



# ANNUAL 2020 REPORT

# SEAFCO

**PUBLIC  
COMPANY  
LIMITED**



**ESG100**  
Environmental Social Governance  
2020





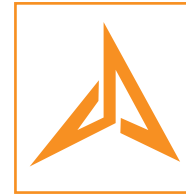
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**MR. SUPOT THASNANIPAN**  
**FOUNDER**



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### **Message from the Chairman of the Board**

In 2020, the economic downturn had occurred all over the world including Thailand as a result of the COVID-19 outbreak, thus, causing the jobs in the construction business portfolio to decrease, both in the private and government sector, and the bidding process in many projects to be postponed eventually making the turnover of the business portfolio in the past year being lower than that of 2019. In 2021, there is still a second round of the COVID-19 outbreak which has caused the private sector to continue to delay their projects. Where on the government sector's jobs, it is hopeful that the bidding in the second or third quarter of 2021 will take place which will result in the construction market to be in the state of betterment.

Even though the construction sector does not look good, but, our company has continued to make profits because we have run the business under the theme of a sustainable development including the co-operations of all parties in providing supports which I, as Chairman of the Board of Directors, humbly wish to express my appreciation to the employers, benefactors, all employees who wholeheartedly work hard, shareholders who provide supports, financial institutions and various accounts payable who always lay their trusts on the company the whole time.

Assoc.Prof.Dr.Somjai Phagaphasvivat

Board Chairman



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## Message from President and Chief Executive Officer towards the business operations with sustainable development

On working over in the past year, the company was committed to place the importance on the business operations in the form of a sustainable development by managing the work to comprehensively cover all three dimensions: namely; Social Dimension, Environmental Dimension and Economic Dimension under the Principle of Good Corporate Governance all along with establishing good relationships with stakeholders that the company has adhered to as the Principle in carrying out the sustainably growing business.

The company oversaw and promoted the Social Dimension within the organization in the form of the management under the Sufficiency Economy model of His Majesty King Rama IX which is the “Sufficiency” for the society within the organization to get to know about the savings and strengthening psychic ability, power of mind by adopting the Principle of the Precepts and Meditation for practices in the organization to enable employees and executives to develop the intelligence in Dharma (Buddha’s Teachings) along with the worldly wisdom and the Meditation Course of the Willpower Institute Foundation founded by His Venerable Somdej Phra Yana Wachirodom Luang Pho Wiriyang Sirintharo, on which I am a standing member to open for teaching in the company to enable the executives, employees and people in the surrounding communities to attend for a full 6-month of meditation training under the “Meditation Teacher” course which is designed for 2 Classes a year which, up to nowadays, it has been going on for a period of more than 8 years. At present, the course has been extended to continuously enhance intelligence of the Meditation Teacher completing the course to be able to practice a short meditation (Vidhisa Samadhi) once again for 5 minutes, 3 times a day, i. e. before commencing duty in the morning, before recess for lunch and before quitting work in the evening. On this Social Dimension, the company has allowed outsiders in the surrounding communities to be able to attend the meditation training in the evening (from 1800 hours to 2030 hours) along with the company’s employees. In addition, the company has regularly organized activities in conjunction with temples, schools and government agencies around the company.

Whereon the aspect of the Environmental Dimension, the company was firmly committed to developing technology to be environmentally friendly along with the construction business of bored piles and diaphragm wall for deep excavation, the company’s main product, which, in 2019, the company had developed the construction method of bored piles without using a vibrator, thus, resulting in the disturbance from vibration to reduce by 75% which eventually enabled the company to receive the Outstanding Innovation Award from the Stock Exchange of Thailand. Moreover, the company was admitted for a registration to receive the ISO 9001 Version 2015 (Quality Management Certification) in 2020 and is currently applying for the registration of Level 3 Green Factory from Department of Industrial Works which we expect to receive this the Certification in 2021. And on the aspect of the Economic Dimension, the company took care of the interests of stakeholders of all levels with good corporate governance and in accordance with the company’s ethics and the policy to pay dividends out of the profit every quarter since 2019. Even in 2020, when the world had been faced with critical economic downturn caused by the problem of COVID-19 epidemic, the company still continued to pay the shareholders the dividends up to three quarters.

Deriving from the management firmly committed to the sustainable development as aforementioned, it had made the executives, employees of all levels to come for co-operations with one another to exert full efforts and talents to the extent of being able to overcome the severe COVID-19 crisis in 2020 and able to deliver work with the value up to approximately 2,500 million Baht, generating a profit of over 154 million Baht with the work in hand having not yet been delivered worth more than 2 billion Baht.

In 2021, due to the second round of the COVID-19 outbreak, there is a trend that the company may take jobs with profit being lesser than that in 2020, because the private sector investment has not yet fully returned. Nevertheless, we expects that the large-scale public utilities will gradually come out to support the production capacity in the market from the third quarter of this year and continue for several years. However, we look forward to expanding business to take other types of jobs to generate other incomes to compensate bored piling work from the private sector work which fell from the recession due to COVID-19.

Finally, I, on behalf of the company would like to thank employees, executives, business partners, financial institutions and all parties for your efforts and dedication in perpetually providing good supports to the company.

Dr. Narong Thasnanipan  
President and Chief Executive Officer



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## FINANCIAL HIGHLIGHTS

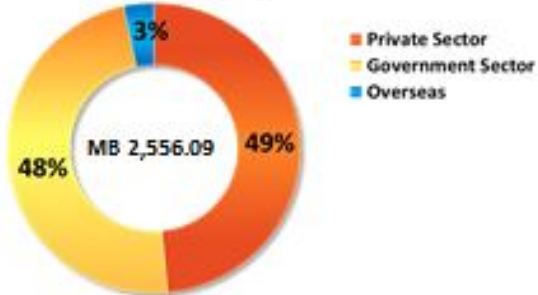
		2020	2019	2018
<b>Operating results</b>	Million Baht			
Total Revenue		2,560	3,032	2,765
Income from hire work		2,556	3,029	2,752
Gross Profit		345	645	624
Profit from continuing operations		149	411	352
Total comprehensive income for the year (Owners of the Company)		154	409	368
<b>Financial position</b>	Million Baht			
Total assets		3,078	3,167	2,993
Total liabilities		1,466	1,530	1,586
Shareholders' Equity		1,612	1,637	1,407
<b>Financial Ratio</b>				
Debt Ratio	Time	0.91	0.94	1.13
Gross Margin	(%)	13	21	22
Net (Loss)profit margin	(%)	6	13	13
Return on Assets	(%)	6	15	14
Return on Equity	(%)	9	25	25
Net Gearing		0.31	0.41	0.22
Earnings per share	Baht	0.21	0.55	0.50
Book value per share	Baht	2.17	2.21	2.09
Dividend per share	Baht / share	0.10	0.26	0.31



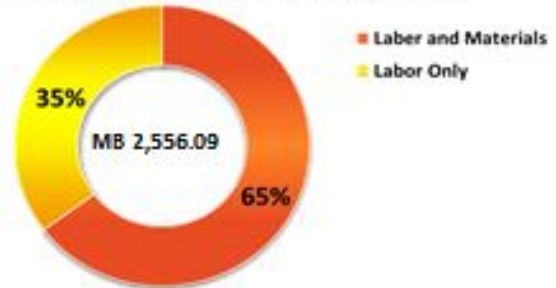
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**Revenue Structure by Type of Customers**



**Revenue Structure by Type of Contracts**



Decrease in
Total Revenue
2020
MB 2,556.09
2019
MB 3,028.64

Decrease in
Gross profit
2020
MB 345.46 (13.49%)
2019
MB 644.82 (21.27%)

Decrease in
Net profit (Owner of The Company)
2020
MB 154.41 (5.82%)
2019
MB 409.51 (13.56%)



CG Ranking by Thai Institute of Director (IOD) 2020 : **Excellent**



SET Awards 2019



ESG100 2020 by Thaipat

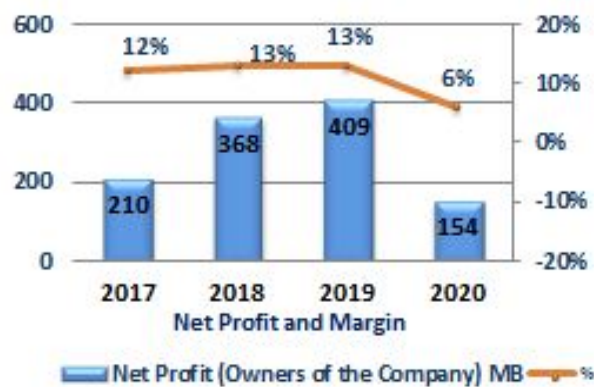
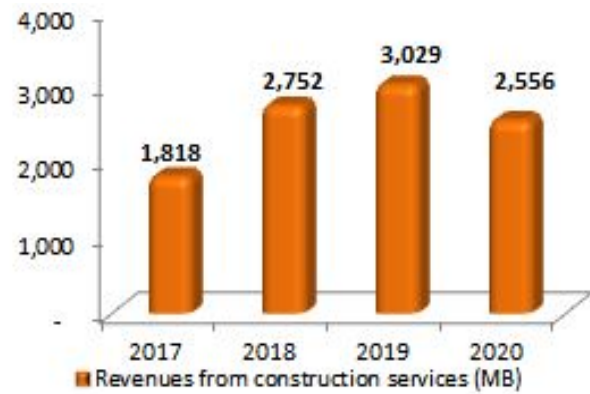
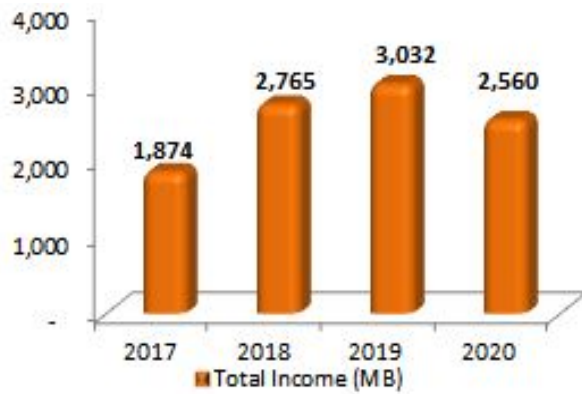
**Forbes Asia**  
**BEST UNDER A BILLION**  
**2020**





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Company Name:	Seafco Public Company Limited
Head Office Address:	144 Prayasuren Rd., Bangchan, Khlong Sam Wah, Bangkok 10510
Company Registration Number	0107547000257
Telephone:	(662) 919-0090-7
Facsimile:	(662) 919-0098, 518-3088
Company Home Page:	<a href="http://www.seafco.co.th">www.seafco.co.th</a>
E-Mail Address:	<a href="mailto:info@seafco.co.th">info@seafco.co.th</a>

#### **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. Loyleuan Bunnag  
Independent Director



Mr. Apai Chandanachulaka  
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  
(Continue)**



Mr. Nutthapon Thasnanipan  
Executive Vice President  
: Engineering



Mr. Nirandorn Akrapitak  
Executive Vice President  
: President Ofce



Mr.Kamol Youyuenpathana  
Vice President  
: Civil Work Department



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



Mr.Somsak Thawatchpongthon  
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 ENVIRONMENT

## 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 47 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 2020 had total revenue of 2,559.92 million Baht coming from the government sector for 48 percent and private sector for 49 percent and overseas-private sector for 3 percent. In the past year, the company has no 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 30 April 2020, the remaining registered capital was reduced from the allocation of the newly issued ordinary shares to support the payment of shares having dividend, according to the resolution of 2019 Annual General Meeting of Shareholders, for 764 shares, from the registered capital of 739,708,672 shares to the new registered capital of 739,707,908 shares, with the value of 0.50 Baht per share to the registered capital of 369,853,954 Baht.

SEAFCO Public Company Limited group consist of:



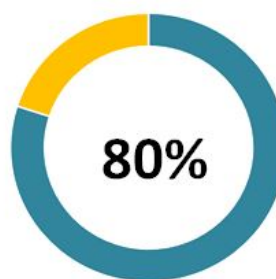
**Seafco plc**

Share capital 369.85 MB  
Paid up 369.85 MB



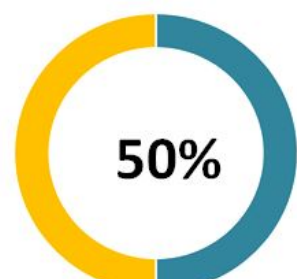
**Seafco  
Intertrade  
Co., Ltd**

Share capital 10 MB  
Paid up 10 MB



**Seafco  
(Myanmar)  
Co., Ltd**

Share capital 700 Mkyat  
Paid up 700 Mkyat  
(13.43 MB)



**Seafco  
Construction  
Co., Ltd**

Share capital 26 MB  
Paid up 26 MB

-Underground Construction  
Works

During the year 2016 no new  
project because in recent years  
has the job of piling and  
Diaphragm wall retaining wall a  
lot.



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Company Name	Shareholding	Business / Auction
1. Seafco Construction Co.,Ltd.	The Company holds 50 percent of registered and paid up share capital amounted to 26 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.

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.

On 2 May 2019, the remaining registered capital was reduced from the allocation of the newly issued ordinary shares to support the payment of shares having dividend, according to the resolution of 2018 Annual General Meeting of Shareholders, for 590 shares, from the registered capital of 672,463,018 shares to the new registered capital of 672,462,428 shares, with the value of 0.50 Baht per share to the registered capital of 336,231,214 Baht.

On 8 May 2019, the registered capital was increased to support the shares having dividend, there is the registered capital of 739,708,672 shares, at the price of 0.50 Baht per share, with a total registered capital of 369,854,336 Baht

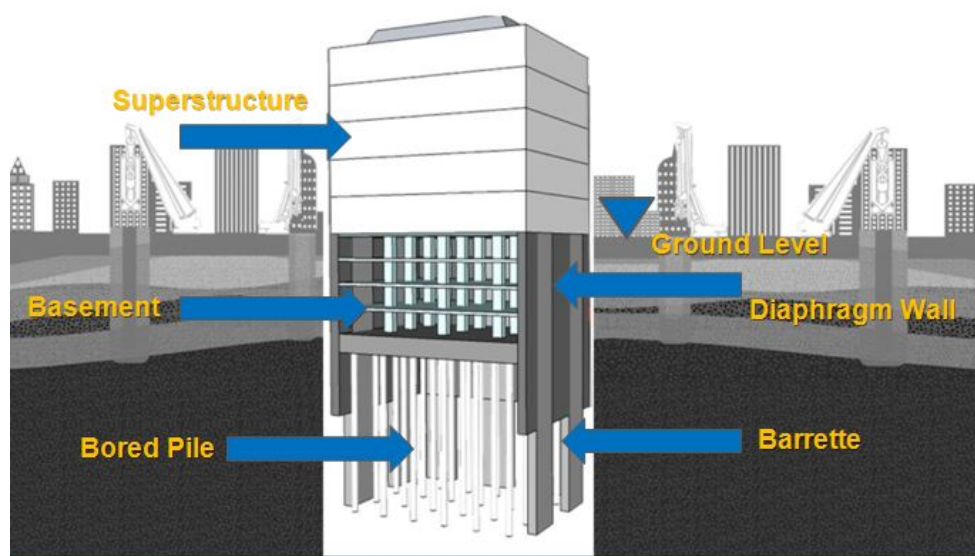
On 24 May 2019, the company submitted the paid-up capital from shares having dividend allocation, to be paid up capital of 739,707,908 shares at 0.50 Baht per share, totaling 369,853,954 Baht in paid-up capital.



## 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					
	2020		2019		2018	
	MB	%	MB	%	MB	%
Bored Piling and Diaphragm Wall Construction Revenue (Labor Only)	816	32%	1,141	38%	1,174	43%
Bored Piling and Diaphragm Wall Construction Revenue (Labor and Material)	1,654	65%	1,773	58%	1,420	51%
<b>Total Bored Piling and Diaphragm Wall Construction</b>	<b>2,470</b>	<b>97%</b>	<b>2,914</b>	<b>96%</b>	<b>2,594</b>	<b>94%</b>
Overseas	86	3%	111	4%	164	6%
Other	4	-	7	-	7	-
<b>Total Revenue</b>	<b><u>2,560</u></b>	<b><u>100%</u></b>	<b><u>3,032</u></b>	<b><u>100%</u></b>	<b><u>2,765</u></b>	<b><u>100%</u></b>

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

	2020		2019		2018	
	MB	%	MB	%	MB	%
1. Government Sector	1,231	48%	893	29%	1,233	45%
2. Private Sector	1,329	52%	2,139	71%	1,532	55%
<b>Total</b>	<b><u>2,560</u></b>	<b><u>100%</u></b>	<b><u>3,032</u></b>	<b><u>100%</u></b>	<b><u>2,765</u></b>	<b><u>100%</u></b>

### Industry conditions and competition

Construction costs in 2021 has accelerated from the fluctuation in steel prices, labor shortage and actions to cope with COVID-19.

#### Key Issues:

- Kasikorn Research Center sees it that, in 2020, the construction costs should likely increase by 1.03%-1.33%, as a result of the Protective Health Safety Measure at approximately 0.2%-0.5% per project and from labor shortage which results in an increase in the labor costs of 0.83% per project.
- From the situation of the fluctuation of steel prices resulting from the iron ore shortage, it has made Kasikorn Research Center see it that, in the first half of 2021, there would be a potential chance that the construction costs should soar up by 1.4-1.9%.
- The contractors should therefore calculate and estimate the construction costs and steps of the constructions to reflect higher costs in the future bidding prices. In addition, the contractors should be prepared for new cash flows and guidelines for new form of working for constructions of the future projects.
- In the long run, the Thai construction industry should have a standard to cope with the epidemics and a consideration to use technology that speeds up the constructions and reduces human congestion on the construction site.

### Protective Health Safety Measure caused the construction costs to soar up by 0.2%-0.5%, most of which were the costs incurred on the construction site.

The COVID-19 pandemic situation had eventually caused the construction industry to make the adaptations in working and the abrupt costs to occur on the construction site as a result of the Protective Health Safety Measure<sup>1</sup> that made the cost of the operations to soar up: such as; transportation costs for taking workers back and forth, workers accommodation and the increasing expenses on the protective health safety equipments<sup>2</sup>. Therefore, Kasikorn Research Center sees it that the Protective Health Safety Measure will result in the contractors' construction costs to soar up by 0.2%-0.54 during the epidemic or from March 2020 until the widespread use of vaccines.

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<sup>1</sup>Thailand's measure is the protective measure unlike those of foreign countries which are preventive measures.

<sup>2</sup>Such as: gels, alcohols, masks, cleaning solutions and body thermometers.

Even so far, when Thailand has been able to control COVID and the COVID situation overseas may begin to ease after a widespread use of vaccines has been in order, yet, the increased construction costs due to the Protective Measure may be kept to remain because this type of the working pattern can be adopted for use as a new standard for the construction industry to prevent the risk in the case of further contagious disease outbreaks. This cost may therefore be a long-term cost in the next 2-3 years ahead.

In addition to the abrupt costs being soared up from the Protective Health Safety Measure, there were also the abrupt costs generated by labor wages: such as; from March to June 2020, some construction work had been halted, or even though the construction could be continued, but, the labor density had to be reduced eventually causing a need to increase the number of working shifts consequently resulting in the construction labor wage index and overtime pays to rise with implicit significance<sup>3</sup>. Some contributive factors may come from the original labor shortage situation which may cause the construction costs to soar up by 0.83% as a result of the social distancing measure.

#### **Thailand's Protective Health Safety Measure compared to those of foreign countries:**

The increase in the sanitary measure and the working steps until COVID-19 will be eliminated have set a requirement for contractors that they ought to take into account the higher construction costs and a new way of working in order to make the construction bid price reflect the real cost. In addition, those involved in the construction safety standard may make a consideration to look into the specifying of the Protective Health Safety Measure in the Construction Site Safety Book suchlike in Singapore, the US and many other countries which enforce a long-term Epidemic Preventive Measures where their construction costs are expected to possibly be higher than that of Thailand (higher than 0.2%-0.5%) for the reason that foreign countries have stringent policy on the Protective Measures and they are Preventive Measure rather with intensely strong enforcement agency<sup>4</sup> to monitor controls: for example; Singapore which has enforced housing regulations of not more than 2 people per room, transportations of construction workers that prohibit the use public vehicles and only the companies' vehicles shall be used, zoning in workforce without mixing different workers including a compulsory enforcement to have a Safe Management Officer (SMO) being prescribed to be in the proportion of approximately 1 person per 50 workers in order to enforce the sanitary measure and to be a contact or to give advices in the event of a rising of a symptom of a risk of contracting an epidemic, cause workers to update their status through applications, provide extra days off for labors and increasing work shifts to reduce labor intensity. Moreover, there are other measures in the future: such as; the design criteria for air conditioning system to prevent the epidemic. All of the factors may result in the construction costs to increase and should likely be specified in the Construction Contract under which the employer has to bear the cost because it is a standard regimen of the government agency.

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<sup>3</sup>The construction industry wage index for the 1st quarter stood at 131.2, an increase of 11% compared to the fourth quarter of 2019 at 118.11. Information from: Bank of Thailand.

<sup>4</sup>Health Standard Authority of Singapore is the Building and Construction Authority (BCA) and of the United States of America is Centers for Disease Control and Prevention (CDC).

**Stopping the epidemic has as well caused fluctuations in the construction material prices and construction labor markets which may result in the construction costs in 2021 to soar up by 1.4%-1.9%.**

The construction industry is already an industry with the fluctuation costs according to the economic cycle, especially, steel prices that are adjusted in accordance with the mechanism of demand and supply of world markets. Over in the past, steel prices had a trend of declining during the last two years<sup>5</sup> period due to the oversupply since 2015. However, in June 2020, when there had been a situation of iron ore supply shortage in Brazil, the world's major exporter<sup>6</sup>, due to the closures of many iron ore smelting plants following the discovery of skyrocketing increase of COVID-19 infectious persons with implicit significance coupled with China's rapid control over the epidemic and the Chinese government's issuance of stimulus measure through infrastructure constructions, the global steel demands were higher eventually causing the steel prices to soar up accordingly consequently resulting in the steel price in Thailand from October to November rise more than 10%-20%<sup>7</sup> compared to the preceded month.

Such situation should likely ease in the second quarter of 2021 because the Chinese authorities have launched a policy to reduce iron ore<sup>8</sup> shortage by allowing the imports of iron scraps for use as raw materials for casting iron all along with the use of iron ore, thus, making Kasikorn Research Center seeing it that in the first half of 2021, the construction cost should likely be increased by 1.41%-1.94% from 2020. In this connection, the construction main cost would increase from higher steel prices. If the situation of iron ore shortage has improved or if the vaccines are widely used, the cost resulting from the fluctuations in steel prices and construction labor shortage may be vanished.

