job so they will be aware of their value. That is a support to the less privileged in the community and nearby society. Besides the company is able to directly help the disabled which is legal to employ the disabled in accordance with the requirement. If any company has not employed the disabled, it is required to make a contribution to the Fund for Promotion and Development of Living Quality of the Disabled instead.

## **8. Environmental responsibility**

The Company aims to conduct its business on occupational safety and good environment basis by following the guideline below

8.1 Comply with law and regulation and occupational safety and environment.

8.2 Utilize natural resources effectively and efficiently. Initiate energy saving measure and promote reuse procedure.

8.3 Organize work process which is safe and hygienic in appropriated working facility such as making pollution prevention system available, providing hygienic working conditions for workers and visitors in order to prevent them from accidents and diseases.

8.4 Stipulate that the management and the employee must pay attention to every activity that will promote occupational safety and environments, aware of safety and environment at all times while working.

8.5 Disclose information on relationship between business operation and occupational safety and environment.

8.6 Cleaning the road in front of the project the remove the dust even though there is a machine to wash the vehicle wheels moving out of the working units, the road in front of the project may have some dirt carried from the wheels so the weekly cleaning of the road will consistently keep the road in front of the project clean.

8.7 Removal of wastes and garbage in accordance with the requirements of the Factory Department to reduce the environmental problem and trouble with the community due to water pollution. Moreover, it is a means to keep the factory clean and in order in accordance with the standards of the Factory Department so it livable and clean and safe for the work as the floor is clean. Accident will be lower and that is the moral support provided to the workers.





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## **9. Innovation and distribution of innovation**

9.1 To provide information and knowledge from the company to the other entities.

9.1.1 To provide an opportunity to the students interested in the construction work to pay a visit to understand to working concept of the piling system and the earth protection wall correctly.

9.1.2 Students are accepted as a trainee to undertake the work in the units so they will learn and understand the working system and will have an opportunity to become an employee of the company in the future.

9.1.3 Information provided to various entities through the lecturers invited to share the idea and concept through public relations media and installation of a booth to provide information to students from various institutes such as knowledge and experience in piling work and construction of earth protection wall to ensure understanding and to widely provide the fact and correct information by those with experience in this business over 40 years and innovation which is beneficial to the public.

9.1.4 Collection and analysis of geological engineering information and article or technical journals are prepared to provide a guideline to the construction work efficiently and will be the database for the newly employed engineers of the company and the related persons in the future.

## **3.Business operation that affects social responsibility**

The Company recognizes the important of social and environmental activities by focusing on developing people in the community around the Company and employees. The Company believes that people are the beginning of everything. Good or bad society depends on people, good or bad work also depends on people. Corruption or steal are also depended on people. Sustainable business also depends on people so the Company initiates the following projects.

1. Religious supports are as follows.

1.1 Arrangement of the training on ethics by the Willpower Institute as the executives have paid attention to morals and ethics and would like the other people to practice Dhamma but have no time or not convenient to make religious practice in the temple because of their business. Therefore the premise is arranged for concentration training, study of ethics for regular practice and Dhamma practice at Willpower Institute, Branch 47, Seafo Plc., with training course on “Concentration teacher” for all interested people and employees so those trained will have more concentration and better attitude to make a better relationship among those participating in the training course and between individual and the institutes. Besides they will be honest and hold on the ethics in the business conduct.

1.2 Participation in religious ceremony as the Buddhist holidays always involve with merit making such as Krathin ceremony or offering to repair and rehabilitate the temple which is in need of financial assistance. That will help develop the religious premise and to facilitate local community to make religious practice or learn Dhamma in the long run.

1.3 Arrangement of religious activities or merit during the traditional period or the religious holidays in the organization with participation from personnel in the company.



2. Provide scholarship to students. The Company provided scholarship to undergraduate students from 2007 onwards. Currently, the Company grants the scholarship to Ms. Somprasong Kongchan, undergraduate student in Faculty of Architecture, Program in Architecture and Technology Planning. King Mongkut's Institute of Technology Ladkrabang.

In 2014, the Company provides scholarship to the employees in every department who wants to pursue their master degree. Prior applying for scholarship, the employee shall pass meditation instructor course offered by Willpower Institute, branch no. 47 (the Company's branch). The Company believes that person passing this course shall have good mind appropriated to be promoted for development.

3. Financial assistance to arrange activities during special occasion as there are several agencies involving with the community activities of the special occasion but there is no budget to arrange the activities. That is the moral support to the local community and to build the public image of the company and the relationship in the long run.

4. The White Factory Project to control expansion and to reduce spread of narcotic drugs is arranged to keep the workers aware of drugs with judgment to keep themselves distance from narcotic drugs strictly. Therefore they will resist and have skill to avoid drugs. That is the way to control spread of narcotic drugs into the factory to ensure health of the employees and their efficiency. Finally the company will be free of narcotic drugs, intoxicated items, cigarettes and evil items as the employees of the company are encouraged to stay away from such intoxicated items. That will keep people in the company and the surrounding community safe as well.