#### **Other Impacts on Contractors and Ways to Cope With the Situation:**

As the construction contracting work is a job with a profit margin that must be clearly stated in the construction contract from the inception date of concluding the contract. So, when the cost has incurred during the construction, it is necessary for the contractors to bear such risk except for the government constructions that have a price adjustment for a change in the construction cost or K factor<sup>9</sup> for it. In addition, the construction industry also has somewhat low profit margin or about 5%-15% per project value depending on the type of the construction contract and the bidding price, thus, resulting in each individual case of the contractor being affected by COVID-19 to be variedly different due to the different difficulty patterns of each construction project and the size of the company itself. Large scale contractors are likely to be affected by COVID-19 lesser than small scale contractors because of the reason that the construction costs of the large scale contractors are cheaper in many areas: such as; the financial costs of borrowing money from banks, cheaper price on the purchase of construction materials because the purchase is of the economy of scale purchase and the flexibility on the management of the construction material warehouse, etc. The trend of small scale contractors to cope with the costs incurred are likely lesser including lesser adaptable construction technologies and styles, thus, resulting in the small scale contractors to be unable to bid for a very complex job. From such limitations, there may be a cut in the construction bid price because the contractors want cash flows to support their company even though they have to face a loss in some jobs.

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<sup>5</sup>The construction steel mean index in 2018 was at 102; the construction steel mean index in 2019 was at 92.5; the construction steel mean index in 2020 (to October) was at 84.8.

<sup>6</sup>Considered to be the world's second-largest iron ore exporter after Australia, at 56%. Source: Bloomberg.

<sup>7</sup>From a survey of Kasikorn Research Center.

<sup>8</sup>The form of iron foundry acquired by using scraps is called electronic arc furnace where the quality of which is often lower than using the iron ore while polluting more eventually resulting in the Chinese authorities to ban scrap use in 2017.

<sup>9</sup>To compensate for the changes in the construction costs from the inception date of bidding to the date of the delivery of each work period.

In addition, COVID-19 has also affected the other entrepreneurs in the construction industry: such as; the construction material traders that there may be a delay for them to receive cashes and that it may require them to reduce the construction material prices with a large percentage should they wish to avoid stocking and want to maintain cash flows for their own businesses. The employers themselves may be affected by the economic slowdown consequently resulting in them to slow down payments to the contractors eventually causing impact onto sellers of the construction materials.

#### COVID-19 Impact on the Construction Industry Entrepreneurs.

	Small Scale Contractors and Subcontractors	Main Contractors	Construction Material Sellers	Work Owner
Lockdown to the extent of causing a delay on construction work.	<ul style="list-style-type: none"> <li>- There is a delay in receiving money.</li> <li>- Cash flows are tight to the extent of requiring to reduce fixed cost.</li> </ul>	<ul style="list-style-type: none"> <li>- There is a delay in receiving money.</li> <li>- Cash flows are tight, but, better than small scale contractors.</li> <li>- Changing fixed cost to variable cost more.</li> </ul>	<ul style="list-style-type: none"> <li>- Contractors may not have money to pay for the product or delay payments.</li> <li>- Sales of new products may require to give longer credit period.</li> </ul>	-Not quite affected because construction contracts in most cases are concluded to throw responsibility on contractors to take all risks.
Economic condition being slowed to the extent of reducing the construction work.	<ul style="list-style-type: none"> <li>- There may be a financial problem in some cases that do not have sufficient funds.</li> <li>- There is a drastic cut in construction bid price to the extent of agreeing to let go the loss in order to maintain cash flows to support the company</li> <li>- Unable to take Construction work with complexity or special project causing high price competition in the future work.</li> </ul>	<ul style="list-style-type: none"> <li>- Cash flows are better.</li> <li>- Better financial cost (borrowing money, requesting for Bank Guarantee)</li> <li>- Drastically intense construction competition to the extent of giving rise to a cut in bidding price</li> <li>- Less affected due to a longer financial staying power than small scale contractors.</li> </ul>	<ul style="list-style-type: none"> <li>- There may be a reduction in the construction material price with a higher discount percentage more than usual to maintain cash flows.</li> </ul>	-Investment in new projects will be delayed.
Construction costs are increased from the Protective Measure.	<ul style="list-style-type: none"> <li>- The cost may not much increase in the construction work that is not quite restricted, but, it would be a high risk for the virus infection.</li> </ul>	<ul style="list-style-type: none"> <li>- Serious operations because of not wanting to take risk in case of infection that would cause the construction work to stop and possibly being fined by work owner.</li> </ul>	<ul style="list-style-type: none"> <li>- Not relevant and therefore not affected.</li> </ul>	-Not being quite affected due to the reason that most of the construction contracts are concluded to throw responsibility on the contractors to take all risks.



Deriving from the construction contract format which usually specifies the responsibility of the contractors to take the risks arising in association with the constructions throughout the contract period, thus, resulting in the contractors being fined under the Late Penalty if the construction cannot be completed within the specified period. However, the contractors can make negotiations to request for extension on the construction period depending on the type of contract and negotiations with the employers. Therefore, it is advisable that the contractors should look for the adaptation options.

In Kasikorn Research Center's point of view, the contractors may take into consider the financial and risk management options that can possibly be done immediately and are not much costly: such as; construction insurance in the event that the work cannot be delivered on time. The insurance cost would depend on the type of project, project size, construction period and the contractor's own financial credit to prevent the risk in the event of an unexpected event or another round of the epidemic in order to not make the contractor take the risk of a Late Penalty arising consequently as a result of the postponed construction period or a failure to meet the construction goal as set.

In addition, the contractors may consider using technology that speeds up the construction and significantly reduces human density at the construction site: such as; pre-cast concrete, but, there may be the cost to involve in the adaptation to this type of the construction for the contractor that have never been done yet because it is necessary to rely on a specific expertise to handle the jobs while nowadays, there are pre-cast providers who sell materials with pre-installed services to handle at possibly higher costs.

Problems Arising From COVID-19 and Guidelines for Contractors to Cope with.

Problems	Coping Alternatives	Advantage	Disadvantage
A delay in construction.	- Construction Insurance.	- Helps reduce a delayed construction risk that makes contractors not required to make any - Payment.	- There may be a very entangled steps on contacts for the rst-time contractors.
Problems on labor and site tightness.	- The use of Pre-cast technology.	- Significantly helps reduce the construction period and the number of workers.	-There will be a cost of training workers to do their jobs and can cause a problem in the absence of this type of the construction expertise.
Bearing xed costs.	- Change option to more equipment rentals: such as; cranes, backhoe, etc.	- Can help reduce the risk of cash ow shortage when in need of money.	- There will be higher cost per run compared to the outright purchase.

Source: Kasikorn Research Center.

**Information from: Research report prepared by "KResearch" Center Co., Ltd., Vol.26, Issue: 3168, dated 9 December 2020.**

## Risk Factors

### **Risk management policy**

The company is committed to conducting business to achieve the company's goals and specified business plans. It realized the ever-changing business environment and the risks that can occur at all times. In order to comply with the principles of good corporate governance, the company has established risk management policy in order to lead to a systematic operation by appropriately analyzing, evaluating, managing and monitoring risks at all times, to help minimize losses and potential impacts. In this regard, the management and staff at all levels have been developed to have knowledge, understanding, and to participate in the risk management process, in order to ensure the company's operation can achieve the mutual goals and objectives of the organization.

#### **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 senior professional civil engineer, an engineer with long experience in the construction industry, particularly the underground construction, over 47 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.

However, Executive Vice President, Project Manager, or Project Engineer of the company, most of them in the percentage of 90% have been working with the company for about more than 10 years, having controlled engineering professional license, in the levels of associate engineer, ordinary engineer and senior professional engineer, altogether for more than 20 people. 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 2020, the company set reserve for bad debt in the amount of 30 million Baht.

#### **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 no more than 10% 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 significantly 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.

## **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 47 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.

## **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.

## **13. Risk which could emerge as a result of foreign companies entering into the market of bored pile and diaphragm wall for deep excavation.**

Because our country has widely opened up and the domestic construction market has expanded, so, it is the matter that attracts the foreign construction companies to be interested in the investments in the country, thus, causing the market competitions on bored piles and diaphragm wall for deep excavation to be somewhat higher. The company takes into account the risk in this area and, notwithstanding to the foregoing, we are confident, in a lot of our apparent quality work achievements with more than 47 years of experience, that the work will be delivered on time by taking into account the sustainability, friendliness to the surrounding communities and societies. The company, by our R&D team, has carried on the developments continuously to develop modern and environmentally friendly construction works and still looked for the construction work allies both within the country and abroad to help increase the company's strength and reduce the weakness.

## **14. Risk arising from emergence of infectious diseases:**

The epidemic of COVID-19, has resulted in the company to take into account the risk of new pandemic disease that may arise in the future. Therefore, a preventive plan has been mapped out by by

- providing basic hygienic knowledge to employees;
- provide places and cleaning workplaces within departments and offices to have good ventilation and the adequate light for working;
- Providing cleaning equipments and temperature measurement tools for employees both in head office and the departments.

## **15. The new risks**

Referring the urban community growth, it must have various industries, as a result in the climate change. It has caused higher temperatures to create global warming and floods, dust, including the epidemic as in the present time.

We have prevented a risk by insurance to cover an impact on the change of the climate, and the company also had a policy of taking responsibility for the society to reduce the global warming. For instance, promoting reforestation, a campaign to reduce the use of plastic bags, including giving knowledge to the employees on protection against contagion with an emphasis for the employees should eat hot food, using a serving spoon, wash their hands and wear a surgical mask staying in the community or crowd and frequent washing hands.



## Structure of Shareholders and Management

### Structure of Shareholders

List of the Largest Shareholders as at November 26, 2020

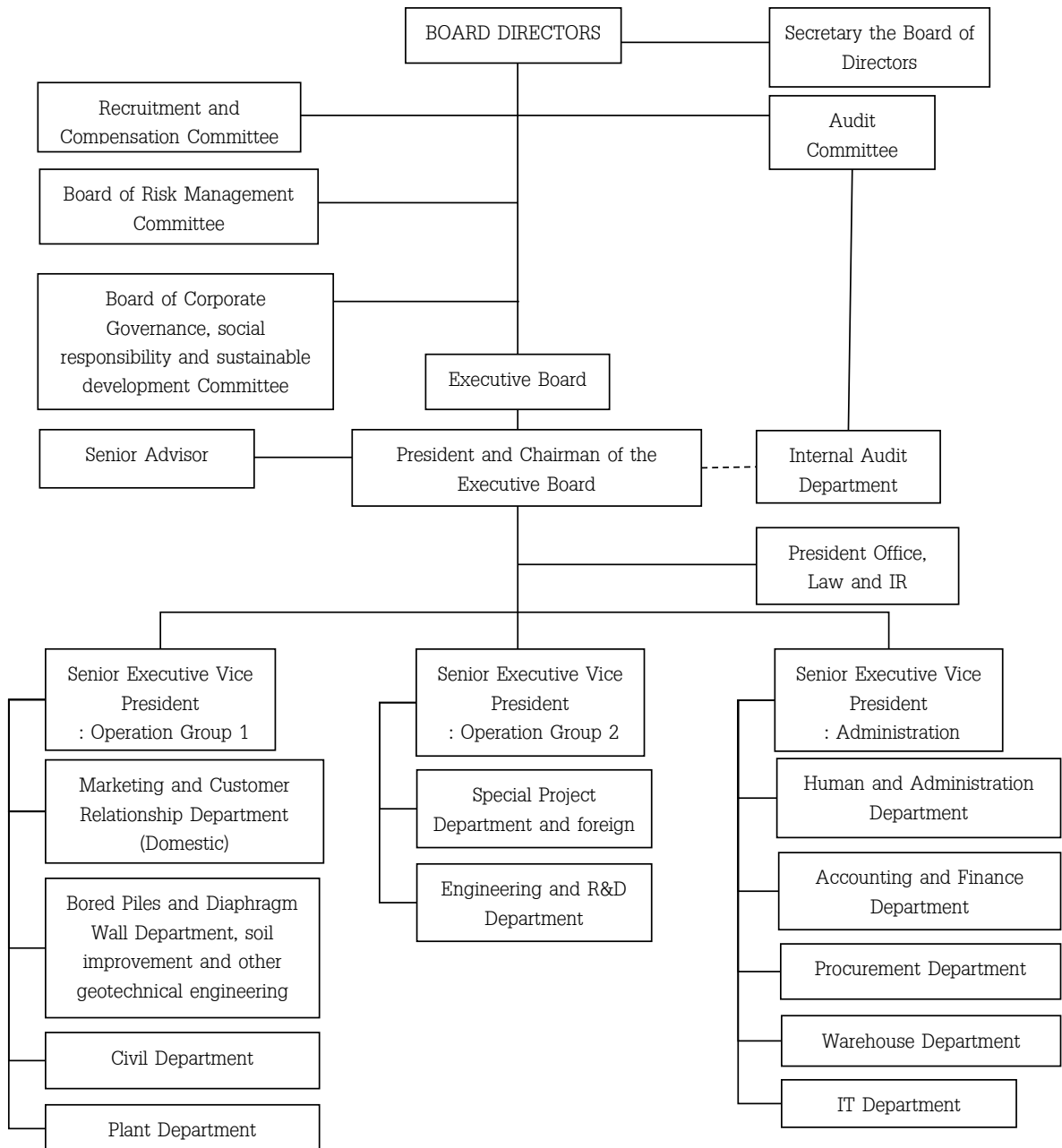
Shareholders' List	Number of Shares	Percentage of Paid Up Capital
<b>1. Thasnanipan Group</b>	<b>196,854,554</b>	<b>26.61</b>
1.1 Dr. Narong Thasnanipan	57,107,936	7.72
1.2 Mrs. Paovana Thasnanipan	23,857,163	3.23
1.3 Mr. Nutthapan Thasnanipan	7,521,915	1.02
1.4 Miss Nutthawan Thasnanipan	8,970,677	1.21
1.5 Mrs. Nutthakarn Thasnanipan Thanho	55,423,524	7.49
1.6 Mr. Thasapan Thasnanipan	23,398,371	3.16
1.7 Mr. Nutthapon Thasnanipan	17,182,896	2.32
1.8 Mr. Decha Thasnanipan	3,392,072	0.46
2. Thai NVDR Company Limited	15,050,751	2.03
3. Muang Thai Life Assurance Public Company Limited	14,850,000	2.01
4. Mr. Tachapong Pravesvararat	10,450,000	1.41
5. Miss. Puangmali Pravesvararat	7,878,538	1.0666.
6. Mr. Vichai Sangsukiam	7,206,100	0.97
7. Bangkok Life Assurance Public Company Limited	6,896,600	0.93
8. Mr. Pruet Narathassajarn	6,537,811	0.88
9. Thai Life Insurance Public Company Limited	5,767,400	0.78
10. Mr. Nuttaphon Ruangpanyapojana	5,760,000	0.78
11. K Mid Small Cap Equity RMF	5,555,106	0.75
12. Mr. Kornwit Suputiphong	5,537,259	0.75
13. Bangkok Life Assurance Public Company Limited	5,524,900	0.75
14. EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	5,128,684	0.69
15. Other	440,710,205	59.58
<b>Total</b>	<b>739,707,908</b>	<b>100.00</b>

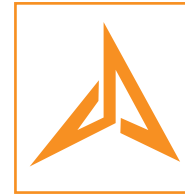


**SEAFCO**

THE FOUNDATION  
OF SUCCESS

## Organization Chart





## Management Board of Directors

### 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. Nirandorn	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)
14. Mr. Apai	Chandanachulaka	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. Nirandorn	Akrakitak	Executive Director

### Recruitment and Compensation Committee

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

1. Mr. Apai Chandanachulaka	Chairman of the Recruitment and Compensation Committee
2. Mr. Somkuan Watakeekul	Recruitment and Compensation Committee
3. Miss. Nutthawan Thasnanipan	Recruitment and Compensation 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. Nirandorn	Akrakitak	Risk management Committee
7. Mr. Nutthapon	Thasnanipan	Risk management 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
5. Mr. Apai	Chandanachulaka	Audit Committee



**SEAFCO**

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OF SUCCESS

## 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. Nirandom  | Akrakitak      | Corporate Governance, Social responsibility and sustainable development Committee                 |
| 5. 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. Nirandom   | 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 two-thirds 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. Abstaining from securities trades for 1 month, at least, before the announcement of financial statement news and after the announcement of financial statement news for 3 days, at least. Prior to the trades, a notification accordingly must be made to the Company Secretary for 1 day, at least, in advance, in order that a preparation for submission it to the Board of Directors in the succeeding Board Directors' meeting can be made.
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.

#### **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



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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.

**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.

**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 2020, there was one meeting of non-executive directors.

### **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 2020, 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 2020, the company has evaluated the result of each committee, which has a rating criteria and the evaluation result is as follows:

**Rating criteria**

- Level 0 (0%) = Strongly disagree, or there is no action in that regard
- Level 1 (40%) = Disagree, or there is minor actions in that regard
- Level 2 (60%) = Agree or take appropriate action in that matter
- Level 3 (80%) = Relatively strongly agree or have an action that is good
- Level 4 (100%) = Agree strongly or have an excellent process for that matter

**Summary of the average score for each group's assessment**

Board	Evaluation (%)	
	Y2020	Y2019
Board of Directors	3.85 (96.25%)	3.78 (94.5%)
Audit Committee	4.00 (100.00%)	3.95 (98.75%)
The Recruitment and Compensation Committee	3.98 (99.54%)	3.94 (98.5%)
Risk Management Committee	3.70 (92.50%)	3.58 (89.50%)
Self-evaluation of each person	3.84 (95.92%)	3.82 (95.50%)
President, Chief Executive Officer	4.00 (100.00%)	4.00 (100%)
Corporate Governance, social responsibility and sustainable development committee	3.79 (94.69%)	3.42 (85.50%)
Executive Committee	3.65 (91.20%)	3.77 (94.25%)
Evaluate compliance with corporate governance principles	97.95%	Not evaluated

**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 2020 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.

No.	Name-Surname	Position	Training Course in 2020
1.	Assoc.Prof Dr. Somjai Phagaphasvivat	- Independent Director - Chairman	-
2.	Mr. Siwa Sangmanee	- Independent Director - Board of Director - Chairman of the Audit Committee	- Management Science for Senior Executives Program, Class 6, Faculty of Public Administration, organized by the National Institute of Development Administration (NIDA) - National Defense College Program (NDC)
3.	Mr. Somkuan Watakeekul	- Independent Director - Board of Director - Audit Committee - Recruitment and Compensation Committee	-
4.	Mr. Somkual Musig – In	- Independent Director - Board of Director - Audit Committee - Chairman of the Risk management Committee	-
5.	Mr. Loyleuan Bunnag	- Independent Director - Board of Director - Audit Committee - Chairman of the Corporate Governance, Social responsibility and sustainable development Committee	-
6.	Mr. Apai Chandanachulaka	- Independent Director - Board of Director - Audit Committee - Chairman of the Recruitment and	-





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No.	Name-Surname	Position	Training Course in 2020
7.	Dr. Narong Thasnanipan	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- CEO</li> </ul>	<ul style="list-style-type: none"> <li>- Management Science for Senior Executives Program, Class 5, Faculty of Public Administration, organized by the National Institute of Development Administration (NIDA)</li> <li>- WINS Program, Network and Senior Executive Potential Development Project of the Ministry of Higher Education, Science, Research and Innovation of the Presidents' Meeting of Thailand.</li> <li>- Digital Business Solution Summit 2020, a seminar forum on Business Administration and Marketing under the theme of The NEXT Normal of Digital Business, organized by the Ministry of Digital Economy and Society (MDES) and the Digital Users Association of Thailand (DUGA)</li> </ul>
8.	Mr. Zaw Zaw Aye	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- Executive Director</li> <li>- Risk management Committee</li> </ul>	-
9.	Miss. Nutthawan Thasnanipan	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- Executive Director</li> <li>- Recruitment and Compensation Committee</li> <li>-</li> </ul>	-
10.	Mr. Kamol Singtogaw	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- Executive Director</li> <li>- Risk management Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Ethical Leadership Program (ELP), Thai Institute of Directors Association.</li> <li>- Preparation for Directors and Senior Executives in Personal Data Protection, Office of the Securities and Exchange Commission.</li> <li>- Digital Business Solution Summit 2020, a seminar forum on Business Administration and Marketing under the theme of The NEXT Normal of Digital Business, organized by the Ministry of Digital Economy and Society (MDES) and the Digital Users Association of Thailand (DUGA)</li> <li>- Preparation for Directors and Senior Executives in Personal Data Protection, Office of the Securities and Exchange Commission.</li> </ul>



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No.	Name-Surname	Position	Training Course in 2020
11.	Mr. Padej Rujikhajorndej	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- Executive Director</li> <li>- Risk management Committee</li> <li>- Corporate Governance, Social responsibility and sustainable development Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Ethical Leadership Program (ELP) class 18/2020, Thai Institute of Directors Association.</li> <li>- Preparation for Directors and Senior Executives in Personal Data Protection, Office of the Securities and Exchange Commission.</li> </ul>
12.	Mr. Nutthapan Thasnanipan	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- Executive Director</li> <li>- Risk management Committee</li> <li>- Corporate Governance, Social responsibility and sustainable development Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Senior Executive Program in Metropolitan Development, Class 8, organized by Navamindradhiraj University.</li> <li>- Digital Business Solution Summit 2020, a seminar forum on Business Administration and Marketing under the theme of The NEXT Normal of Digital Business, organized by the Ministry of Digital Economy and Society (MDES) and the Digital Users Association of Thailand (DUGA)</li> </ul>
13.	Mr. Nutthapon Thasnanipan	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- Executive Director</li> <li>- Risk management Committee</li> <li>- Corporate Governance, Social responsibility and sustainable development Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Autodesk Revit Program</li> </ul>
14.	Mr. Nirandorn Akrapitak	<ul style="list-style-type: none"> <li>- Board of Director</li> <li>- Executive Director</li> <li>- Risk management Committee</li> <li>- Corporate Governance, Social responsibility and sustainable development Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Life Cycle Assessment (LCA) by the Academy of Sciences NSTDA.</li> <li>- Carbon Footprint of Products (CFP) Assessment Program by NSTDA.</li> </ul>

## **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 69 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.

#### **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.

#### **The Recruitment and Compensation Committee**

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

1. Review and establish qualification and recruit individuals for the positions of
  - company director and submit to the Board for appointment consideration at the General Shareholders' Meeting
  - executive committee member and submit to the Board for appointment consideration
2. Establish criteria for compensation to directors, managing director, and submit to the Board for approval consideration at the General Shareholders' Meeting
3. Conduct other matters as assigned by the Board of Directors.
4. 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.
5. To provide recommendation on method to evaluate the performance of the directors and the board of directors to the board of directors.
6. To review and suggest any correction to scope, duty and responsibility of the recruitment committee in compliance with the conditions.
7. 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.

#### **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.

#### **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.



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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.

#### Skill Matrix

Position / Qualification	Engineering	Technology	Industry	Domestic and foreign marketing	Policy	ด้านกลยุทธ์	Management	Corporate Good governance	Risk Management	Accounting & Finance	Law	Audit
1. Independent Director and Chairman of the Board												
2. Director and President												
3. Independent Director												
4. Independent Director												
5. Independent Director												
6. Independent Director												
7. Independent Director												
8. Director												
9. Director												
10. Director												
11. Director												
12. Director												
13. Director												
14. Director												

#### 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.

#### 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**

### **Risk management policy**

The company is committed to conducting business to achieve the company's goals and specified business plans. It realized the ever-changing business environment and the risks that can occur at all times. In order to comply with the principles of good corporate governance, the company has established risk management policy in order to lead to a systematic operation by appropriately analyzing, evaluating, managing and monitoring risks at all times, to help minimize losses and potential impacts. In this regard, the management and staff at all levels have been developed to have knowledge, understanding, and to participate in the risk management process, in order to ensure the company's operation can achieve the mutual goals and objectives of the organization.

In this connections, the Risk Management Committee has considered the appointment of a Working Group with Mr. Nutthapon Thasnanipan as the highest responsible person at the operational level on the aspect of the risk assessment and management and Mr. Akkarat Keawlawing as the highest responsible person on the aspect of the operational level on monitoring and verifying the risk management process.

### **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.

## **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.

Quorum of the meeting of the board of Corporate Governance, Social responsibility and sustainable development Committee to pass a resolution

The policy of the company is that the resolution of the board of Corporate Governance, Social responsibility and sustainable development Committee is required to be passed by the meeting of the board of directors attended by at least two-thirds of the total directors.

**Board meeting attendance**

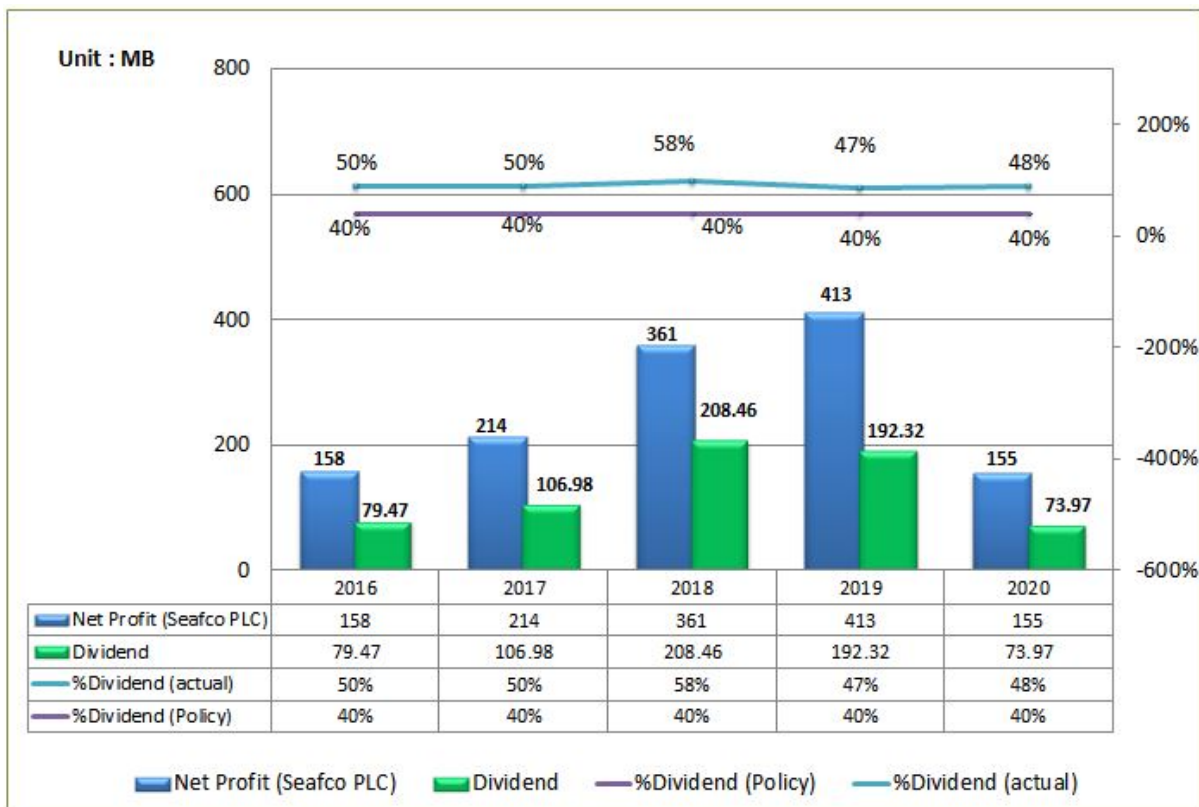
Name	Board of Director	independent committee Meeting of non-executive directors	Audit Committee	Recruitment and Compensation Committee	Risk Management Committee	Corporate Governance, Social responsibility and sustainable development Committee
	At Least 7 times	At Least 1 times	At Least 4 times	At Least 2 times	At Least 2 times	At Least 2 times
1. Assoc.Prof Dr. SomjaiPhagaphasvivat	6/7	1/1				
2. Mr. Siwa Sangmanee	7/7	1/1	6/6			
3. Mr. Somkuan Watakeekul	7/7	1/1	6/6	2/2		
4. Mr. Somkual Musig – In	7/7	1/1	6/6		2/2	
5. Mr. Loyleuan Bunnag	7/7	1/1	6/6			2/2
6. Mr. Apai Chandanachulaka	7/7	1/1	6/6	2/2		
7. Dr. Narong Thasnanipan	7/7					
8. Mr. Zaw Zaw Aye	7/7				-/-	
9. Miss. Nutthawan Thasnanipan	7/7			2/2		
10. Mr. Kamol Singtogaw	7/7				2/2	
11. Mr. Padej Rujikhajorndej	7/7				2/2	2/2
12. Mr. Nutthapan Thasnanipan	7/7				2/2	2/2
13. Mr. Nutthapon Thasnanipan	7/7				2/2	2/2
14. Mr. Nirandorn Akrapitak	7/7				2/2	2/2

### 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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## 1. 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. Apai Chandanachulaka	/, IV			
15.	Mr. Anek Srituptim	///			
16.	Mr. Kamol Youyuenpathana	///			
17.	Mr. Somsak Thawatchpongthon	///			
18.	Mr. Tawat Putphong	///			

X = Chairman

/ = Director

IV = Independent Director

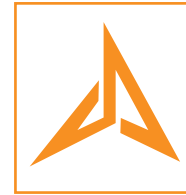
// = Executive Director

/// = Executive Officer

0 = CEO

### **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>28 November 2019</u></b>	<b><u>During the year 2020 Increase (Decrease)</u></b>	<b><u>26 November 2020</u></b>
1.	Dr. Narong Thasnanipan	56,857,936	250,000	57,107,936
2.	Miss Nutthawan Thasnanipan	7,860,677	1,110,000	8,970,677
3.	Mr. Padej Rujikhajorndej	72,600	-	72,600
4.	Mr. Kamol Singtogaw	56,247	-	56,247
5.	Mr. Zaw Zaw Aye	96,342	-	96,342
6.	Mr. Nutthapan Thasnanipan	7,521,915	-	7,521,915
7.	Mr. Nutthapon Thasnanipan	17,182,896	-	17,182,896
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. Loyleuan Bunnag	-	-	-
14.	Mr. Apai Chandanachulaka	-	-	-
15.	Mr. Anek Srituptim	73,976	-	73,976
16.	Mr. Kamol Youyuenpathana	-	-	-
17.	Mr. Somsak Thawatchpongthon	-	-	-
18.	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 / 73 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
- Management Science for Senior Executives Program, Class 5, Faculty of Public Administration, organized by the National Institute of Development Administration (NIDA).
- WINS Program, Network and Senior Executive Potential Development Project of the Ministry of Higher Education, Science, Research and Innovation of the Presidents' Meeting of Thailand.
- 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
- Explosion from the inside; sustainable development principles; starting from inside the organization, by the Stock Exchange of Thailand



- State of the Corporate Sustainability, by Thaipat Institute
- ISO 9001-2015 standard
- Digital Business Solution Summit 2020, a seminar forum on Business Administration and Marketing under the theme of The NEXT Normal of Digital Business, organized by the Ministry of Digital Economy and Society (MDES) and the Digital Users Association of Thailand (DUGA).

#### **Percentage of Paid up capital**

As of November 26, 2020    10.92% (Director 7.69%, spouse ...3.23% , underage children ...-....%)

#### **Relationship between management**

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

#### **Experiences (As of 31/12/2020)**

1999 - Now                      President and CEO, Seafco PCL

#### **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)
- Committee of the Council of Engineers, Session 7 (2019-Present)
- Evaluation Committee of the Rector's management, King Mongkut's Institute of Technology Lat Krabang
- 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 / 57 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Senior Executive Vice President : Operation Group 2 / Risk management Committee

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 November 26, 2020 0.013% (Director 0.013%, spouse ...-....% , underage children ...-....%)

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

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

**Position in other**

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

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

Miss Nutthawan Thasnanipan / 42 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Senior Executive Vice President : Administrative Group / Recruitment and Compensation Committee

Date of initial appointment is 10 April 2009 and Date of recent appointment is 25 April 2019

**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**

- Knowledge about insurance
- ISO 9001-2015 standard
- 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 November 26, 2020 1.21% (Director 1.21%, spouse -....% , underage children ..-..%)

**Relationship between managemen**

Offspring Mr. Narong Thasnanipan / Spouse Mr. Nirandom Akrapitak

**Experiences (As of 31/12/2020)**

2009 - 2014	Director , Seafco PCL
2014 - Now	Senior Executive Vice President, Seafco PCL

**Position in other**

- None -



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

Mr. Kamol Singtogaw / 58 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 / Risk management Committee

Date of initial appointment is 18 March 2004 and Date of recent appointment is 23 April 2020

**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**

- Knowledge about insurance
- Development of potential to increase work efficiency
- ISO 9001-2015 standard
- 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
- Digital Business Solution Summit 2020, a seminar forum on Business Administration and Marketing under the theme of The NEXT Normal of Digital Business, organized by the Ministry of Digital Economy and Society (MDES) and the Digital Users Association of Thailand (DUGA).
- Management Science for Senior Executives Program, Class 6, Faculty of Public Administration, organized by the National Institute of Development Administration (NIDA).

**Percentage of Paid up capital**

As of November 26, 2020                      0.008% (Director 0.008%, spouse ...-...% , underage children ...-...%)

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

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

**Position in other**

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

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

Mr. Padej Rujikhajorndej / 64 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/ Risk management Committee / Corporate Governance, Social responsibility and sustainable development Committee

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**

- Ethical Leadership Program (ELP), Thai Institute of Directors Association
- ADR Construction 2019, Alternative dispute resolution in the construction business, by the Thai Arbitration Institute (THAC)
- Development of potential to increase work efficiency
- ISO 9001-2015 standard
- Construction safety standards, Book 4, Safety in work operation, under special environmental conditions, by the Construction Safety Standards Working Group, in the Sub-Committee on Construction Management, the Engineering Institute of Thailand
- Executive Mini MBA (NIDA)
- High Executive Program, Thammasat for Society NorMorThor. Group 7
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of November 26, 2020 0.01% (Director 0.01%, spouse ...-....% , underage children ...-....%)

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

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

**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 / 44 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President IT / Risk management Committee / Corporate Governance, Social responsibility and sustainable development Committee

Date of initial appointment is 21 April 2015 and Date of recent appointment is 25 April 2019

**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**

- Senior Executive Program in Metropolitan Development, Class 8, organized by Navamindrathiraj University.
- Digital Business Solution Summit 2020, a seminar forum on Business Administration and Marketing under the theme of The NEXT Normal of Digital Business, organized by the Ministry of Digital Economy and Society (MDES) and the Digital Users Association of Thailand (DUGA).
- Bhumipalung Phandin Course, Class 5, Chulalongkorn
- MINI-CE 2018, Faculty of Engineering, Mahidol University
- 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
- IR Fundamental Course, Class 3, by the Stock Exchange of Thailand
- COURSE ISO : 9001-2015
- Mini MBA Class 11 at Thammasart University
- NIT Class 1 at NecTec 2010
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of November 26, 2020 1.02% (Director 1.02%, spouse ...-....% , underage children ...-....%)

**Relationship between management**

Offspring Mr. Narong Thasnanipan

**Experiences (As of 31/12/2020)**

2011 - 2015 Asst. to the Chief of President Office Seafo PCL

2015 - Now Executive Vice President , Seafo PCL

**Position in other**

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





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

Mr. Nutthapon Thasnanipan / 38 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President Engineering / Risk management Committee / Corporate Governance, Social responsibility and sustainable development Committee

Date of initial appointment is 21 April 2015 and Date of recent appointment is 23 April 2020

**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**

- ISO 9001-2015 standard
- 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 November 26, 2020 2.32% (Director 2.32%, spouse ...-....% , underage children ...-....%)

**Relationship between management**

Offspring Mr. Narong Thasnanipan

**Experiences (As of 31/12/2020)**

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

**Position in other**

- Director, Nowhere else Co.,Ltd.

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

Mr. Nirandom Akrapitak / 48 year / Director is authorized to bind the company, according to the Certificate of company registration / Director and Executive Vice President : President Office, Law and IR / Risk Management Committee / Corporate Governance, Social responsibility and sustainable development Committee

Date of initial appointment is 10 August 2018 and Date of recent appointment is 25 April 2019

**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**

- Life Cycle Assessment (LCA) by the Academy of Sciences NSTDA.
- Carbon Footprint of Products (CFP) Assessment Program by NSTDA.
- Knowledge about insurance
- Development of potential to increase work efficiency
- ISO 9001-2015 standard
- Mentor & Mentee, Class 1/2019, by the Institute of Intelligent Trade and Investment Advisors
- Tax & Regulatory Update, by the Board of Investment
- The Business of Platforms, by the Stock Exchange of Thailand
- TLCA Executive Development Program (EDP) 2020
- High Rank Executive Program "Thammasat for Society", Thammasat University, Class 14
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of November 26, 2020 1.21% (Director ...-.....%, spouse ...1.21....%, underage children ...-....%)

**Relationship between management**

Spouse Miss Nutthawan Thasnanipan

**Experiences (As of 31/12/2020)**

2008-2018	Banpu Public Company Limited
2006-2008	Boral Concrete & Aggregates
2018 - Now	Director and Executive Vice President : President Office, Law and IR Seafco Public Company Limited

**Position in other**

- None -



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

Asst.Prof.Dr.Somjai Phagaphavivat / 73 year / Chairman and Independent Director

Date of initial appointment is 18 March 2004 and Date of recent appointment is 25 April 2019

**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 November 26, 2020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

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

**Position in other**

2015 - Now	Director, Suparai PCL
2013 - Now	Chairman of the Audit Committee, Amarin Printing and Publishing PCL
2007 - Now	Independent Director and Chairman of the Audit committee, Lee Feed Mill PCL

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

Asst.Prof.Dr.Somjai Phagaphavivat / 73 year / Chairman and Independent Director

Date of initial appointment is 18 March 2004 and Date of recent appointment is 25 April 2019

**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 November 26, 2020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

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

**Position in other**

2015 - Now	Director, Suparai PCL
2013 - Now	Chairman of the Audit Committee, Amarin Printing and Publishing PCL
2007 - Now	Independent Director and Chairman of the Audit committee, Lee Feed Mill PCL



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

Mr. Siwa Sangmanee/ 75 year / Independent Director and Chairman of the Audit Committee

Date of initial appointment is 12 April 2013 and Date of recent appointment is 25 April 2019

**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**

- Management Science for Senior Executives Program, Class 6, Faculty of Public Administration, organized by the National Institute of Development Administration (NIDA).
- National Defense College Program (NDC).
- 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 November 26, 2020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

- |            |   |
|------------|---|
| 2013 - Now | Chairman of the Audit Committee, Seafco PCL   |
| 2013 - Now | Independent Director / Chairman of the Audit Committee / Chairman of the Recruitment and Compensation Committee, ubon bio ethanol PCL |
| 2017 - Now | Chairman of the Audit Committee, International Research Corporation PCL   |
| 2017 - Now | Director, International Research Corporation Co.,Ltd.   |

**Position in other**

- |             |  |
|-------------|--|
| 2014 – 2019 | Advisor to the Deputy Minister of Interior |
|-------------|--|

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

Mr. Somkuan Watakeekul / 81 year / Independent Director and Audit Committee Director / Recruitment and Compensation Committee

Date of initial appointment is 18 March 2004 and Date of recent appointment is 23 April 2020

**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 Defense College of Thailand Class 366/1993

**Percentage of Paid up capital**

As of November 26, 20020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

2011 - Now	Advisor to Board of Directors, CK Power PCL
2004 - Now	Audit Committee, Seafco PCL

**Position in other**

- None -



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

Mr. Somkual Musig-In / 72 year / Independent Director and Audit Committee Director / Chairman of the Risk management Committee

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 November 26, 2020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

1971 - Now C.P.A. (Thailand)  
2004 - Now Audit Committee, Seafco PCL

**Position in other**

2018 – Now Independent Director / Chairman of the Audit Committee, green resources PCL





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

Mr. Loyleuan Bunnag / 71 year / Independent Director and Audit Committee / Chairman of the Corporate Governance, Social responsibility and sustainable development 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
- National Defense College of Thailand Class 4414

**Percentage of Paid up capital**

As of November 26, 2020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

2015 - Now Independent Director and Audit Committee, Seafo PCL

**Position in other**

- Director, Fuel Pipeline Transportation Limited
- Director, Phaibulsombat Co.,Ltd
- Director, Bafs Clean Energy Corporation Company Limited



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

Mr. Apai Chandanachulaka/ 78 year / Independent Director and Audit Committee / Chairman of the Recruitment and Compensation Committee

Date of initial appointment is 25 April 2019

**Education**

- Bachelor of Political Science (Honor and Good Scores), Faculty of Political Science, Thammasat University
- Master of Political Science, Faculty of Political Science, Thammasat University
- Diploma, Thailand National Defense College, 1990
- Honorary Doctor of Law, Ramkhamhaeng University
- Honorary Doctor of Arts, Public Administration Branch, Pibulsongkram Rajabhat University
- Honorary Doctor of Arts, Social Development Branch, Chiang Rai Rajabhat University
- Honorary Doctor of Arts, Hat Yai University
- Honorary Doctor of philosophy, Kasetsart University

**IOD Program**

- Director Certification Program 277/2019

**Other Program**

- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of November 26, 2020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

2019 – Now Independent Director and Audit Committee, Seafo PCL

**Position in other**

- Vice President of Somdet Phra Srinakarin Garden Foundation
- Director, Somdet Phra Yan Sangwon Foundation King Bhumibol Adulyadej, Bowon Niwet Temple In the royal palace
- Director of Mahamakutrajavidyalaya Foundation Royal patronage

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

Mr.Anek Srituptim / 64 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**

- 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
- 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)
- Development of potential to increase work efficiency
- ISO 9001-2015 standard
- Adjusting the organization strategy and communicate with satisfying result with Big Data, SET
- Strategic Financial Leadership (SFLP) 2019, TLCA (continuous accounting development of 6 hours per year in accordance with the criteria of the Office of the SEC)
- Training in the year 2020
- CFO Refresher Course, Class 1, on "Readiness Preparation for Coping with Economic Conditions, Strategies on Using Financial Instruments for Financing and Creating Growth", organized by the Stock Exchange of Thailand.
- "Liquidity Risk Management" Course, Class 7.
- Restart the Economy after the Lockdown: Economic Outlook and Implications for Business Sector by Siam Commercial Bank PCL.
- Digital Business Solution Summit 2020, a seminar forum on Business Administration and Marketing under the theme of The NEXT Normal of Digital Business, organized by the Ministry of Digital Economy and Society (MDES) and the Digital Users Association of Thailand (DUGA).
- How does human rights relate to business?, organized by the Securities and Exchange Commission.
- Investments under Crisis organized by the Stock Exchange of Thailand.



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- Money Laundering Law Program for those in charge of reporting, Class 16 (Online), organized by Finlik Co., Ltd.
- IOD Company Secretary Forum under the Topic of Virtual Board Meeting & the Evolving Role of Corporate Secretary, organized by IOD Thai Institute of Directors.

**Percentage of Paid up capital**

As of November 26, 2020 0.01% (His 0.01%, spouse ...-....% and underage children ...-....%)

**Relationship between management**

- None -

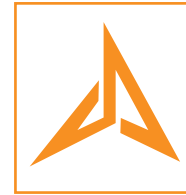
**Experiences (As of 31/12/2020)**

2003 - 2011 Vice President : Administrative Departmentt , Seafco PCL

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

**Position in other**

- None -



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

Mr. Kamol Youyuenpattana / 61 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**

- High Executive Program, Thammasat for Society NorMorThor. Group 17
- Knowledge about insurance
- Development of potential to increase work efficiency
- ADR Construction 2019, Alternative dispute resolution in the construction business, by the Thai Arbitration Institute (THAC)
- ISO 9001-2015 standard
- Smart Construction Project Planning
- 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 November 26, 2020 - None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

1999 - Now Vice President : Civil Department, Seafco PCL

**Position in other**

- None -

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

Mr. Somsak Thawatchpongthon / 65 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**

- Sustainable Supply Chain Management 2020 BY SET
- Development of potential to increase work efficiency Class 3/2020 by Seafco PCL
- TFPA Wealth Management Forum 2019, by Thai Financial Planners Association
- Sustainable Supply Chain Management Training, Class 4, by the Stock Exchange of Thailand
- Train the Trainers: Happy Money, Happy Retirement, by the Capital Market Development Promotion Center, The Stock Exchange of Thailand
- Setting of KPI and evaluation of purchase procurement, by Thailand Business Management Association
- Customs tariffs for import-export, by WASO TRAINING CENTER
- Knowledge about insurance
- Development of potential to increase work efficiency
- ISO 9001-2015 standard
- 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)
- Autamasasamathi Course, Willpower Institute Class 2 (Dharma)
- Yanasasmati Course, Willpower Institute Class 1
- Setting a KPI and metrics in procurement (TMA)

**Percentage of Paid up capital**

As of November 26, 2020

- None -

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

2004 - 2011	Director of Internal Audit and Audit Committee Secretary, Seafco PCL
2011 - Now	Vice President: Procurement Department , Seafco PCL

**Position in other**

- None -



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

Mr. Tawat Phutpong / 59 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**

- Mini Master Of Management Program Class 72 by the National Institute of Development Administration (NIDA).
- Basic Electrical by Engineering Institute of
- Enhance the quality of bilateral vocational education management
- Knowledge about insurance
- Capacity development to increase work efficiency
- ISO standard: 9001-2015
- Personnel development for being crane inspectors
- Work Safety Officer Course in Management Level
- Committee for safety, occupational health and working environment
- Training course for trainers in the workplace
- Law Course for Engineers, Class 5
- Professional Maintenance Management Course, Class 2
- Preventive Machinery Planning Course, Class 5
- Samanthi Course, Willpower Institute

**Percentage of Paid up capital**

As of November 26, 2020 - None-

**Relationship between management**

- None -

**Experiences (As of 31/12/2020)**

2004 - 2013      Director of Maintenance department, Seafco PCL  
2013 - Now      Vice President: Plant Department, Seafco PCL

**Position in other**

- None -





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

Miss Rachadawan Horthongkham, 59 years, 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
- Orientation course for chief accounts focusing on financial reporting to federation of accounting profession
- 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.
- 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.
- Impact of new financial reporting standards regarding revenue from contracts made with customers (TFRS 15) and lease contract (TFRS 16) on the preparation of financial reports of listed companies (Class 2), the Stock Exchange of Thailand
- Transfer Pricing Year 2019, the specifying of transfer pricing between related companies, NYC Management Company Limited

- Method of submitting financial statements of the year 2019 through DBD e-filing V.2, Class 4, Dharmaniti Seminar and Training Company Limited
- Train the Trainer Happy Money Happy Retirement, Stock Exchange of Thailand
- Standardization of ISO 9001: 2015, Quality Management System, SGS (Thailand) Company Limited
- Standard of financial report, Re: Lease Agreement for TFRS 16 & TAS 17, Accounting Management Company Limited
- Insight Financial Management to enhance business capability, through professional financial management, Stock Exchange of Thailand
- Accounting for financial instrument, 75 CPE Company Limited
- TFPA Wealth Management Forum 2019, Financial Planners Association
- Financial Modeling Using Excel, Asia Business Connect Company Limited
- Preparation of financial statements for accepting the capital market auditor, class 3/62, Course 1, Federation of Accounting Professions in the royal patronage
- TFRS 9 Financial Instruments (Application principles and examples for understanding) the new course of the year 2019, Dharmaniti Seminar and Training Company Limited.

#### **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 2020**

- Procedures on filling in information reports about companies/partnerships that are related to one another (Transfer Pricing), organized by the Revenue Department
- Learning on getting to know of new accounting standard with BLS organized by Bualuang Securities.
- Practical TFRS 16 Sharing to adopt for use, Organized by the Federation of Accounting Professions.
- Corporate Sustainability Strategy Course, S01: Business Sustainability Commitments, Class 2, by the Stock Exchange of Thailand
- Corporate Sustainability Strategy Course S02: Supply Chain Analysis and Stakeholders By the Stock Exchange of Thailand
- Corporate Sustainability Strategy Course S03: Defining Sustainability Strategies and Operational Methods, Class 2, by the Stock Exchange of Thailand.
- Corporate Sustainability Strategy Course S04: Sustainability Risk Analysis, Class 2, by the Stock Exchange of Thailand.
- Corporate Sustainability Strategy Course S05: Assessment and Information Management on Corporate Social Responsibility By the Stock Exchange of Thailand.
- Provision on Setting Impairment of Financial Instruments (TFRS9), Actual Real Co., Ltd.
- Financial Management Strategy to Revive the Organization and Create Growth in the New Normal era: Readiness Preparation of Listed Companies by the Stock Exchange of Thailand



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- Financial Management Strategy to Revive the Organization and Create Growth in the New Normal era: the Global Economic Situation, the Thai Economy, the Impact on the Business Sector By the Stock Exchange of Thailand
- Draft of Accounting Practical Guidelines, Measures for Temporary Relief Additional Options in the Situation of COVID-19 by the Stock Exchange of Thailand.
- Guidelines for preparing financial reports of companies having been affected by COVID-19 event, by the Stock Exchange of Thailand.

### **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 to directors**

The remuneration of the board of directors was considered from the duty and responsibility of the board of directors and the performance of the directors with approval from the shareholders.

The recruitment committee was required to consider the type of remuneration, remuneration method and amount of remuneration of the directors and submitted to the board of directors for approval and further submission to the meeting of shareholders for approval.

To determine such remuneration, the recruitment committee was required to look at the duty, responsibility, determination of the directors while the remuneration was comparable to that of the other in the similar business and the such remuneration was required to be appropriate and sufficient to motivate and maintain the quality directors.

#### **2. High rank executives' remuneration**

The Board of Directors together with the Nomination and Compensation Committee jointly evaluate the President's performance, by considering the performance evaluation form, including considering from the business performance of the company, the implementation of the work according to the policy as received from the Board of Directors, combined with the situation of overall economy and society. The information will be used to determine the appropriate compensation for both the short-term and long-term of the President and high rank executives of the company, by looking at the current data compared to past data in various factors as follows:

1. Performance result of the business, considering from percentage of EBITDA ON OPERATING ASSETS, which will set goals to set the percentage of EBITDA every year for evaluation and comparison.
2. Comparing of the performance result of the business in the same industry.
3. Ability to develop business and improve operational efficiency each year.
4. In consideration of long-term compensation, there is determining of the business growth that will be set in the 3 years to 5 years with the target growth rate, set as the criteria for consideration, including the performance result of the business by using EBITDA ON OPERATING ASSETS as the target.

### **Compensation to High rank executives**

	Compensation in baht		
	2020	2019	2018
<u>Management Compensation</u>			
Salary and Bonus paid each year	57,346,055.51	53,257,213.50	46,373,000.00

**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.



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3. **Remuneration of directors** should be consisting of three components.

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

3.2 Monthly remuneration reflecting responsibility and duty of the directors

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

4. **Payment of remunerations**

4.1 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).

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

4.3 Bonus paid on a 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.

**Compensation to Directors**

	2020			2019			2018		
	Per meeting	Per month	Compensation in Baht	Per meeting	Per month	Compensation in Baht	Per meeting	Per month	Compensation in Baht
<u>Director Compensation and Director Fee(each)</u>									
- Assoc. Prof.Dr.Somjai Phagaphasvivat									
- Mr. Somkuan Watakeekul	7,500	65,000	832,500	7,500	65,000	835,000	5,000	65,000	805,000
- Mr. Somkual Musig-in	7,500	50,000	720,000	7,500	50,000	700,000	5,000	50,000	625,000
- Mr. Siwa Sangmanee	7,500	50,000	720,000	7,500	50,000	700,000	5,000	50,000	625,000
- Mr. Loyleuan Bunnag	7,500	50,000	705,000	7,500	50,000	685,000	5,000	50,000	625,000
- Mr. Apai Chandanachulaka	7,500	50,000	720,000	7,500	50,000	707,500	5,000	50,000	625,000
- Dr. Narong Thasnanipan	7,500	50,000	720,000	7,500	50,000	490,000	-	-	-
- Mr. Zaw Zaw Aye	7,500	-	52,500	7,500	-	52,500	5,000	-	25,000
- Miss Nutthawan Thasnanipan	7,500	-	60,000	7,500	-	52,500	5,000	-	25,000
- Mr. Padet Rujikhajorndej	7,500	-	67,500	7,500	-	52,500	5,000	-	25,000
- Mr. Kamol Singtogaw	7,500	-	82,500	7,500	-	52,500	5,000	-	25,000
- Mr. Nutthapan Thasnanipan	7,500	-	67,500	7,500	-	52,500	5,000	-	25,000
- Mr. Nutthapon Thasnanipan	7,500	-	82,500	7,500	-	52,500	5,000	-	20,000
- Mr. Nirandom Akrapitak	7,500	-	82,500	7,500	-	52,500	5,000	-	20,000
Total	7,500	-	82,500	7,500	-	52,500	5,000	-	10,000
			<u>4,995,000</u>			<u>4,537,500</u>			<u>3,480,000</u>
<u>Bonus for non-executive directors.</u>									
- Assoc. Prof.Dr.Somjai Phagaphasvivat			-			195,000			130,000
- Mr. Somkuan Watakeekul			-			150,000			100,000
- Mr. Somkual Musig-in			-			150,000			100,000
- Mr. Siwa Sangmanee			-			150,000			100,000
- Mr. Loyleuan Bunnag			-			150,000			100,000
- Mr. Apai Chandanachulaka			-			-			-
Total			=			<u>795,000</u>			<u>530,000</u>

- Note**
1. Per meeting. The remuneration will be paid 7,500 baht paid to directors for attending only.
  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 have 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 Corporate Governance, Social responsibility and sustainable development Meeting No. 1/2019 and No. 2/2019, 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.

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' 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) nancial 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 tec. Also, the remuneration of the first 4 executives stating 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, trans parently, 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 2020, the company has arranged the general meeting of shareholders on 23 April 2020 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 14 directors for AGM for the year 2020, including the chairman of the audit committee, the chairman of the corporate governance, Social responsibility and sustainable development Committee, the chairman of the Risk committee and the chairman of the recruitment and 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.

## **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 abstaining from securities trades for 1 month, at least, before the announcement of financial statement news and after the announcement of financial statement news for 3 days, at least. Prior to the trades, a notification accordingly must be made to the Company Secretary for 1 day, at least, in advance, in order that a preparation for submission it to the Board of Directors in the succeeding Board Directors' meeting can be made.

## **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' 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 or ganization 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.



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## **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.
- (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.



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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.

### 3.3 Personal Information Corporate Governance of

The company has prepared a good personal information corporate governance and separated personal information being stored out in order to comply with the Law on Personal Information promulgated in 2021.

## 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;

- 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. Respecting for human rights and treating labor fairly

The company recognizes the importance of all employees that are very important resource that will lead the company to achieve its mission. Therefore, the company has established policies and guidelines as follows:

### **Human Resource Management Policy**

The company has clearly specified personnel management policies, specifying the treatment of employees with fairness, impartiality and equality, respecting the right of employees within the framework of the company's work rules, labor laws and good traditions in society and human rights principles. The company requires all employees at all levels to attend the meditation teacher training program of Power Conservation Institute of Reverend Father Wiriyang Sirintharo, to train employees' mind to be mindful at all times. The company provides appropriate compensation and welfare, in making fair labor contracts. There is development of knowledge and potential to work better. There is a career path for progress. There is clear measurement and evaluation. Also the company allows employees to participate and express opinion through several channels and activities of the company.

### **Policy on non-violation of human rights of employees**

The company is aware of the treatment towards employees, by respecting the basic principles of human rights as required by law. There should not do or take any action in conducting business in violation of human rights, not discriminating against any person due to similarities or differences in race, religion, gender, age, education or any other matters.

## 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.
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' 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. Policy on safety, occupational health and environment

Safety policy is the policy that the company considered as a very important policy. The company believes that the success policy must come with the safety of all employees and participants. The company establishes a committee of safety, occupational health and environment, to plan a safety project. There is project development and a concrete follow-up. There is a risk assessment and prevention, investigation and accident reporting system for improvement, safety supervision and inspection Including training to give awareness on safety and there must be a safety report every month for safety planning.

#### 7. Responsibility to communities and society

The company conducts business with awareness of responsibility in conducting business with responsibility to the community and society, economy, environment, and good corporate governance. Based on the fact that if society is strong, it will lead to the sustainability of business growth. The company has set a policy to conduct business with social responsibility in accordance with international guidelines and according to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In implementing of the guideline, conducting business policies with social responsibility which starts by identifying the company's stakeholders, including evaluating the expectations or needs of each stakeholder group towards the company through agencies that perform duties directly related to each stakeholder group. After that, the information obtained was evaluated as follows:

##### **Economy**

The company is committed to be the leading company making eco-friendly piles and retaining walls in ASEAN which can deliver work on time with specified quality.

##### **Society**

- The company attaches importance to education. The company has always supported education with students at the bachelor's degree level, master's degree, and doctorate level in engineering related fields for all the time throughout. In the year 2019, the company gives scholarship to King Mongkut University of Technology Lat Krabang and mahidol University including making MOU with educational institutions in order to deliver students at the vocational certificate or higher vocational certificate level to do internships with the company for 1 year, so that the company will be a source of technical staff to work with the company.



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- The company attaches importance to developing the minds of people to be mindful and tolerant, by using meditation, in which the company opened the company as a meditation teacher branch of Power Conservation Institute of Reverend Father Wiriyang Sirintharo, Branch 47, for the communities around the company and the company's employees to have come to study. Currently, there are all employees at the head office to have completed the meditation teacher courses. In addition, the company also manages staff in the office to do a short meditation for 5 minutes, 3 times a day every day to continuously develop the mind

### **Environmental aspect**

The company is aware of operations focusing on safety and the environment. The company has established policies, guidelines, monitoring and development regarding safety and the environment strictly. The company imparts knowledge and training in performing duties in every process to comply with the work standards related to safety and the environment, including supporting environmental preservation guideline in each project area

### **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.
- 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	Seafco 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	Seafco 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

Company directors, executives and employees must perform their duties with honesty and without corruption and dishonesty of all kinds, whether directly or indirectly; they have to strictly abide by and perform according to the policies and ethics of the company strictly.

### Guidelines of the year 2020

#### ● Receiving or giving gifts

Receiving or giving gifts on behalf of the company to those involved in the business of the company according to social customs or etiquette that should be followed, to congratulate, or as souvenir on several occasions shall strictly comply with the laws, rules and policies specified strictly, in order to ensure that receiving or giving a gift does not create conflict of interest, not result in relief, or negligence, or compensation in business agreement, or inappropriate business practices, it will not lead to corruption or dishonesty.

From 2017 onwards, the company announced to stop receiving and giving new year gifts to customers / partners / government agencies / financial institutions / those involved with the company during the New Year festival, in order to show the intention to adhere to transparent business operation.

#### ● Charitable donations

Donations, or support to public sector or private sector agencies shall be done transparently, not violating moral, or ethics, shall be done lawfully and complying with the policies and regulation of the company in such matter strictly; there shall be approval in accordance with the steps under the regulation of the company

#### ● Entertainment cost

To provide entertainment in connection with the business operation of the company to individuals or any working unit, the entertainment cost shall be transparent and can be checked according to related regulations and is going to create good relations or expression of social etiquette, not to make conflict of interest, not create result in relief, negligence, or benefits in a business agreement, or inappropriate business operation and lead to corruption or dishonesty.

Approval of entertainment cost shall comply with regulations strictly, there is making of report for consideration and approval in accordance with the regulations of the company.

### Training and Communication

In 2020 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 nancial report or internal control system with policy on protection of those providing information or clues and custody of information of those providing condential 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.
- 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.

#### **Principle of good governance for company registered in the year 2020**

The board has arranged a meeting for reviewing and understanding about the good governance principle for the company registered in the year 2020, in the Board of Corporate Governance, Social responsibility and sustainable development Meeting No. 1/2020 and No. 2/2020

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 complaint 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 14 directors broken down into

Executive Directors                      8 individuals

Non-Executive Directors - individual

Independent Directors      6 individuals

Non-Executive directors and independent directors combined accounted for 43% 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 2020, 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 nancial statements of the company and its subsidiaries, and nancial information presented in the Annual Report. The Board assigned the Audit Committee to review nancial statements and related party transaction prior to its presentation. Said nancial 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 nancial and non-nancial data and information related to the business and the operating results of the company to ensure accuracy, completeness, suficiency, consistency and timeliness and to present the position of the operation and actual nancial status of the company, including the business prospect of the company through compliance with laws, regulations and requirements related to disclosure of the Ofce of Securities Exchange Commission and the Stock Exchange of Thailand strictly. In addition to disclosure of information in accordance with the requirements of the Ofce 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 2020 for 17 times and to participate in the activity "Listed company meeting with investors or Opportunity day" for 4 meeting.

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 2020, there was related party transaction which might create situation of conflict of interest reported by the Auditor within Note 6, page 38-42 to Financial Statement.

## Operating results and financial position

### Overview of the past operations

In 2018 the construction situation deemed to have a trend of increased expansion in accordance with the plans on development of the state infrastructure. Moreover, the neighboring countries were in the period of accelerating the country, so there was an expansion in the infrastructure continuously, while the jobs in Myanmar in 2018 were rather good. It made the group profited from the increased operations from 2017 by 74.61 percent, with 2018 had a net profit of 368 million Baht.

In 2019 the industrial situations of construction trended to expand not too much due to the change to a new government. Moreover, the neighboring countries grew in line with the economy and the urban expansion. In Myanmar in 2019 the operations were rather good, so the group profited from the increased operations over 2018 by 11.22 percent, with 2019 the net profit was 410 million Baht.

In 2020, a COVID-19 outbreak had occurred eventually slowing down the construction industry and causing a tremendously reduction in private sector construction projects including those of the government's which have been postponed the, thus, resulting in a very high competition. Whereon the jobs in Myanmar, there was also a slowdown in the construction industry due to the COVID-19 outbreak, resulting in a drop in the operational result from 2019, resulting in the Company Group's operational profit to decrease from the year 2019 by 62.30%, with the total net profit of 2020 equal to 154 million Baht.

### Market Share

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

Market share	2017	2018	2019
Market value from research (million baht)	6,162	9,687	8,999
Share of the Company (percent)	29	28	34

*Note : The data from the Ministry of Commerce has the year 2019.*

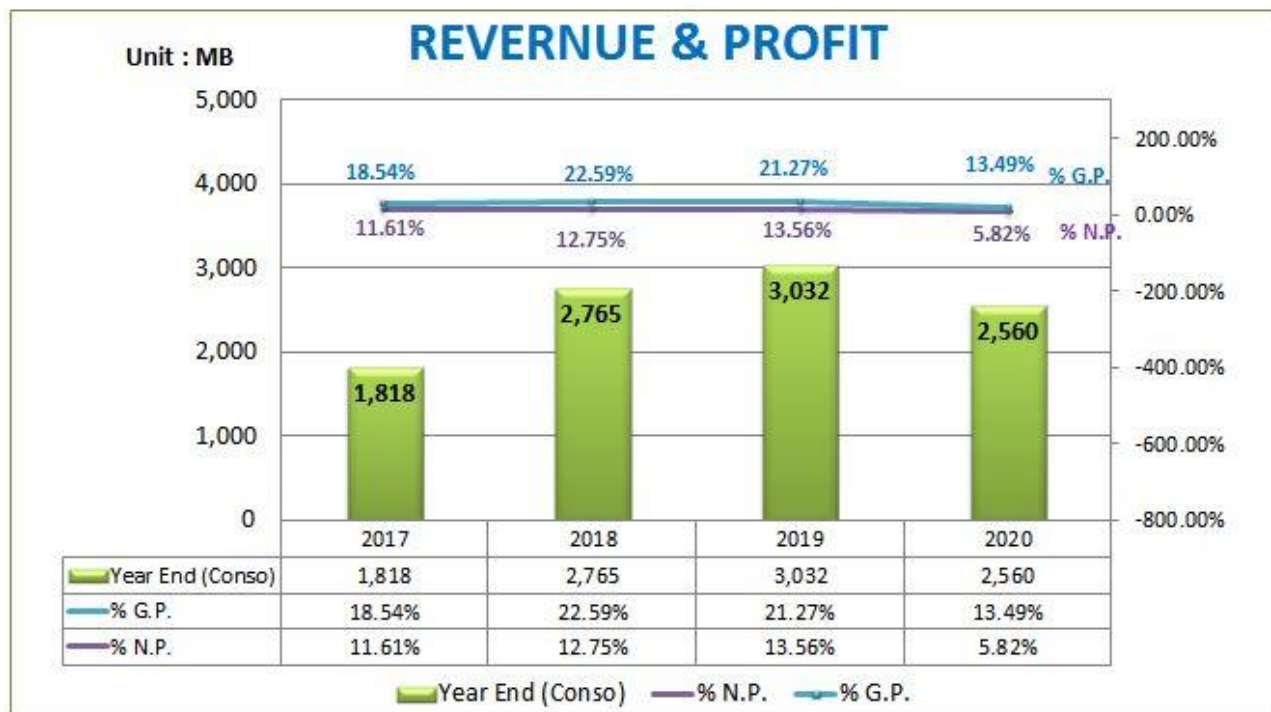
In collecting this information, it is found that there may be discrepancies regarding the income base because the income in each company in term of the contracting work being brought for comparison is different in the nature. Therefore, the total market values having been compiled are just only a guideline for consideration.



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## 1. Analysis of the operating results



### (A) Incomes from the contracted work

The revenues of the group consisted of the incomes from the contract such as from the services of Bored Pile, Diaphragm wall, civil structural construction, foundations, pile testing, other services and beyond, e.g. profits from selling assets, received interest and profits from the currency exchanges, etc.

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%.

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 2019, the Group of Companies had the main revenue from service 3,032 million Baht, consisting of revenue from bored piles and diaphragm wall (only labor income), for 38%. The income for work of bored pile and diaphragm wall (including the material cost) for 58% and income from overseas jobs for 4%.

The income in 2019 compared with 2018 increased 267 million Baht or 9.64 percent from the job on the labor cost included the main materials in 2019 at 58 percent of the main income, while in 2018 at 51 percent of the main income.

In the year 2020, the Group of Companies had the main revenue from service 2,559.91 million Baht, consisting of revenue from bored piles and diaphragm wall (only labor income), for 32%. The income for work of bored pile and diaphragm wall (including the material cost) for 65% and income from overseas jobs for 3%.

The revenue in 2020 compared to 2019 accounted for a decrease by 472 million Baht which 15.57 percent of it is as a result of the COVID-19 epidemic, therefore, causing the delivery to not be as planned.

Revenue from source revenue

	<u>2018</u>	<u>2019</u>	<u>2020</u>
From government sector (percent)	45	29	48
From private sector (percent)	55	71	52

**(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.

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.

Cost of employment work in 2019 was 2,387 million Baht, compared to 2,141 million Baht in 2018, increase of 11.52% resulting from the increase in receiving the jobs with wages and main materials from 2018, for 25% of the main revenue from services.

Cost of employment work in 2020 was 2,214 million Baht, compared to 2,387 million Baht in 2019, decrease of 7.25% resulting from the decrease in receiving the jobs with wages and main materials from 2019, for 7% of the main revenue from services.

**Administrative Expenses**

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.

Administrative expenses of 2019 were 158 million Baht, compared to 2018 to be equal to 202 million Baht, an increase of 22.16 percent. The decrease was due to expense of debt reserve and category reclassification.

The administrative expenses in 2020 was equal to 150 million Baht, compared to 158 million baht in 2019, a decrease of 5.06 percent which was the portion of the expense in relation to personnel matter.

**Bad Debt**

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 29.36 million Baht.

In the year 2019, the company set up an allowance for bad debt and still received payment from the debtor who set aside as reserve for 6.98 million Baht.

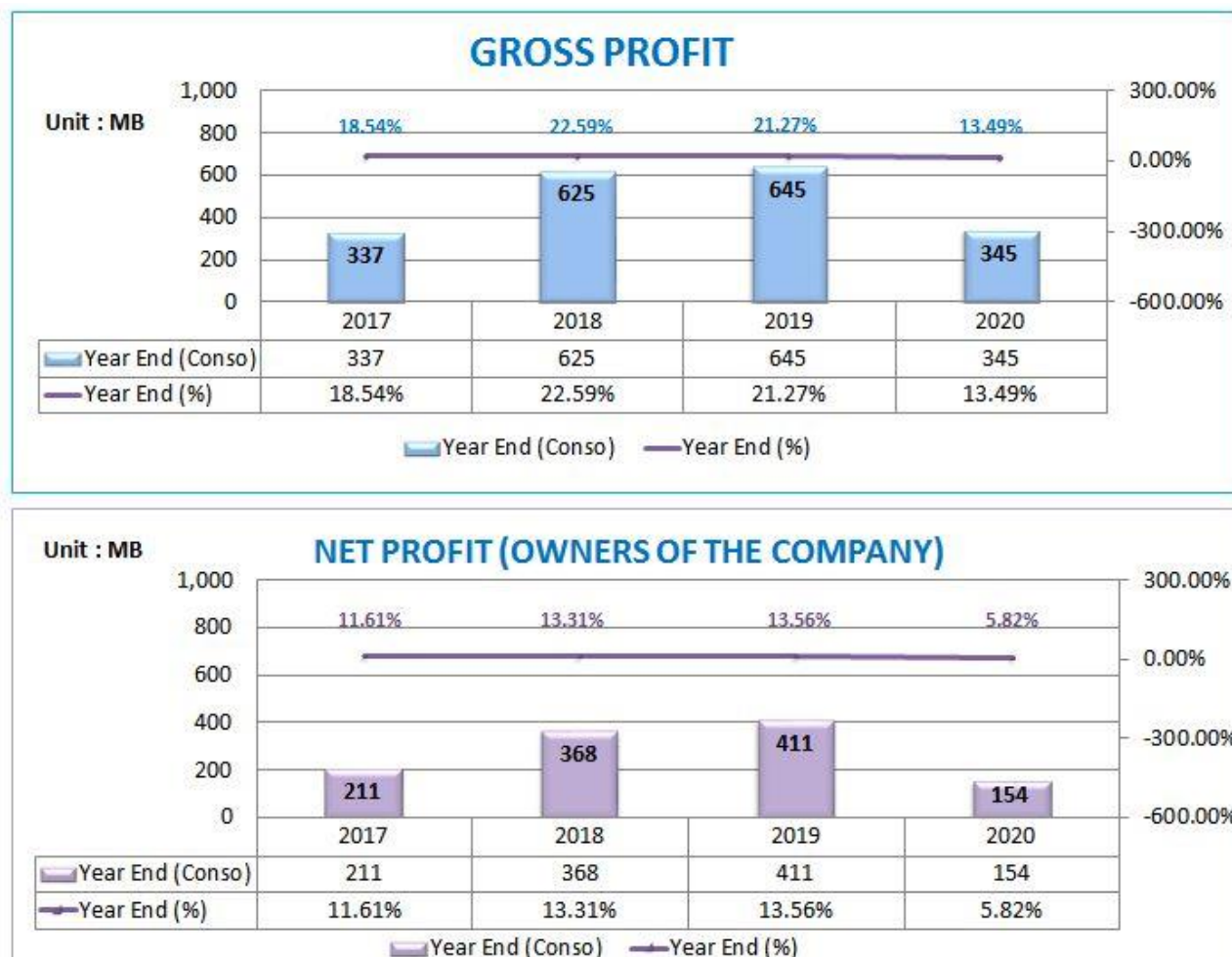
In the year 2020, the company set up an allowance for bad debt and still received payment from the debtor who set aside as reserve for 30.86 million Baht.



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(C) Gross and Net Profit



In 2018 the company had the gross profit of 625 million Baht, compared with 2017 the gross profit of 334 million Baht, an increase of 291 million Baht, or an increase of 87.20 percent. It resulted from the contract in the project real estate development by the private sector and an infrastructure.

In 2019 the company had a gross profit of 645 million Baht compared with 2018 with the gross profit of 625 million Baht, an increase of 20 million Baht, or an increase of 3.21 percent. It resulted from the contract in the project real estate development by the private sector and an infrastructure.

In 2020, the company accounted for a gross profit of 345 million Baht, compared to a gross profit of 645 million Baht in 2019, a decrease of 300 million Baht, or a 46.51 percent decrease due to the COVID-19 epidemic.

In 2018 the company had a profit from the parent company at 368 million Baht compared to 2017 with a profit by the parent company at 211 million Baht, an increase of 157 million Baht or 74.61 percent, which resulted from 2018 had an increase of the gross profit.

In 2019 the company had a profit from the parent company at 410 million Baht compared to 2018 with a profit by the parent company equaled to 368 million Baht, an increase of 42 million Baht, or an increase of 11.22 percent. It resulted from 2019 had an increase of the gross profit.

In 2020 the company had a profit from the parent company at 154 million Baht compared to 2019 with a profit by the parent company equaled to 410 million Baht, an decrease of 255 million Baht, or an decrease of 62.29 percent. It resulted from 2020 had an decrease of the gross profit.

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

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.

The investment in the year 2019 amounted to 442 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.

The investment in 2020 amounting to 189 million Baht was for the purchase of cranes, drills and retaining wall machines to replace the old ones which were ordered in 2019, but delivered in 2020, before the COVID-19 epidemic.

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

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

In the year 2019, the Group had a return to shareholders of 25% due to increased operating result, thus increasing the total profit.

In the year 2020, the Group had a return to shareholders of 9.76% due to decreased operating result, thus decreasing the total profit.

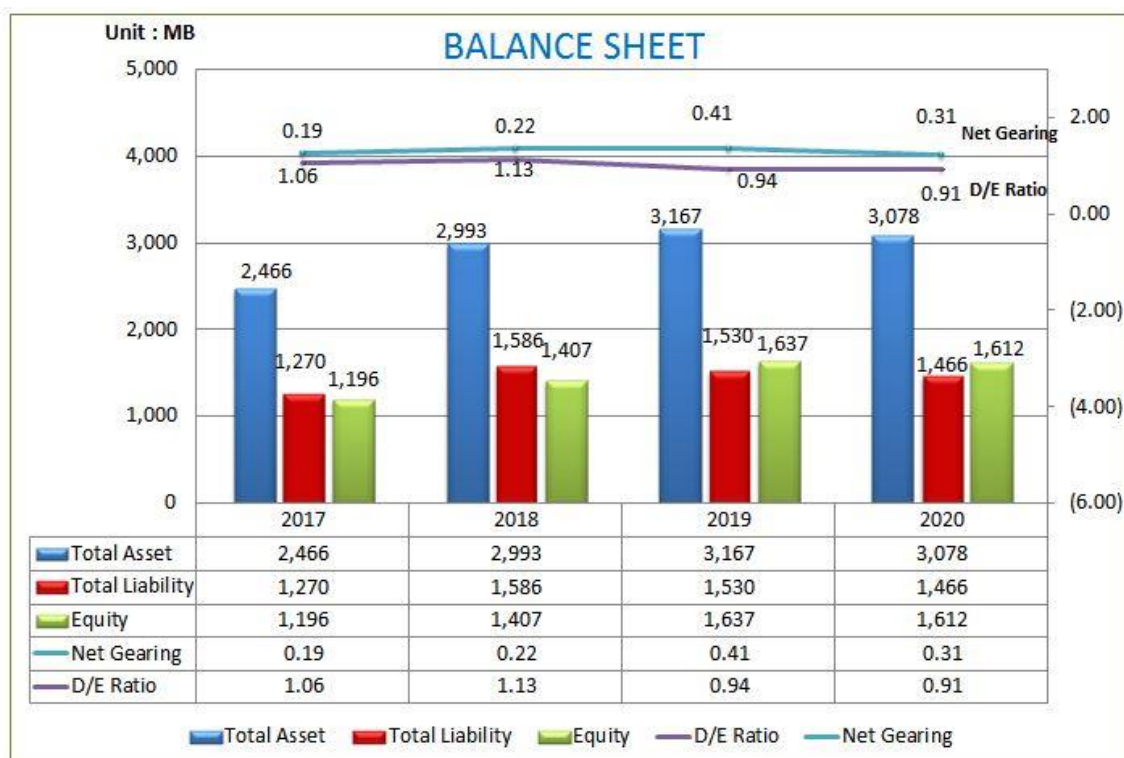


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## 2. Analysis of Financial Status

### 2.1 Total Assets and Liabilities



#### Asset

Total assets in 2018, 2019 and 2020 were equal to 2,993 million baht 3,167 million baht and 3,078 million baht.

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.

In 2019 compared with 2018 had an increased asset of 174 million Baht, but the working capital was reduced by 50 million Baht due to the cash and its equivalent of 156 million Baht, the temporary investment of 48 million Baht and the unrealized income of 151 million Baht. In addition the wage prepayment and goods purchase of 12 million Baht. On the non-working capital increased 224 million Baht due to an increased value of the land, building and equipment of 156 million Baht, and an increase of the guarantee by 55 million Baht of the taxable income waiting for clearance of 18 million Baht.

In 2020, compared to 2019, there was a decrease of 68 million Baht, in terms of current assets, a decrease of 159 million Baht due to the temporary investment of 133 million Baht and the unbilled income in addition of 101 million Baht and the advanced payment for wages and purchases of 12 million Baht, and non-current assets increased by 69 million Baht due to the increase in the assets, rights of use increased by 46 million Baht.



### **Liability**

The total liabilities of 2018, 2019 and 2020 equaled to 1,586, 1,531 and 1,466 million Baht respectively, which in 2018 and 2019 were at the trade creditors and other creditors as well as the long-term loans mostly. The trade creditors would increase or decrease depending on the ratio of contracting the job. If in any year that has the ratio of contracting the labor cost, included the main materials higher, the trade creditor increases, but if the labor contracts are higher, so the trade creditors declined proportionally.

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.

In 2019 compared with 2018 had the liabilities reduced by 55 million Baht, the overdraft (O/D) and the short-term loans from the financial institution increased by 170 million Baht, the trade creditors and other working creditors decreased by 224 million Baht. It also had the long-term loans from the financial institution become due within one year by 32 million Baht, the prepayment from the contractor and the construction reduced by 72 million Baht, while another 25 million Baht is for machine installments.

In 2020, compared to 2019, the amount of debt decreased by 64 million Baht and short-term loans from financial institutions increased by 170 million Baht and liabilities arising from contracts - working current (advance received from customers) of 155 million Baht, while the performance guarantee payable decreased by 10 million Baht.

### **Long-Term Liabilities**

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.

In 2019 the debts were reduced because there was a loan repayment from the bank and increased leasing of the machines ordered to support the job expansion.

In 2020 the debts were reduced because there was a loan repayment from the bank and increased leasing of the machines ordered to support the job expansion.

### **Shareholders' Equity**

On the equity in 2018, 2019 and 2020 were 1,407, 1,637 and 1,612 million Baht, an decrease of each year due to the continuously operating profit.

### **Liquidity**

In 2018 the group had the debt-to-equity ratio (D/E ratio) at 1.13 times, while in 2017 at 1.06 times, an increase because in 2018 had a purchase of the machines, so the increased debts. However, it is still stayed within the criteria because the contract with the lenders had to maintain the debt level not to exceed 1.5 times and in the ratio of the net gearing of 2018 equals to 0.22 times, and in 2017 was 0.19 times. It shows that the liquidity on the bank or financial institution loans had a little higher ratio, but still maintained the norm.

In 2019 the group had the D/E ratio at 0.94 times, while in 2018 at 1.13 times, a decrease because in 2018 some debts were paid off, so the reduced debts. Nevertheless, it was within the criteria of the contract to maintain the debt level not exceeding 1.5 times at the ratio of net gearing of 2019 or 0.41 times and in 2018 at 0.22 times. It shows that the liquidity on the loan from the bank or financial institution at a little higher rate, but still within the range.

In 2020, the Company Group accounted for D/E Ratio equal to 0.91 times in 2018, which was equal to 0.94 times a decrease because in 2020, there was a debt repayment, resulting in a decrease in debt, but still in the criteria because the contract with the loan creditor must be able to maintain the level of not exceeding 1.5 times and while on the net gearing ratio of 2020 was 0.31 times and in 2019 was 0.41 times, which indicated that the liquidity in respect of the loan debt from banks or financial institutions were slightly better.

#### **Source of Capital**

In 2018 the group had the conglomerated liabilities of 1,586 million Baht; in current liabilities of 1,200 million Baht and long-term loans equal to 386 million Baht. The sources of its working capital came from the financial institutions and trade creditors. In 2018 there was re-classification of the items.

In 2019 the group had the conglomerated liabilities of 1,531 million Baht; in current liabilities of 1,080 million Baht and long-term loans at 451 million Baht. The sources of its working capital came from the financial institutions and trade creditors.

In 2020 the group had the conglomerated liabilities of 1,466 million Baht; in current liabilities of 1,003 million Baht and long-term loans at 462 million Baht. The sources of its working capital came from the financial institutions and trade creditors.

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

In Year 2020, The company and its subsidiaries paid audit fee to Bunchikij Co., Ltd..as follow:

Companies	Audit's name	Audit's Fee 2019	Audit's Fee 2020
Seafco Public Company Limited	Mr. Thanakorn fakfaipol	1,700,000	1,800,000
Seafco Construction Co., Ltd	Mr. Thanakorn fakfaipol	100,000	100,000
Seafco Intertrade Co.,Ltd	Mr. Thanakorn fakfaipol	300,000	300,000
<b>Total</b>		<b>2,100,000</b>	<b>2,200,000</b>
<b>Other Service (Non audit fee)</b>		-	-
<b>Total</b>		<b>2,100,000</b>	<b>2,200,000</b>

### **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 2020 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

### Message from the Board of Directors


SEFCO Public Co., Ltd., has always been aware of the fact that in running a business to sustainably survive other than focusing on a good operating results, it must also be a business that can adapt properly in the changing economic conditions with accuracy, stability, rapidity, appropriateness and in a timely manner corresponding to the events, as well. In addition, the equilibrium to create full benefits in a sustainable and fair manner for all stakeholders must be taken into account. SEAFCO has therefore developed and upgraded the operations on the aspect of the sustainability by combining the three concepts: namely; economic, social, and environmental aspects to be part of the business operation strategies. In 2021, the operational goal to achieve concrete results that can be measured has been defined as follows:

On the aspect of the economy, over in the past year, there was an implicitly significant slowdown in the private sector investments due to the COVID-19 epidemic all over the world including in Thailand which had suddenly occurred coupled with the public utility works of the government sector that SEAFCO had been waiting to subcontract from the main contractor came out lesser and later than in the previous years due to the new government lineups which was not too long, so, SEAFCO, in the latter case, had anticipated and made a preparation for support plan in advance. But, when the case of COVID-19 had emerged again which was rather critical, SEAFCO was still able to adapt to cope with the situation in a timely manner, could compete for and acquire jobs in the amount of more than 2.5 billion Baht, while still having the ability to make profits and pay dividends to shareholders consistently. In 2021, even though the COVID-19 problem has still affected the private sector high rise building work, however, we expect that the chance for SEAFCO to subcontract the large public utility foundation works from the main contractor: such as; the Orange Line Electric Train (Cultural Center - Bang Khunnon), Southern Purple Line Project (Tao Poon - Kanchanaphisek Ring Road), multi-phase double-tracks, high-speed trains, is highly potential and, in addition, there will be many projects of various Ministries gradually coming for bidding from the second quarter of 2021 until the end of 2022 which the value of the foundation works related to the aforementioned projects that is to be distributed in each year, will be at the minimum between 7,000-10,000 million Baht. SEAFCO sets a goal on the success achievement in the sub-contracting construction work from the main contractor based on the market sharing of 30%, whereby the revenue of over 2 billion Baht will be generated, while the gross profit margin in line with the market conditions will be maintained.

On the Social Aspect, SEAFCO has perpetually focused on social development throughout the whole time by allowing the executives and employees of all levels including nearby communities to participate in the training on the Precepts, meditation and intelligence according to the Principle of “Meditation Teacher” of His Venrable Somdej Phra Yana Wachirodom Luang Pho Wiriyang Sirin Tharo which has continuously organized in the company for more than 10 years, thus, enabling SEAFCO to have close social networks with the general community. And moreover, SEAFCO also accepts students from Technical Colleges and Universities for intern training in the bilateral system, thus, allowing the students to have the opportunity for intern job training with the company, to acquire professional skills and gain more skills on Dharma, meditation and intelligence. Those participating in such internship program are able to serve the society better than any other group as well as giving SEAFCO the opportunity to accept some internship students to work after their graduations. This allows the company to save time in job orientations.

On the environmental aspect, SEAFCO is committed to being friendly to the neighbors, communities and societies surrounding the company's construction projects with sincerity. SEAFCO has a policy to carry out the foundation construction business with efficiency and high standard in construction circle. On every step of the construction which there could be a process that may have an environmental impact, it will be inspected. If an impact should be found, such matter would be treated as an urgent matter that must be tackled and remedied immediately. Furthermore, the company has taken prior pre-cautious actions by making an innovation to prevent vibration affecting the stability of the surrounding buildings. Such innovation had led the company to receive an Outstanding Award from the Stock Exchange of Thailand in 2019, which, meanwhile, the company has been under the process of the formality on the international copyright registration for which the application for registration has already been submitted and, now, we are waiting for the result of the Certification. Other than those, the company has received ISO 1900-2015 Certification eventually ensuring that the vibration reduction process has been verified that it has been intensely carried on by staff members of all organizations, thus, resulting in the environmental problems to be significantly reduced compared to the problems over in the past.

SEAFCO's growth has emerged on the base of the honesty, transparency and sincerity towards the societies and stakeholders throughout the whole time. The Board of Directors and the Management Team would like to thank all employees for their perpetual dedications, mental power, mental energy and intelligence to the company's work and we would also like to express our appreciations to business partners, financial institutions for providing consistently good supports to SEAFCO.



Chairman of the Board



President and Chief Executive Officer

## Report of the Audit Committee

The Audit Committee of Seafco Public Company Limited, consists of 5 qualified independent directors. Mr. Siwa Sangmanee is the Chairman of the Audit Committee. Mr. Somkuan Watakeekul, Mr. Somkual Musig-In, Mr. Loylean Bunnag and Mr. Apai Chandanachulaka

The audit committee performs its duties as assigned from the Board of Directors, according to the regulations of the Stock Exchange of Thailand and the charter of the audit committee.

In the year 2020, the Audit Committee held total 6 meetings, the Audit Committee joined in the meeting to constitute the quorum every time, consisting of:

- There were 4 meetings with the auditor and the internal auditor regarding the financial statements and the internal audit report.
- There was 1 meeting to assess the adequacy of the internal control system.
- There was 1 meeting to summarize important matters for the audit of financial statements with the auditor.

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

### 1. Financial Report Reviews

The Audit Committee together with the auditor in reviewing interim financial information and financial statements of the company and its subsidiaries for the year 2020, disclosing information to financial statements, significant accounting policies and estimates in accordance with the generally accepted accounting standard, are of the opinion that the financial reports are in compliance with the financial reporting standard and that the important information was completely and appropriately disclosed in accordance with the opinion expressed and disclosed by the auditor in the 2020 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 internal audit system

The audit committee has re-examined the internal audit plan and the operation of the internal audit department so that it complied with international standards and supervise so that there was the operation of the internal audit charter, to cover all systems and risk topics. The audit committee had the opinion that the internal audit department had independence and fairness in the access to audit in every work system.

### 4. 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.

**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 has re-examined the compliance with the law, government regulations and interfaced transaction by following up on the audit report from the Internal Audit Department and disclosed in the notes to the financial statements from the auditor, the audit committee had the opinion that the company has appropriately complied with the law. The interfaced transaction proceeds reasonably, realizing the highest interests of the company.

**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. Company Board of Directors and Sub-committee Members Performance Evaluation:**

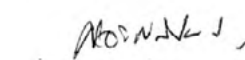
The Audit Committee has caused the Board of Directors' performance evaluation to be conducted in accordance with the guidelines of the Stock Exchange of Thailand, both by the Board Group and by individual, and that the result of the compiled score is forwarded to the Audit Committee Secretary in order that the evaluation result can be used in the improvement of the Board's management efficiency. In this respect, result of the evaluation score being positively agreeable is rather much or that the action on such particular matter is somewhat good or very much agreeable or that the action on such particular matter is excellently good.

**8. Consideration on the Selection, Nomination and Appointment of auditor**

The Audit Committee considers and approves the appointment of Mr. Thanakorn Fakfaipol, Certified Public Accountant No. 4879 from Bunchikij Co., Ltd. as the auditor for the year 2020. And resolution is rendered to approve a change in the auditor in 2021, to NPS Siam Audit Company Limited, by making a consideration on the base of the suitability of the auditor's qualifications and the appropriateness of the remuneration to support the consideration, as well

- |                                  |                 |
|----------------------------------|-----------------|
| 1. Mr. Narong Luktharn           | CPA No. 4700 or |
| 2. Miss Maliwan Phahuwattanakorn | CPA No. 4701 or |
| 3. Mr. Chaikrit Warakitjaporn    | CPA No. 7326 or |
| 4. Miss Kamontat Jitkarnka       | CPA No. 10356   |

In summary, from the performance of duties according to the charter of the audit committee and the assigned duties, the audit committee is of the opinion that Seafco Public Company Limited has good corporate governance, has the financial statements which were prepared appropriately in accordance with the financial reporting standards and comply with the law and with the regulations of the Stock Exchange of Thailand, the company has sufficient risk management and has an internal control system and effective internal audit.



(Mr. Siwa Sangmanee)  
Chairman of the Audit Committee

## Report of the Board of Executive Directors for the Year 2020

The Board of Executive Directors of Seafco Public Company Limited consists of 8 executive directors as followed accordingly;

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 Akrapitak	Executive Director

In 2020, The Board of Executive Directors has performed according to the duties and responsibilities commissioned by the Board of Directors to review policy, business aspects, and business strategy including financial and investment plan, operating plan, and other management plan, to ensure that the Company's operation is efficient and in compliance with law, and to ensure that the company's operation complied with good corporate governance, and to comply with the Notification of the Stock Exchange of Thailand including the best practices defined by the Stock Exchange of Thailand as well. The Board of Executive Directors convened on a weekly Meetings, of which main activities can be summarized as followed;

### 1. Define policy, business aspects, and business strategy

The Board of Executive Directors under the supervision of the President gave the policy to ensure that the Company should be carefully operated for the changes through 2020. The company assured that we will continually perform business with fair and equal in compliance with moral principle basis.

### 2. Review business plan

The Board of Executive Directors supervised and reviewed business plan, financial and investment plan, and management plan that proposed by the management to ensure that all plans are suitable for the business and compliance to the good corporate governance as well.

### 3. Monitor business policy and business strategy

The Board of Executive Directors monitored and reviewed the operations according to policy, business strategy, and other management factors as planned as usual and in the past year, the Board of Executive Directors mainly concentrated on company's active projects in order to ensure that the company's operation will perform efficiently and it can be reported to the Board of Directors adequately and accurately as well.

### 4. Provide suggestions and recommendations

The Board of Executive Directors recommended, suggested, and assigned the scope of business operations including supervised and reviewed financial and investment plan and budget for Vice President accounting and finance department along with other related transaction that will be bind to the company. In addition, the board of executive directors provided suggestions for entering into any tender offer or investment in new projects as well.



#### **5. Supervise financial plan and evaluate business operations**

The board of executive directors supervised and reviewed financial and investment plan including the approval of both opening and closing bank's account with in financial institutions and banks, In addition, the board of executive directors evaluated the performances of business operations to determine remuneration for the management in both Executive Vice President levels and upper.

#### **6. Defining the risk management objectives:**

Defining expressly clear objectives is the first step for any risk management process. The organization should be assured that the defined objectives is consistent with the strategic goals and the risks acceptable to the organization. Generally, the objectives and strategies should be documented in writing and can be considered in the following areas:

- The aspect of strategy related to the overall goals and mission of the organization.
- The aspect of performance related to the efficiency, performance result and profitability.
- The aspect of Reporting in relation to the report both within and outside the organization.
- The aspect of compliance with various rules, regulations which relates to the compliance with the laws and regulations.

The Board of Executive Directors has performed its duties fully in accordance with its charters approved by the board of directors and has its opinion that the company's performance has implemented its good corporate governance practice basis towards its business operations, financial, marketing and other related management factors with efficiency in accordance with its policy and business in compliance with the code of conduct and rules, regulations, and related laws, thus, in conformity with the notification of the office of the Securities and exchange commission (SEC) and the Stock Exchange of Thailand (SET)

## **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 2020, 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 2020, 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.

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 2020, the Group and the Company had construction revenues amounted to Baht 2,556 million and Baht 2,470 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 4.18 and 5.</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>



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Key audit matter	How the matter was addressed
<p><b>Allowance for expected credit loss</b></p> <p>The adequacy of allowance for expected credit loss 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 future expectations of customer payments. Also, as at 31 December 2020, the Group and the Company had those account receivables totaling Baht 1,096 million and Baht 1,011 million, respectively, and allowance for expected credit loss totaling Baht 137 million and Baht 87 million, respectively.</p> <p>Accordingly, I pay particular attention to the adequacy of allowance for expected credit loss 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 4.5, 4.6, 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>● Review the design and implementation of such 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>

***Emphasis of matter***

I draw attention to Note 1 to the financial statements, the Coronavirus disease 2019 pandemic may bring uncertainties and have an impact on the environment in which the Group operates. In addition, I also draw attention to Notes 2.3 and 3 to the financial statements, the Group has adopted Thai Financial Reporting Standards and Interpretations relating to financial instruments and Thai Financial Reporting Standard No 16: Leases, which are effective in the current period. My opinion is not modified in respect of these matters.

***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.

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

***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.
- 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*



(Mr. Thanakorn Fakfaipol)

Certified Public Accountant No. 4879

**Bunchikij Co., Ltd.**

Bangkok

1 March 2021

Seafco Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2020

Unit : Baht

Assets	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Current assets</b>					
Cash and cash equivalents	7	110,502,802	62,567,882	59,819,121	12,578,561
Trade and other current receivables	8	459,178,484	440,787,538	462,833,523	419,693,783
Current contract assets	9	298,958,201	399,127,847	283,227,083	387,368,351
Short-term loans to related party	6.2	-	-	-	1,300,000
Inventories	10	81,572,697	97,778,957	77,890,578	95,106,256
Other current financial assets	11	-	133,141,550	-	133,141,550
Prepayment for wages and goods acquisition		4,360	267,835	4,360	267,835
Withholding income tax		24,389,275	-	24,389,275	-
<b>Total current assets</b>		<b>974,605,819</b>	<b>1,133,671,609</b>	<b>908,163,940</b>	<b>1,049,456,336</b>
<b>Non-current assets</b>					
Other non-current financial assets	12	72,779,839	63,142,826	68,600,000	59,000,000
Investments in subsidiaries	13	-	-	9,799,600	12,549,600
Non current contract assets	9	250,457,413	268,465,502	231,298,744	235,145,407
Investment properties	14	59,920,504	26,076,068	59,920,504	26,076,068
Property, plant and equipment	15	1,285,867,073	1,613,024,020	1,225,389,967	1,558,198,252
Right-of-use assets	16	374,940,751	-	373,014,673	-
Intangible assets	17	4,272,740	3,722,390	4,272,740	3,722,390
Deferred tax assets	18	48,085,566	48,726,607	48,085,566	48,726,607
Other non-current assets		6,757,710	10,991,051	6,082,711	7,168,737
<b>Total non-current assets</b>		<b>2,103,081,596</b>	<b>2,034,148,464</b>	<b>2,026,464,505</b>	<b>1,950,587,061</b>
<b>Total assets</b>		<b>3,077,687,415</b>	<b>3,167,820,073</b>	<b>2,934,628,445</b>	<b>3,000,043,397</b>



Seafco Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2020

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	19	-	169,580,278	-	169,580,278
Trade and other current payables	20	592,953,225	509,597,741	547,265,560	460,248,064
Current contract liabilities	9	41,474,113	125,543,419	23,751,737	93,852,005
Current portion of long-term loans	19	158,379,828	119,230,761	147,820,129	108,209,457
Current portion of lease liabilities	19	97,537,534	61,999,895	96,486,912	61,999,895
Retention payables - contractors		22,164,564	33,065,550	6,807,712	17,708,698
Current income tax payable		7800723	14437940	-	12470607
Other current provisions	20	82,918,662	46,397,727	68,821,980	38,936,254
<b>Total current liabilities</b>		<b>1,003,228,649</b>	<b>1,079,853,311</b>	<b>890,954,030</b>	<b>963,005,258</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	19	196,782,588	228,650,908	192,257,003	213,076,732
Lease liabilities	19	179,376,027	153,092,690	178,622,459	153,092,690
Non-current provisions for employee benefits	22	86,214,433	69,138,635	86,214,433	69,138,635
<b>Total non-current liabilities</b>		<b>462,373,048</b>	<b>450,882,233</b>	<b>457,093,895</b>	<b>435,308,057</b>
<b>Total liabilities</b>		<b>1,465,601,697</b>	<b>1,530,735,544</b>	<b>1,348,047,925</b>	<b>1,398,313,315</b>



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Seafco Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 December 2020

Unit : Baht

Liabilities and equity	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Equity</b>					
Share capital	23				
Authorized share capital					
739,707,908 ordinary shares of Baht 0.50 each		369,853,954	369,854,336	369,853,954	369,854,336
Issued and paid - up share capital					
739,707,908 ordinary shares of Baht 0.50 each		369,853,954	369,853,954	369,853,954	369,853,954
Premium on share capital	23	164,000,000	164,000,000	164,000,000	164,000,000
Retained earnings					
Appropriated					
Legal reserve	23	36,985,434	36,985,434	36,985,434	36,985,434
Unappropriated		1,039,410,319	1,055,650,415	1,015,741,132	1,030,890,694
Other components of equity		(4,822,907)	(3,481,640)	-	-
<b>Total equity attributable to owners of the Company</b>		<b>1,605,426,800</b>	<b>1,623,008,163</b>	<b>1,586,580,520</b>	<b>1,601,730,082</b>
Non-controlling interests		6,658,918	14,076,366	-	-
<b>Total equity</b>		<b>1,612,085,718</b>	<b>1,637,084,529</b>	<b>1,586,580,520</b>	<b>1,601,730,082</b>
<b>Total liabilities and equity</b>		<b>3,077,687,415</b>	<b>3,167,820,073</b>	<b>2,934,628,445</b>	<b>3,000,043,397</b>

Seafco Public Company Limited and its Subsidiaries

Statements of Comprehensive Income

For the year ended 31 December 2020

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues from construction services		2,556,081,193	3,028,630,152	2,470,384,516	2,913,692,584
Sale of construction materials		3,825,547	3,114,629	3,961,774	6,807,865
Cost of construction services and sales of construction materials		(2,214,446,914)	(2,386,921,514)	(2,155,571,818)	(2,293,828,012)
<b>Gross profit</b>		<b>345,459,826</b>	<b>644,823,267</b>	<b>318,774,472</b>	<b>626,672,437</b>
Other income		25,422,906	30,318,197	29,158,432	35,891,416
Administrative expenses	25	(149,678,765)	(157,515,649)	(127,408,134)	(143,909,411)
<b>Profit from operating activities</b>		<b>221,203,967</b>	<b>517,625,815</b>	<b>220,524,770</b>	<b>518,654,442</b>
Finance cost		(24,032,418)	(23,489,038)	(23,112,871)	(22,482,243)
<b>Profit before income tax expenses</b>		<b>197,171,549</b>	<b>494,136,777</b>	<b>197,411,899</b>	<b>496,172,199</b>
Income tax expense	27	(48,237,584)	(82,926,413)	(42,572,951)	(83,205,905)
<b>Net profit for the year</b>		<b>148,933,965</b>	<b>411,210,364</b>	<b>154,838,948</b>	<b>412,966,294</b>
<b>Other comprehensive income (loss):</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		(2,586,088)	(1,010,301)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(2,586,088)</b>	<b>(1,010,301)</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on remeasurements of defined benefit plans	21	(11,624,476)	(2,675,280)	(11,624,476)	(2,675,280)
Income tax of items that will not be reclassified subsequently to profit or loss		2,324,895	535,056	2,324,895	535,056
<b>Total items that will not be reclassified to subsequently to profit or loss</b>		<b>(9,299,581)</b>	<b>(2,140,224)</b>	<b>(9,299,581)</b>	<b>(2,140,224)</b>
<b>Other comprehensive income (expense)</b>					
for the years, net of income tax		(11,885,669)	(3,150,525)	(9,299,581)	(2,140,224)
<b>Total comprehensive income for the year</b>		<b>137,048,296</b>	<b>408,059,839</b>	<b>145,539,367</b>	<b>410,826,070</b>



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Seafco Public Company Limited and its Subsidiaries

Statements of Comprehensive Income

For the year ended 31 December 2020

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit attributable to:</b>					
Owners of the Company		154,414,632	409,514,295	154,838,948	412,966,294
Non-controlling interests		(5,480,667)	1,696,069	-	-
<b>Profit for the year</b>		<b>148,933,965</b>	<b>411,210,364</b>	<b>154,838,948</b>	<b>412,966,294</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		143,799,526	406,363,770	145,539,367	410,826,070
Non-controlling interests		(6,751,230)	1,696,069	-	-
<b>Total comprehensive income for the year</b>		<b>137,048,296</b>	<b>408,059,839</b>	<b>145,539,367</b>	<b>410,826,070</b>
<b>Earnings per share</b>					
Basic earnings per share					
attributable to equity holders of the Company	28	0.21	0.55	0.21	0.56

Seafco Public Company Limited and its Subsidiaries

Consolidated statement of changes in equity

For the year ended 31 December 2020

		Equity attributable to shareholders of the Company							Unit : Baht		
Notes	Issued and paid - up share capital	Share premium	Retained earnings			Other components of equity			Equity attributable to shareholders of the Company	Non-Controlling Interests	Total equity
			Legal reserve	Unappropriated	Translation adjustment	Actuarial loss	Total other components of equity				
29	Balance as at 1 January 2019	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
	Transfer actuarial loss	-	-	-	(3,075,025)	-	3,075,025	3,075,025	-	-	-
	Transfer loss from Non-controlling interests	-	-	-	(3,937,167)	-	-	-	(3,937,167)	3,937,167	-
	Stock dividend paid	33,622,740	-	-	(33,622,740)	-	-	-	-	-	-
	Cash dividend	-	-	-	(178,201,138)	-	-	-	(178,201,138)	-	(178,201,138)
	Comprehensive income for the year	-	-	-	-	-	-	-	409,514,295	1,696,069	411,210,364
	Profit for the year	-	-	-	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	(1,010,301)	-	(1,010,301)	(1,010,301)	-	(1,010,301)
	Exchange differences on translating financial statements	-	-	-	(2,140,224)	-	-	-	(2,140,224)	-	(2,140,224)
	Actuarial loss	-	-	3,362,283	(3,362,283)	-	-	-	-	-	-
29	Transfer to legal reserve	369,853,954	164,000,000	36,985,434	1,055,650,415	(3,481,640)	-	(3,481,640)	1,623,008,163	14,076,366	1,637,084,529
	Balance as at 31 December 2019	369,853,954	164,000,000	36,985,434	1,055,650,415	(3,481,640)	-	(3,481,640)	1,623,008,163	14,076,366	1,637,084,529
	Balance as at 31 December 2019 as previously reported	369,853,954	164,000,000	36,985,434	1,055,650,415	(3,481,640)	-	(3,481,640)	1,623,008,163	14,076,366	1,637,084,529
	Impact of changes in accounting policies	-	-	-	(6,017,046)	(25,742)	-	(25,742)	(6,042,788)	(666,218)	(6,709,006)
	Balance as at 1 January 2020 as restated	369,853,954	164,000,000	36,985,434	1,049,633,369	(3,507,382)	-	(3,507,382)	1,616,965,375	13,410,148	1,630,375,523
	Cash dividend	-	-	-	(155,338,101)	-	-	-	(155,338,101)	-	(155,338,101)
	Comprehensive income for the year	-	-	-	-	-	-	-	154,414,632	(5,480,667)	148,933,965
	Profit for the year	-	-	-	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	(1,315,525)	-	(1,315,525)	(1,315,525)	(1,270,563)	(2,586,088)
	Exchange differences on translating financial statements	-	-	-	-	-	-	-	-	-	-
29	Actuarial loss	-	-	-	(9,299,581)	-	-	-	(9,299,581)	-	(9,299,581)
	Transfer to legal reserve	369,853,954	164,000,000	36,985,434	1,039,410,319	(4,822,907)	-	(4,822,907)	1,605,426,800	6,658,918	1,612,085,718
	Balance as at 31 December 2020	369,853,954	164,000,000	36,985,434	1,039,410,319	(4,822,907)	-	(4,822,907)	1,605,426,800	6,658,918	1,612,085,718



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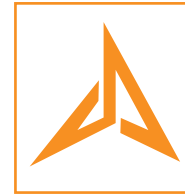
**Seafco Public Company Limited and its Subsidiaries**

**Separate statement of changes in equity**

**For the year ended 31 December 2020**

	Notes	Issued and paid - up share capital	Share premium	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Actuarial loss	
<b>Balance as at 1 January 2019</b>		336,231,214	164,000,000	33,623,151	838,325,810	(3,075,025)	1,369,105,150
Transfer actuarial loss		-	-	-	(3,075,025)	3,075,025	-
Stock dividend paid	29	33,622,740	-	-	(33,622,740)	-	-
Cash dividend	29	-	-	-	(178,201,138)	-	(178,201,138)
Comprehensive income for the year		-	-	-	-	-	-
Profit for the year		-	-	-	412,966,294	-	412,966,294
Other comprehensive income		-	-	-	(2,140,224)	-	(2,140,224)
Actuarial loss		-	-	-	(3,362,283)	-	-
Transfer to legal reserve		-	-	3,362,283	-	-	-
<b>Balance as at 31 December 2019</b>		<b>369,853,954</b>	<b>164,000,000</b>	<b>36,985,434</b>	<b>1,030,890,694</b>	<b>-</b>	<b>1,601,730,082</b>
<b>Balance as at 31 December 2019 as previously reported</b>		<b>369,853,954</b>	<b>164,000,000</b>	<b>36,985,434</b>	<b>1,030,890,694</b>	<b>-</b>	<b>1,601,730,082</b>
Impact of changes in accounting policies		-	-	-	(5,350,828)	-	(5,350,828)
<b>Balance as at 1 January 2020 as restated</b>		<b>369,853,954</b>	<b>164,000,000</b>	<b>36,985,434</b>	<b>1,025,539,866</b>	<b>-</b>	<b>1,596,379,254</b>
Cash dividend	29	-	-	-	(155,338,101)	-	(155,338,101)
Comprehensive income for the year	29	-	-	-	-	-	-
Profit for the year		-	-	-	154,838,948	-	154,838,948
Other comprehensive income		-	-	-	(9,299,581)	-	(9,299,581)
Actuarial loss		-	-	-	-	-	-
<b>Balance as at 31 December 2020</b>		<b>369,853,954</b>	<b>164,000,000</b>	<b>36,985,434</b>	<b>1,015,741,132</b>	<b>-</b>	<b>1,586,580,520</b>

Unit : Baht



Seafco Public Company Limited and its Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2020

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Cash flows from operating activities</b>					
Profit before income tax		197,171,549	494,136,777	197,411,899	496,172,199
<i>Adjustments to reconcile gain (loss) before tax to cash receipts(payments)</i>					
Finance costs		24,032,418	23,489,038	23,112,872	22,482,243
Depreciation and amortization		212,543,130	180,195,188	204,574,438	174,092,265
Doubtful accounts and bad debt		30,864,507	5,466,749	13,799,775	6,980,163
Provision		36,520,934	10,254,295	29,885,726	9,667,329
Provisions for employee benefits		5,451,322	16,527,904	5,451,322	16,527,904
Unrealised gain (loss) on foreign exchange		9,301	(916,689)	9,301	(916,689)
Gain on disposal of current investments		(154,189)	(1,895,560)	(154,189)	(1,895,560)
Reversal of allowance for doubtful debts		(7,562,076)	-	(10,926,215)	-
(Reversal of) loss on inventories revaluation		(3,925,689)	4,243,187	(3,925,690)	4,243,187
Gain on disposal of fixed assets		(10,007,438)	(11,117,216)	(10,007,438)	(11,108,808)
Loss on written-off fixed assets		2,538,317	130,134	2,538,317	118,577
Loss on write-off other assets		-	20,712,508	-	19,656,012
Loss on impairment of investment		-	-	2,750,000	-
		<b>487,482,086</b>	<b>741,226,315</b>	<b>454,520,118</b>	<b>736,018,822</b>
Changes in operating assets and liabilities					
Trade and other current receivables		(54,647,899)	(21,440,817)	(70,450,502)	(19,596,015)
Short-term loan to related parties		-	-	1,300,000	-
Current contract assets		99,488,266	(151,358,867)	103,459,888	(169,854,893)
Inventories		20,131,950	(12,390,605)	21,141,368	(11,888,217)
Prepayments for wages and acquisition of goods		263,475	12,380,938	263,475	12,380,938
Non current contract assets		1,630,730	(58,502,574)	284,418	(48,729,071)
Other non-current assets		4,233,340	(2,253,329)	1,086,026	1,568,985
Trade and other current payables		79,326,458	(215,700,837)	82,910,327	(232,691,790)
Current contract liabilities		(84,069,306)	(80,234,181)	(70,100,268)	(94,571,097)
Retention payables - contractors		(10,900,986)	6,179,360	(10,900,986)	6,179,360
Cash provided by operating activities		<b>542,938,114</b>	<b>217,905,403</b>	<b>513,513,864</b>	<b>178,817,022</b>
Interest paid		(24,468,815)	(22,991,789)	(23,445,385)	(22,017,228)
Income tax paid		(76,298,140)	(102,958,515)	(76,466,897)	(103,481,473)
<b>Net cash provided by operating activities</b>		<b>442,171,159</b>	<b>91,955,099</b>	<b>413,601,582</b>	<b>53,318,321</b>



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Seafco Public Company Limited and its Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2020

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
<b>Cash flows from investing activities</b>					
(Increase) decrease in current investments		133,295,738	49,447,391	133,295,738	49,447,391
Acquistion of other equity securities		(9,637,014)	4,963,413	(9,600,000)	5,000,000
Purchases of investment properties		-	(7,452,166)	-	(7,452,164)
Purchases of property, plant and equipment		(147,547,040)	(353,497,376)	(134,451,917)	(340,249,454)
Purchases of intangible assets		(1,160,790)	(739,570)	(1,160,790)	(739,570)
Proceeds from sales of fixed assets		45,616,720	168,574,855	44,706,967	168,519,231
<b>Net cash provide by (used in) investing activities</b>		<b>20,567,614</b>	<b>(138,703,453)</b>	<b>32,789,998</b>	<b>(125,474,566)</b>
<b>Cash flows from financing activities</b>					
Increase (decrease) in bank overdrafts and short-term loan from financial institutions		(169,580,278)	169,580,278	(169,580,277)	169,580,278
Proceeds from borrowings		145,951,200	103,439,420	145,951,200	88,280,000
Repayment of borrowings		(138,670,453)	(156,020,052)	(127,160,258)	(150,971,112)
Repayments on lease liabilities		(94,580,133)	(46,969,027)	(93,023,584)	(46,969,027)
Dividend paid	29	(155,338,101)	(178,201,138)	(155,338,101)	(178,201,138)
<b>Net cash used in financing activities</b>		<b>(412,217,765)</b>	<b>(108,170,519)</b>	<b>(399,151,020)</b>	<b>(118,280,999)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes		50,521,008	(154,918,873)	47,240,560	(190,437,244)
Effect of exchange rate changes on cash and cash equivalents		(2,586,088)	(1,010,301)	-	-
<b>Net decrease in cash and cash equivalents</b>		<b>47,934,920</b>	<b>(155,929,174)</b>	<b>47,240,560</b>	<b>(190,437,244)</b>
Cash and cash equivalents as at 1 January		62,567,882	218,497,056	12,578,561	203,015,805
<b>Cash and cash equivalents as at 31 December</b>		<b>110,502,802</b>	<b>62,567,882</b>	<b>59,819,121</b>	<b>12,578,561</b>
Supplemental disclours of Cash flow information					
Non cash transaction					
Increase in equipment purchased from other payables		4,906,808	19,771,475	4,906,808	5,466,813
Increase in equipment from leases liabilities		110,427,180	139,006,114	110,427,180	139,006,114
Transfer of land to investment properties		11,743,978	400,000	11,743,978	400,000
Transfer of equipment to Right-of-use assets		263,574,222	-	263,574,222	-
Transfer from trade receivables to investment properties		23,330,000	-	23,330,000	-



**Seafco Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2020**

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Seafco Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

**1. General information**

Seafco Public Company Limited, the “Company”, has been 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 26.61%.

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 December 2020 and 2019 are described in Note 13 to the financial statements.

***Coronavirus disease 2019 pandemic***

The Coronavirus disease 2019 pandemic is impacting most businesses and industries, resulting in an economic slowdown. This situation may bring uncertainties and has an impact on the environment of the Group’s operation. The Group’s management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

**2. Basis of preparation of the financial statements**

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 Thai Financial Reporting Standards that are effective in the current accounting period.*

The Federation of Accounting Professions has promulgated several new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, which will be effective for accounting periods beginning on or after 1 January 2020. The new standards which involve changes to key principles, which are summarized as below:

**Thai Financial reporting standards and Interpretations reporting to financial instruments comprise:**

**Thai Accounting Standards**

TAS 32 Financial Instrument: Presentation

**Thai Financial Reporting Standards**

TFRS 7 Financial Instrument: Disclosures

TFRS 9 Financial Instrument

**Thai Financial Reporting Standard Interpretations**

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments has requirement to the classification of financial instruments and their measurement at the fair value through profit or loss (FVPL) and at the fair value through comprehensive income (FVOCI) and amortized cost, which will be depended on the characteristics of the contractual cash flow and the entity's business model, impairment of financial instruments for the expected credit loss, and hedge accounting. These include requirement regarding the presentation and disclosure of financial instruments.

The adoption of these TFRSs have the effect on the Group's financial statements as disclosed in Note 3.

**Thai Financial Reporting Standards No 16 : Leases**

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases except for short-term-leases and leases of low value assets.

Accounting by lessors is substantially unchanged to lease accounting. Lessors will continue to classify leases as either operating or finance lease

The adoption of this TFRS have the effect on the Group's financial statements as disclosed in Note 3.

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

In January 2021, The Federation of Accounting Professions announced to apply TFRS 16 Lease (revise 2020), which 2 addition relief measures as follows:

1. Decrease in lease expense because of the COVID-19 situation, lessee may choose to not evaluate that situation to be change in lease contract. The Company recognized decrease lease expense likewise "do not change in lease contract", which are effective for fiscal periods beginning on or after 1 June 2020.
2. Change in lease contract because of reference interest rate reform are effective for fiscal periods beginning on or after 1 January 2022.

The Group has not adopted the above standards before the effective date. The management of the Group are in the process of assessing the impact on the financial statements in the year that the above standards are applied.



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### 3 Effect of changes in accounting policies

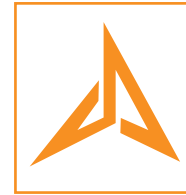
From 1 January 2020, the Group has adopted TFRSs related to financial instruments and TFRS 16. The initial effect of the changes in accounting policies on the beginning balance of equity for 2020 are as follows:

Unit : Thousand Baht

Statement of financial position	Consolidated financial statements			Separate financial statements		
	31 December 2019	Effect	1 January 2020	31 December 2019	Effect	1 January 2020
<b>Assets</b>						
Current investments	133,141	(133,141)	-	133,141	(133,141)	-
Trade and other current receivables	440,788	(1,210)	439,578	419,694	114	419,808
Current contract assets	399,128	(1,238)	397,890	387,368	(1,238)	386,130
Other current financial assets	-	133,141	133,141	-	133,141	133,141
Bank deposits used as collateral	59,000	(59,000)	-	59,000	59,000	-
Other non-current financial assets	-	59,000	59,000	-	59,000	59,000
Property, plant and equipment	1,613,024	(263,574)	1,349,450	1,558,198	(263,574)	1,294,624
Non-current contract assets financial assets	268,465	(5,124)	263,341	235,145	(4,227)	230,918
Right-of-use assets	-	309,676	309,676	-	306,187	306,187
<b>Total assets</b>	<b>2,913,546</b>	<b>38,530</b>	<b>2,952,076</b>	<b>2,792,546</b>	<b>37,262</b>	<b>2,829,808</b>

Unit : Thousand Baht

Statement of financial position	Consolidated financial statements			Separate financial statements		
	31 December 2019	Effect	1 January 2020	31 December 2019	Effect	1 January 2020
<b>Liabilities</b>						
Contract liabilities	215,092	45,239	260,331	215,092	42,613	257,705
<b>Equity</b>						
Retained earnings - unappropriated	1,055,650	(6,017)	1,049,633	1,030,891	(5,351)	1,025,540
Other components of equity	(3,481)	(26)	(3,507)	-	-	-
Non-controlling interests	14,076	(666)	13,410	-	-	-
<b>Total liabilities and equity</b>	<b>1,281,337</b>	<b>38,530</b>	<b>1,319,867</b>	<b>1,245,983</b>	<b>37,262</b>	<b>1,283,245</b>



The details of effect on equity as at 1 January 2020 are as follows:

Unit : Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Retained Earnings	Non-controlling interests	Other components of equity	Retained Earnings	Non-controlling interests	Other components of equity
<b>As at 31 December 2019 - as reported in previous year</b>	1,055,650	14,076	(3,481)	1,030,891	-	-
Adoption of TFRS – Financial instruments standards						
- Loss from impairment of financial	(6,017)	(666)	-	(5,351)	-	-
Adoption of TFRS 16			(26)			
<b>At 1 January 2020 - restated</b>	<b>1,049,633</b>	<b>13,410</b>	<b>(3,507)</b>	<b>1,025,540</b>	<b>-</b>	<b>-</b>

### 3.1 Thai Financial Reporting Standards related to financial instruments

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

Unit : Thousand Baht

Consolidated financial statements			
Classification under previous standards at 31 December 2019	Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss	Amortised cost - net
Cash and cash equivalents	62,568		62,568
Trade and other current receivables	440,788	-	440,467
Contract assets		-	
- Unbilled receivables	399,128		397,890
- Retention receivables	268,465	-	263,341
<b>Total contract assets</b>	<b>667,593</b>	<b>-</b>	<b>661,231</b>
Other financial assets		-	
- Bank deposits used as collateral	59,000		59,000
- Fixed deposits	4,143	-	4,143
<b>Total other financial assets</b>	<b>63,143</b>	<b>-</b>	<b>63,143</b>
<b>Total</b>	<b>1,234,092</b>	<b>-</b>	<b>1,227,409</b>
Bank overdrafts and short-term borrowings		-	
from financial institutions	169,580	-	169,580
Trade and other current payables	509,598	-	509,598
Long-term loans from financial institutions	228,651	-	228,651
Contract liabilities			
- Amounts received in advance under agreements and construction income received in advance	125,543	-	125,543
<b>Total contract liabilities</b>	<b>125,543</b>	<b>-</b>	<b>125,543</b>
<b>Total</b>	<b>1,033,372</b>	<b>-</b>	<b>1,033,372</b>



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Unit : Thousand Baht

Separate financial statements			
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020	
	Carrying amounts	Fair value through profit or loss	Amortised cost - net
<b>Financial asset</b>			
Cash and cash equivalents	12,579	-	12,579
Trade and other current receivables	419,694	-	419,808
Contract assets			
- Unbilled receivables	387,368	-	386,130
- Retention receivables	235,145	-	230,918
<b>Total contract assets</b>	<b>622,513</b>	<b>-</b>	<b>617,048</b>
<b>Other financial assets</b>			
- Bank deposits used as collateral	59,000	-	59,000
- Long-term investments	-	-	-
<b>Total other financial assets</b>	<b>59,000</b>	<b>-</b>	<b>59,000</b>
<b>Total</b>	<b>1,113,786</b>	<b>-</b>	<b>1,108,435</b>
<b>Financial liabilities</b>			
Bank overdrafts and short-term borrowings from financial institutions	169,580	-	169,580
Trade and other current payables	460,248	-	460,248
Long-term loans from financial institutions	213,076	-	213,076
Contract liabilities			
- Amounts received in advance under agreements and construction income received in advance	93,852	-	93,852
<b>Total contract liabilities</b>	<b>936,756</b>	<b>-</b>	<b>936,756</b>

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an allowance for impairment loss as follows:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Allowance for impairment losses at 31 December 2019</b>		
Allowance for doubtful debts – trade and other current receivables	96,704	66,831
Allowance for doubtful debts – current contract assets	-	-
Allowance for doubtful debts – non-current contract assets	12,530	12,530
	<b>109,234</b>	<b>79,361</b>
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Trade and other current receivables	321	(114)
- Current contract assets	1,238	1,238
- Non-current contract assets	5,124	4,227
	<b>6,683</b>	<b>5,351</b>
<b>Expected credit loss at 1 January 2020</b>	<b>115,917</b>	<b>84,712</b>

### 3.2 Thai Financial Reporting Standards No 16 : Leases

The Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

Unit : Thousand Baht

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	203,552	203,552
Less Short-term leases and leases of low-value assets	(188,807)	(188,807)
Add Extension and termination options of low-value assets	30,566	30,566
Add Others	2,828	-
Less Deferred interest expenses	(2,900)	(2,698)
Increase in lease liabilities due to TFRS 16 initial adoption	45,239	42,613
Liabilities under finance lease agreements as at 31 December 2019	215,092	215,092
<b>Lease liabilities as at 1 January 2020</b>	<b>260,331</b>	<b>257,705</b>
Average incremental borrowing rate (% per annum)	4, 4.45	4

The adjustments of right-of-use assets due to TFRS 16 initial adoption as at 1 January 2020 are as follows:

Unit : Thousand Baht

	Consolidated financial statements	Separate financial statements
Transfer from property, plant and equipment	263,574	263,574
Lease liabilities adjustments	46,102	42,613
<b>Right-of-use assets as at 1 January 2020</b>	<b>309,676</b>	<b>306,187</b>

## 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statement except the adoption of new and revised Thai Financial Reporting Standards as disclosed in Note 2.3

### 4.1 Basis of consolidation

The consolidated financial statements include the Company and its subsidiaries (together referred to as the "Group").

#### *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 interest in the Group's subsidiary that do not result in a loss of control by the Group 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 recognized 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.

## **4.2 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 recognized 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 recognized in other comprehensive income and presented in the foreign currency transaction reversal in equity until disposal of the investment.



### 4.3 Financial instruments

#### *Adoption from 1 January 2020*

##### *Recognition and initial measurement*

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

##### *Classification and subsequent measurement*

##### *Financial assets - classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets, not classified as measured at amortised cost or FVOCI, are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets – business model assessment*

An assessment of the objective of a business model in which a financial asset is held is considered as follows

- the stated policies and objectives for the financial assets and the operation of those policies in practice.;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

*Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Company's claim to cash flows from specified assets.

*Financial assets – subsequent measurement and gains and losses*

- |                                      |  |
|--------------------------------------|--|
| ● Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.   |
| ● Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |

- Debt investments at FVOCI  
These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investments at FVOCI  
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### *Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### *Derecognition*

##### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers or retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

##### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### *Derivatives*

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

## **4.4 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.

## **4.5 Trade accounts and other current receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade accounts receivable are stated at value less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which are assessed on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

## **4.6 Contract assets /Contract liabilities**

### *Contract assets*

The excess of the value of a construction contract in progress over the amount billed to the customer is presented as “unbilled receivables” under contract assets.

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.

Contract assets are measured at the amount of consideration that the Company is entitled to, less allowance for expected credit loss (2019: *allowance for doubtful accounts*)

### *Contract liabilities*

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 contract liabilities.

#### **4.7 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.

#### **4.8 Investments**

##### *Investments in subsidiaries*

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

##### **Adoption before 1 January 2020**

##### *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 recognized 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 other equity securities*

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

#### **4.9 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.

#### 4.10 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 recognized in profit or loss.

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

##### *Depreciation*

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

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

Land improvement	5 and 10	years
Buildings and building improvement	5, 10, 15, 20 and 25	years
Machinery and equipment	5, 10, 15 and 20	years
Furniture, fixtures and office equipment	3, 5 and 10	years
Vehicles	5 and 10	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.

#### **4.11 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 recognized 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.

#### **4.12 Impairment of assets**

##### ***Impairment of financial assets***

The Group recognises allowances for expected credit losses (ECLs) on financial assets.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs

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

### ***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 recognized 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.

## **4.13 Interest-bearing liabilities**

Interest-bearing liabilities are recognized 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 recognized in profit or loss over the period of the borrowings on an effective interest basis.

## **4.14 Trade accounts and other current payables**

Trade accounts and other current payables are stated at cost.

## **4.15 Leases**

### ***Adoption from 1 January 2020***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.



*As a lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

When the Company acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

#### ***Adoption before 1 January 2020***

##### *As a lessee*

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 buildings 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.

##### *As a lessor*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### ***4.16 Employee benefits***

##### *Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognized 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 recognized 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 recognized 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.

### **4.17 Provisions**

A provision is recognized 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 recognized as finance cost.

### **4.18 Revenue**

#### *Revenue 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*

Revenue from sale of construction materials is recognised at point in time when the goods are delivered and control of goods is transferred to the customer based on the value after deducting estimates of goods return and discount.

#### *Dividend income*

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

#### *Interest income*

Interest income is recognized in profit or loss by using the effective interest method.

### **4.19 Expenses**

#### *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.

### **4.20 Income tax**

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

#### **4.21 *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.

#### **4.22 *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.

#### **4.23 *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:

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.

## 5 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

#### *Adoption from 1 January 2020*

In determining a lease, the management require to use information about judgements and estimate as follows:

- Whether an arrangement contains a lease
- Whether the Group is reasonably certain to exercise extension options;
- Whether the Group exercise termination options;
- Whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
- Determining the incremental borrowing rate to measure lease liabilities

#### *Adoption before 1 January 2020*

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 expected credit loss** (2019: *allowance for doubtful accounts*)

Allowances for expected credit loss 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 future expectations of customer payments. However, the use of different estimates and assumptions could affect the amounts of allowances for expected credit loss 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 and 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 recognized 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 recognized, based upon the likely timing and level of estimate future taxable profits.

## Post-employment benefits under defined benefit plans

Deferred tax assets are recognized 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 recognized, based upon the likely timing and level of estimate future taxable profits.

## 6. 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	Hirae 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
			Advance receivable	Actual cost
Seafco (Myanmar) Co.,Ltd.	Construction contractual work	Subsidiary	Sales of materials income	Market value
			Advance receivable	
<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	Cost of utilities expenses	Actual cost
			Machinery rental	Less than market value
			Other expenses	Actual cost
			Right-of -use asset	Contract price
E. D. E. Co., Ltd.	Hire of foundation pile testing	Shareholder of this company is close relative of the Company's and others	Cost of utilities expenses	Actual cost
			Machinery rental	Less than market value
			Test of foundation pile	Market value
			Field site expenses	Market value
			expenses	Actual cost
Altentech Co., Ltd.	Construction contractual work	Subsidiary's shareholder and director	Contracted wages	As agreed
New Technology Engineering Co., Ltd.	Construction work	Subsidiary's shareholder and director	Service income	Actual cost
			Contracted wages	As agreed
<b><u>Related person</u></b>				
Miss. Pawana Thasnanipan	-	Shareholder and Spouse of the directors	Right-of -use asse	Contract price



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

		Unit : Thousand Baht	
	Consolidated financial statements		Separate financial statements
	2020	2019	2020
<b>For the years ended 31 December</b>			
<b><u>Sales of materials income</u></b>			
<b>Subsidiary company</b>			
Seafco (Myanmar) Co., Ltd.	-	-	136
<b>Total</b>	<b>-</b>	<b>-</b>	<b>136</b>
<b><u>Other income</u></b>			
<b>Subsidiary companies</b>			
Seafco Intertrade Co., Ltd.	-	-	382
Seafco (Myanmar) Co., Ltd.	-	-	1,500
<b>Total subsidiary companies</b>	<b>-</b>	<b>-</b>	<b>1,882</b>
<b>Other related company</b>			
New Technology Engineering Construction Co., Ltd.	1	-	1
<b>Total other related company</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Total</b>	<b>1</b>	<b>-</b>	<b>2,019</b>
<b><u>Costs of Constructions</u></b>			
<b>Other related companies</b>			
1. Cost of utilities expenses			
S.T.P. Assets Co., Ltd.	1,332	7,452	1,332
E. D. E. Co., Ltd.	-	1,909	-
2. Machinery rental			
S.T.P. Assets Co., Ltd.	7,553	27,149	7,553
E. D. E. Co., Ltd.	1,785	1,621	1,785
3. Test of foundation piles			
E. D. E. Co., Ltd.	784	1,854	784
4. Field site expenses and others			
E. D. E. Co., Ltd.	175	210	175
5. Contracted wages			
Altemtech Co., Ltd.	9,920	-	9,920
<b>Total</b>	<b>21,549</b>	<b>40,195</b>	<b>21,549</b>
<b><u>Administrative expenses</u></b>			
<b>Other related companies</b>			
S.T.P. Assets Co., Ltd.	-	1,309	-
E. D. E. Co., Ltd.	-	1,327	-
<b>Total</b>	<b>-</b>	<b>2,636</b>	<b>-</b>
<b>Key management personnel</b>			
Short-term employee benefits	36,713	63,355	36,713
Post-employment benefits	1,283	1,088	1,283
<b>Total key management personnel compensation</b>	<b>37,996</b>	<b>64,443</b>	<b>37,996</b>



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Balances as at 31 December 2020 and 2019 with related parties are as follows:

6.1 *Other receivables - related parties*

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Subsidiary companies</b>				
Seafco Intertrade Co., Ltd.	-	-	-	1,472
Seafco (Myanmar) Co., Ltd.	-	-	9,795	9,632
<b>Other related companies</b>				
New Technology Engineering Construction Co., Ltd	28,360	28,360	-	-
S.T.P. Assets Co., Ltd.	-	15	-	15
<b>Total</b>	<b>28,360</b>	<b>28,375</b>	<b>9,795</b>	<b>11,119</b>
<i>Less</i> Allowance for expected credit loss (2019 : Allowance for doubtful accounts)	(28,360)	(28,360)	-	-
<b>Net</b>	<b>-</b>	<b>15</b>	<b>9,795</b>	<b>11,119</b>

Unit : Thousand Baht

6.2 *Short-term loans to related party*

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Subsidiary company</b>				
Seafco Intertrade Co., Ltd.	-	-	-	1,300

Unit : Thousand Baht

The company entered into loan agreement on 21 May 2018, to provide unsecured loan of Baht 1.30 million to the aforesaid subsidiary with interest at the rate of 5% per annum.

Movements during the year ended 31 December to related party are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Subsidiary company</b>				
At 1 January	-	-	1,300	1,300
Increase	-	-	1,200	-
Decrease	-	-	(2,500)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,300</b>

Unit : Thousand Baht

6.3 Trade accounts payables - related parties

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Trade payables</b>				
<b>Other related companies</b>				
S.T.P. Assets Co., Ltd.	1,547	2,889	1,547	2,889
E. D. E. Co., Ltd.	490	696	490	696
New Technology Engineering Construction Co., Ltd.	9,434	9,434	-	-
Altentech Co., Ltd.	3,509	-	3,509	-
<b>Total trade accounts payable related companies.</b>	<b>14,980</b>	<b>13,019</b>	<b>5,546</b>	<b>3,585</b>

6.4 Retention payables – contractors

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Other related companies</b>				
Altentech Co., Ltd.	1,798	1,798	-	-
New Technology Engineering Construction Co., Ltd.	13,560	13,560	-	1
<b>Total</b>	<b>15,358</b>	<b>15,358</b>	<b>-</b>	<b>1</b>



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## 6.5 Finance lease liabilities

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Current</b>				
<b>Other related companies</b>				
S.T.P. Assets Co., Ltd.	9,447	-	9,447	-
E. D. E. Co., Ltd.	2,465	-	2,465	-
<b>Related person</b>				
Shareholder and Spouse of the directors	111	-	111	-
<b>Total current finance lease liabilities</b>	<b>12,023</b>	<b>-</b>	<b>12,023</b>	<b>-</b>
<b>Non- current</b>				
<b>Other related companies</b>				
S.T.P. Assets Co., Ltd.	9,832	-	9,832	-
E. D. E. Co., Ltd.	2,873	-	2,873	-
<b>Related person</b>				
Shareholder and Spouse of the directors	174	-	174	-
<b>Total non- current finance lease liabilities</b>	<b>12,879</b>	<b>-</b>	<b>12,879</b>	<b>-</b>
<b>Total Finance lease liabilities</b>	<b>24,902</b>	<b>-</b>	<b>24,902</b>	<b>-</b>

## 7. Cash and cash equivalents

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	1,447	2,125	905	932
Cash at banks - current accounts	66,963	18,260	57,427	10,539
Cash at banks - savings accounts	42,093	42,183	1,487	1,108
<b>Total</b>	<b>110,503</b>	<b>62,568</b>	<b>59,819</b>	<b>12,579</b>

## 8 Trade and other current receivables

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables	466,417	438,042	457,015	406,980
Less allowance for expected credit loss (2019: Allowance for doubtful accounts)	(57,447)	(46,452)	(48,045)	(44,939)
<b>Net</b>	<b>408,970</b>	<b>391,590</b>	<b>408,970</b>	<b>362,041</b>
Other current receivables				
Related companies	28,360	28,375	9,795	11,119
Others	72,197	71,075	66,300	68,426
<b>Total</b>	<b>100,557</b>	<b>99,450</b>	<b>76,095</b>	<b>79,545</b>
Less allowance for expected credit loss (2019: Allowance for doubtful accounts)	(50,348)	(50,252)	(22,232)	(21,892)
<b>Net</b>	<b>50,209</b>	<b>49,198</b>	<b>53,863</b>	<b>57,653</b>
<b>Total trade and other current receivables</b>	<b>459,179</b>	<b>440,788</b>	<b>462,833</b>	<b>419,694</b>

As at 31 December 2020 and 2019, Trade accounts and other current receivables are analysed by aging as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2563	2562	2563	2562
Within credit terms	152,778	169,955	152,778	155,178
Overdue :				
Less than 3 months	169,933	178,632	169,933	178,632
3 - 6 months	4,458	24,689	4,458	23,426
6 - 12 months	53,426	1,264	53,426	1,264
Over 12 months	85,822	63,502	76,420	48,480
<b>Total</b>	<b>466,417</b>	<b>438,042</b>	<b>457,015</b>	<b>406,980</b>

The normal credit terms granted by the Company ranges from 30 days to 60 days.

## 9. Contract assets /Contract liabilities

### 9.1 Contract balances

Unbilled receivables and retention receivables are the contract assets in relation to construction contracts as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Current contract assets</b>				
Unbilled receivables	299,639	399,128	283,908	387,368
Less allowance for expected credit loss loss (2019: Allowance for doubtful accounts)	(681)	-	(681)	-
<b>Net</b>	<b>298,958</b>	<b>399,128</b>	<b>283,227</b>	<b>387,368</b>
<b>Non-current contract assets</b>				
Retention receivables	279,365	280,995	247,391	247,675
Less allowance for expected credit loss loss (2019: Allowance for doubtful accounts)	(28,907)	(12,530)	(16,092)	(12,530)
<b>Net</b>	<b>250,458</b>	<b>268,465</b>	<b>231,299</b>	<b>235,145</b>
<b>Total contract assets</b>	<b>549,416</b>	<b>667,593</b>	<b>514,526</b>	<b>622,513</b>

Construction revenue received in advance and advance received from employers are the contract liabilities in relation to construction contracts as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Contract liabilities</b>				
Construction revenue received in advance	8,267	11,871	-	4,442
Advance received from employers	33,207	113,672	23,752	89,410
<b>Total contract liabilities</b>	<b>41,474</b>	<b>125,543</b>	<b>23,752</b>	<b>93,852</b>

## 9.2 Revenue recognized in relation to contract balances

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Revenue recognised that was included in contract liabilities at the beginning of the year	88,522	211,991	76,951	184,827

## 9.3 Revenue to be recognized for the remaining performance obligations

As at 31 December 2020, the Group is expected to be recognize revenues in the future in respect of contracts with customers totaling Baht 2,065 million (Separate financial statements : Baht 1,997 million).

## 10. Inventories

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2563	2562	2563	2562
Construction materials	38,948	47,324	38,948	47,324
Supplies	63,370	75,126	59,688	72,453
<b>Total</b>	<b>102,318</b>	<b>122,450</b>	<b>98,636</b>	<b>119,777</b>
<i>Less</i> allowance for expected loss stock obsolescence	(20,745)	(24,671)	(20,745)	(24,671)
<b>Net</b>	<b>81,573</b>	<b>97,779</b>	<b>77,891</b>	<b>95,106</b>

## 11. Other current financial assets

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Other current financial assets</b>				
Open-end fixed income fund	-	133,142	-	133,142
	<b>-</b>	<b>133,142</b>	<b>-</b>	<b>133,142</b>



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Movements of open-end fixed income fund for the period ended 31 December 2020 and 2019

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2020	2019
At 1 January	133,142	180,693
Disposal	(133,142)	(49,447)
Total	-	131,246
Gain from changes in value	-	1,896
<b>Net</b>	<b>-</b>	<b>133,142</b>

## 12. Other non-current financial assets

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2563	2562	2563	2562
<b>Financial assets at amortised cost</b>				
Fixed deposits used as collateral	59,000	59,000	59,000	59,000
Fixed deposits	4,180	4,143	-	-
	<b>63,180</b>	<b>63,143</b>	<b>59,000</b>	<b>59,000</b>
<b>Financial assets at FVOCI</b>				
<i>Equity investment</i>				
Right Tunnelling PCL	9,600	-	9,600	-
Oriental Residence Bangkok	5,000	5,000	5,000	5,000
	14,600	5,000	14,600	5,000
<i>Less Allowance for impairment</i>	(5,000)	(5,000)	(5,000)	(5,000)
<b>Net</b>	<b>9,600</b>	<b>-</b>	<b>9,600</b>	<b>-</b>
<b>Total</b>	<b>72,780</b>	<b>63,143</b>	<b>68,600</b>	<b>59,000</b>

As at 31 December 2020 and 2019, the Group have savings deposit with several banks to guarantee bank overdrafts and short-term borrowings from financial institutions (Note 19), aval promissory notes (Note 20) and letter of guarantee (Note 31)



### 13. Investments in subsidiaries

	Unit : Thousand Baht	
	Separate financial statements	
	2020	2019
At 1 January	12,550	12,550
Increase	-	-
Decrease	-	-
Less Allowance for impairment of investment in subsidiary	(2,750)	-
<b>At 31 December</b>	<b>9,800</b>	<b>12,550</b>

Seafco Construction Co., Ltd, the subsidiary, has ceased its operation. The Company recognized impairment loss on investment in subsidiary in the separate statement of comprehensive income for the year ended 31 December 2020, amounting to Baht 2.75 million.



Investments in subsidiaries as at 31 December 2020 and 2019, are as follows:

Unit : Thousand Baht

Name	Type of business	Ownership interest		Separate financial statements				At cost - net of Impairment	
		2020	2019	Paid-up capital	Cost		Impairment	2020	2019
			%	2020	2019	2020	2019		
Seafco Construction Co., Ltd	Construction contractual work	50.000	50.000	26,000	13,000	13,000	(10,250)	-	2,750
Seafco Intertrade Co., Ltd.	Construction contractual work	97.996	97.996	10,000	9,800	9,800	-	9,800	9,800
<b>Total</b>					<b>22,800</b>	<b>22,800</b>	<b>(10,250)</b>	<b>9,800</b>	<b>12,550</b>

Seafco Intertrade Co., Ltd., the Group's subsidiary, made an investment in Seafco (Myanmar) Co., Ltd., amounting to Baht 13.43 million. which has been incorporated in the Republic of the Union of Myanmar. The Group has obtained control over such company with indirect ownership of 78.397%.

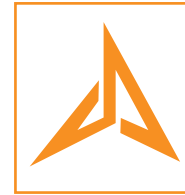
#### 14. Investment properties

As at 31 December 2020 the Company had investment properties amounting to Baht 59.92 million (at fair value of Baht 70.43 million) (31 December 2019: Baht 26.08 million, fair value of Baht 35.36 million) in the consolidated and separate financial statements. The Company has placed its investment property, which have a net book value as at 31 December 2020 of Baht 7.35 million (fair value of Baht 8 million) as collateral for obtaining credit facilities from financial institution (Note 19)

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 2019	67,164	64,294	2,248,062	58,062	105,285	38,779	2,581,646
Additions	11,744	-	289,357	11,784	2,420	177,595	492,900
Transfer	(400)	-	153,494	16	1,231	(154,741)	(400)
Disposals	-	-	(194,700)	(3,591)	(1,622)	(214)	(200,127)
<b>As at 31 December 2019/ 1 January 2020</b>	<b>78,508</b>	<b>64,294</b>	<b>2,496,213</b>	<b>66,271</b>	<b>107,314</b>	<b>61,419</b>	<b>2,874,019</b>
Impact of changes in accounting policies	-	-	(268,264)	-	(18,453)	-	(286,717)
Additions	363	12,193	137,196	4,696	60	1,421	155,929
Transfer	(11,744)	57,022	2,123	-	294	(61,061)	(13,366)
Disposals	-	195	(111,458)	(8,649)	(3,198)	-	(123,500)
Exchange rate	-	-	(2,373)	(357)	(207)	-	(2,937)
<b>As at 31 December 2020</b>	<b>67,127</b>	<b>133,314</b>	<b>2,253,437</b>	<b>61,961</b>	<b>85,810</b>	<b>1,779</b>	<b>2,603,428</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 2019	276	37,866	969,967	43,595	72,483	-	1,124,187
Depreciation charge for the year	269	2,416	162,764	4,190	9,414	-	179,053
Disposals	-	-	(37,588)	(3,035)	(1,622)	-	(42,245)
<b>As at 31 December 2019/ 1 January 2020</b>	<b>545</b>	<b>40,282</b>	<b>1,095,143</b>	<b>44,750</b>	<b>80,275</b>	<b>-</b>	<b>1,260,995</b>
Impact of changes in accounting policies	-	-	(17,610)	-	(5,532)	-	(23,142)
Depreciation charge for the year	288	5,098	155,801	4,547	5,548	-	171,282
Disposals	-	(124)	(77,777)	(8,183)	(3,198)	-	(89,282)
Exchange rate	-	-	1,840	(245)	(207)	-	(2,292)
<b>As at 31 December 2020</b>	<b>833</b>	<b>45,256</b>	<b>1,153,717</b>	<b>40,869</b>	<b>76,886</b>	<b>-</b>	<b>1,317,561</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 2019</b>							
Owned assets	77,963	24,012	1,243,193	21,521	20,511	61,419	1,448,619
Assets under leases	-	-	157,877	-	6,528	-	164,405
	<u>77,963</u>	<u>24,012</u>	<u>1,401,070</u>	<u>21,521</u>	<u>27,039</u>	<u>61,419</u>	<u>1,613,024</u>
<b>At 31 December 2020</b>							
Owned assets	66,294	88,058	1,099,720	21,092	8,924	1,779	1,285,867
Assets under leases	-	-	-	-	-	-	-
	<u>66,294</u>	<u>88,058</u>	<u>1,099,720</u>	<u>21,092</u>	<u>8,924</u>	<u>1,779</u>	<u>1,285,867</u>

The gross carrying amount of The Group's fully depreciated buildings and equipment that were still in use as at 31 December 2020 was amounted to Baht 729.69 million (2019 : Baht 468.04 million).

The Group has mortgaged certain plots of its land with constructions thereon, with their book values as at 31 December 2020 amounting to approximately Baht 107.65 million (2019 : Baht 87.44 million), as collateral for obtaining bank overdrafts and short-term borrowings from financial institutions (Note 19), aval promissory notes (Note 20) and letter of guarantee (Note 31).



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Unit : Thousand Baht

	Separate 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 2019	67,164	64,293	2,193,923	55,674	104,640	38,287	2,523,981
Additions	11,744	-	275,960	11,536	2,420	177,595	479,255
Transfer	(400)	-	153,494	16	1,231	(154,741)	(400)
Disposals	-	-	(194,683)	(3,203)	(1,622)	-	(199,508)
<b>As at 31 December 2019/ 1 January 2020</b>	<b>78,508</b>	<b>64,293</b>	<b>2,428,694</b>	<b>64,023</b>	<b>106,669</b>	<b>61,141</b>	<b>2,803,328</b>
Impact of changes in accounting policies	-	-	(268,263)	-	(18,454)	-	(286,717)
Additions	363	12,193	119,515	4,565	60	1,421	138,117
Transfer	(11,744)	57,022	2,124	-	294	(61,061)	(13,365)
Disposals	-	(195)	(109,718)	(8,609)	(3,198)	-	(121,720)
<b>As at 31 December 2020</b>	<b>67,127</b>	<b>133,313</b>	<b>2,172,352</b>	<b>59,979</b>	<b>85,371</b>	<b>1,501</b>	<b>2,519,643</b>

Unit : Thousand Baht

	Separate 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 2019	276	37,866	961,634	42,629	71,856	-	1,114,261
Depreciation charge for the year	269	2,415	156,837	3,931	9,396	-	172,848
Disposals	-	-	(37,580)	(2,777)	(1,622)	-	(41,979)
<b>As at 31 December 2019/ 1 January 2020</b>	<b>545</b>	<b>40,281</b>	<b>1,080,891</b>	<b>43,783</b>	<b>79,630</b>	<b>-</b>	<b>1,245,130</b>
Impact of changes in accounting policies	-	-	(17,610)	-	(5,532)	-	(23,142)
Depreciation charge for the year	289	5,099	143,860	4,339	5,548	-	159,135
Disposals	-	(124)	(75,378)	(8,170)	(3,198)	-	(86,870)
<b>As at 31 December 2020</b>	<b>834</b>	<b>45,256</b>	<b>1,131,763</b>	<b>39,952</b>	<b>76,448</b>	<b>-</b>	<b>1,294,253</b>



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Unit : Thousand Baht

	Separate financial statements						
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
<b>Net book value</b>							
<b>At 31 December 2019</b>							
Owned assets	77,963	24,012	1,189,925	20,240	20,511	61,141	1,393,792
Assets under leases	-	-	157,878	-	6,528	-	164,406
	<b>77,963</b>	<b>24,012</b>	<b>1,347,803</b>	<b>20,240</b>	<b>27,039</b>	<b>61,141</b>	<b>1,558,198</b>
<b>At 31 December 2020</b>							
Owned assets	66,293	88,057	1,040,589	20,027	8,923	1,501	1,225,390
Assets under leases	-	-	-	-	-	-	-
<b>At 31 December 2020</b>	<b>66,293</b>	<b>88,057</b>	<b>1,040,589</b>	<b>20,027</b>	<b>8,923</b>	<b>1,501</b>	<b>1,225,390</b>

The gross carrying amount of the Company's fully depreciated buildings and equipment that were still in use as at 31 December 2020 was amounted to Baht 729.04 million (2019 : Baht 467.13 million).

The Company has mortgaged certain plots of its land with constructions thereon, with their book values as at 31 December 2020 amounting to approximately Baht 107.65 million (2019 : Baht 87.44 million), as collateral for obtaining bank overdrafts and short-term borrowings from financial institutions (Note 19), aval promissory notes (Note 20) and letter of guarantee (Note 31).



## 16. Right-of-use assets

Changes in right-of-use assets for the year ended 31 December 2020 are as follows:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	-	-
The adjustments of right-of-use assets due to Thai Financial Reporting Standard No.16 initial adoption (Note 3)	309,676	306,187
Net book value as at 1 January 2020 - after adjustment	309,676	306,187
Increase	110,427	110,427
Diposal	(128)	-
Deprecialtion for the period	(45,053)	(43,599)
Exchange rate	19	-
<b>Net book value as at 31 December 2020</b>	<b>374,941</b>	<b>373,015</b>

Net book value of right-of-use assets by class of assets as at 31 December 2020 are as follows:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Land	14,354	13,358
Buildings	930	-
Vehicles	26,293	26,293
Machinery and equipment	333,364	333,364
<b>Total</b>	<b>374,941</b>	<b>373,015</b>

Income and expense relating to leases recognised in profit or loss for the years ended 31 December 2020 and 2019 are as follows:



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	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease income	30	-	390	360
Depreciation of right-of-use assets:				
- Land	7,456	-	6,740	-
- Buildings	738	-	-	-
- Machinery and equipment	26,085	-	26,085	-
- Vehicles	10,774	-	10,774	-
Interest on lease liabilities	12,598	-	12,476	-
Expenses relating to short-term leases	93,491	-	81,302	-
Expenses relating to leases of low-value assets	534	-	534	-
Lease expense	-	198,576	-	175,051
Contingent rent expense	25,362	-	25,362	-

## 17. Intangible assets

Unit : Thousand Baht	
	Consolidated and Separate financial statements
	Software licences
<i>Cost</i>	
As at 1 January 2019	4,741
Additions	740
<b>As at 31 December 2019/ 1 January 2020</b>	<b>5,481</b>
Additions	1,161
<b>As at 31 December 2020</b>	<b>6,642</b>
<i>Amortisation</i>	
As at 1 January 2019	1,257
Amortisation charge for year	502
<b>As at 31 December 2019/ 1 January 2020</b>	<b>1,759</b>
Amortisation charge for year	610
<b>As at 31 December 2020</b>	<b>2,369</b>
<i>Net book value</i>	
<b>As at 31 December 2019</b>	<b>3,722</b>
<b>As at 31 December 2020</b>	<b>4,273</b>

## 18. Deferred tax assets

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

	Unit : Thousand Baht	
	Consolidated and Separate financial statements	
	2020	2019
<b>Deferred tax assets</b>		
Trade accounts receivable ( <i>Allowance for expected creditloss</i> )		
( <i>2019 : Allowance for doubtful accounts</i> )	10,774	11,187
Inventories ( <i>Allowance for expected loss from stock obsolescence</i> )		
( <i>2019 : Allowance for devaluation of inventories</i> )	4,149	4,934
Retentions receivable ( <i>Allowance for expected creditloss</i> )		
( <i>2019 : Allowance for doubtful accounts</i> )	2,605	2,185
Investments in subsidiary (Allowance for impairment loss)	2,600	2,050
Investments in other companies (Allowance for impairment loss)	1,000	1,000
Other current provisions	13,764	7,787
Provision for long-term employee benefits	17,243	13,828
Lease liabilities	22,030	5,756
<b>Total</b>	<b>74,165</b>	<b>48,727</b>
<b>Deferred tax liability</b>		
Lease liabilities	26,080	-
<b>Total</b>	<b>26,080</b>	<b>-</b>
<b>Deferred tax assets - net</b>	<b>48,085</b>	<b>48,727</b>



Movements in deferred tax assets and liabilities during for the years are detailed as follows:

Unit : Thousand Baht

	Consolidated and Separate financial statements					
	(Charged) / Credited to:		31 December 2019	1 January 2020	(Charged) / Credited to:	
	Profit or loss	Other comprehensive income			Profit or loss	Other comprehensive income
<b>Deferred tax assets</b>						
Trade accounts receivable (Allowance for expected creditloss) (2019 : Allowance for doubtful accounts)	10,480	-	11,187	11,187	(413)	-
Inventories (Allowance for expected loss from stock obsolescence) (2019 : Allowance for devaluation of inventories)	4,086	-	4,935	4,935	(786)	-
Retentions receivable (Allowance for expected creditloss) (2019 : Allowance for doubtful accounts)	1,816	-	2,185	2,185	420	-
Investments in subsidiary (Allowance for impairment loss)	2,050	-	2,050	2,050	550	-
Investments in subsidiary (Allowance for impairment loss)	1,000	-	1,000	1,000	-	-
Other current provisions	5,854	-	7,787	7,787	5,977	-
Provision for long-term employee benefits	9,987	535	13,827	13,827	1,091	2,325
Lease liabilities	-	-	5,756	5,756	16,274	-
<b>Total</b>	<b>35,273</b>	<b>535</b>	<b>48,727</b>	<b>48,727</b>	<b>23,113</b>	<b>2,325</b>
<b>Deferred tax liabilities</b>						
Lease liabilities	(4,213)	-	-	-	(26,080)	-
<b>Total</b>	<b>(4,213)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,080)</b>	<b>-</b>
<b>Deferred tax assets - net</b>	<b>31,060</b>	<b>535</b>	<b>48,727</b>	<b>48,727</b>	<b>(2,967)</b>	<b>2,325</b>
						<b>74,165</b>
						<b>(26,080)</b>
						<b>(26,080)</b>
						<b>48,085</b>

## 19. Interest-bearing liabilities

Unit: Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Current</b>				
Bank overdraft	-	30,743	-	30,743
Short-term loans from financial institutions				
- Unsecured Promissory note	-	100,000	-	100,000
- Unsecured Trust receipts	-	38,837	-	38,837
<b>Bank overdrafts and short-term loans</b>				
From financial institutions	-	169,580	-	169,580
Current portion of long-term loans				
- secured	93,978	62,331	83,418	51,309
- unsecured	64,402	56,900	64,402	56,900
Current portion of lease liabilities	97,538	62,000	96,487	62,000
<b>Total current interest-bearing liabilities</b>	<b>255,918</b>	<b>350,811</b>	<b>244,307</b>	<b>339,789</b>
<b>Non-current</b>				
Long-term loans from financial institutions				
- secured	110,216	125,968	105,690	110,393
- unsecured	86,567	102,683	86,567	102,683
Lease liabilities	179,376	153,093	178,622	153,093
<b>Total non-current interest-bearing liabilities</b>	<b>376,159</b>	<b>381,744</b>	<b>370,879</b>	<b>366,169</b>
<b>Total interest-bearing liabilities</b>	<b>632,077</b>	<b>732,555</b>	<b>615,186</b>	<b>705,958</b>

The increase and decrease of long-term loans for the year ended 31 December are as follows:

Unit: Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Book value as at 1 January	347,882	400,462	321,286	383,977
Borrowed during the years	145,951	103,440	145,951	88,280
Repayments made during the years	(138,670)	(156,020)	(127,160)	(150,971)
<b>Book value as at 31 December</b>	<b>355,163</b>	<b>347,882</b>	<b>340,077</b>	<b>321,286</b>



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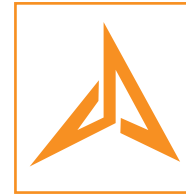
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The periods to maturity of interest-bearing liabilities, excluding lease liabilities, as at 31 December are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Within one year	158,380	288,811	147,820	277,789
After one year but within five years	196,783	228,651	192,257	213,077
<b>Total</b>	<b>355,163</b>	<b>517,462</b>	<b>340,077</b>	<b>490,866</b>

The loans consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Long-term loans from financial institutions made by the Company</b>				
1) The loan amount of Baht 25.5 million, pay the interest at the rate of MLR - 1% per annum on the 25th of month and shall repay the loan in 48 monthly installment. The first these installments do not include principal, shall start on the 4rd monthly after the first drawdown and has a monthly principal repayment of Baht 0.57 million from May, 2017.	2,832	9,612	2,832	9,612
2) The loan amount of Baht 90 million, has a monthly interest payment at the rate of BIBOR (3M) + 1.80% per annum, and has a quarterly principal repayment of Baht 5.7 million. The first installment payment shall start on the 6th month after the first drawdown from July, 2018.	33,444	56,244	33,444	56,244



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Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
3) The loan amount of Baht 50 million, has a monthly interest payment at the rate of BIBOR (3M) + 1.80% per annum, and shall repay the loan within 16 quarterly. The first installment payment shall start on the 3rd month after the first drawdown and has a quarterly principal repayment of Baht 3.13 million from September, 2019.	34,375	46,875	34,375	46,875
4) The loan amount of Baht 74 million, has a monthly interest payment at the rate of Prime rate - 2.25% per annum, and has a monthly principal repayment of Baht 1.23 million after the first drawdown from November, 2016.	32,044	46,852	32,044	46,852
5) The loan amount of Baht 100 million, has a monthly interest payment at the rate of BIBOR (1M) + 1.80% per annum after the first drawdown date, and has a monthly principal repayment at least 2.09% of total drawdown from June, 2018	31,022	51,880	31,022	51,880
6) The loan amount of Baht 100 million, has a monthly interest payment at the rate of BIBOR (1M) + 1.80% per annum after the first drawdown date, and has a monthly principal repayment at least 2.09% of total drawdown from May, 2018.	47,750	72,830	47,750	72,830
7) The loan amount of Baht 30 million, has a monthly interest payment at the rate of MLR - 2.65% at least 4.375% per annum after the first drawdown date. The first installment shall start on the 13th month and has a monthly principal repayment with interest Baht 0.48 million after the first drawdown from February, 2019	26,239	30,000	26,239	30,000



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Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
8) The loan amount of Baht 8.28 million, has a monthly interest payment at the rate of MLR - 2.65% at least 4.375% per annum, and has a monthly principal repayment with the interest Baht 0.16 million after the first drawdown date from February, 2019.	5,383	6,993	5,383	6,993
9) The loan amount of Baht 100 million, has a monthly interest payment at the rate BIBOR (1M) + 2% per annum, and has a monthly principal repayment with the interest Baht 1.10 million after the first drawdown date from March, 2020.	29,671	-	29,671	-
10) The loan amount of Baht 40 million, has a monthly interest payment at the rate of MLR - 1.75% per annum, and has a monthly principal repayment with the interest Baht 0.83 million after the first drawdown date from June, 2020.	19,380	-	19,380	-
11) The loan amount of Baht 100 million, has a monthly interest payment at the rate of BIBOR (3M) + 1.80% per annum after the first drawdown date, and has a quarterly principal repayment of Baht 4.06 million after the first drawdown from September, 2020.	60,937	-	60,937	-
12) The loan amount of Baht 100 million, has a monthly interest payment at the rate of Prime Rate - 2% per annum, and has a monthly principal repayment of Baht 0.387 million. The first installment payment shall start on the 5th month after the first drawdown from December, 2020.	17,000	-	17,000	-
<b>Total</b>	<b>340,077</b>	<b>321,286</b>	<b>340,077</b>	<b>321,286</b>





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Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Long-term loans from financial institutions made by the Company</b>				
1) The loan amount of USD 0.5 million, has a monthly interest payment at the rate of ICE Liibor (3m) + 2.5% per annum, and a grace period for 6 months from the first drawdown date in September 2018. The first installment shall start on June, 2019 and has a quarterly principal repayment of USD 0.005 million with interest.	4,526	11,210	-	-
2) The loan amount of USD 0.5 million, has a monthly interest payment at the rate of ICE Libor (3m) + 2.5% per annum, and a grace period for 6 months from the first drawdown date in July 2019. The first installment shall start on April, 2020 and has a quarterly principal repayment of USD 0.005 million with interest.	10,560	15,836	-	-
<b>Total</b>	<b>15,086</b>	<b>26,596</b>	<b>-</b>	<b>-</b>
<b>Total Long-term loans from financial institutions</b>	<b>355,163</b>	<b>347,882</b>	<b>340,077</b>	<b>321,286</b>
<i>Less</i> Current portion of long-term loans from financial institutions	(158,380)	(119,231)	(147,820)	(108,209)
<b>Net Long-term loans from financial institutions</b>	<b>196,783</b>	<b>228,651</b>	<b>192,257</b>	<b>213,077</b>

The Company's loans from financial institutions are collateralized by certain investment property (Note 14), certain plots of land with constructions thereon and equipment (Note15). The subsidiary's loans are collateralized by SBLC from a bank. 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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## Lease liabilities

Lease liabilities as at 31 December are as payable follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b><i>Within one year</i></b>				
Future minimum lease payments	106,794	70,020	105,683	70,020
Less Deferred interest	(9,257)	(8,020)	(9,196)	(8,020)
Present value of minimum lease payments	97,537	62,000	96,487	62,000
<b><i>After one year but within five years</i></b>				
Future minimum lease payments	188,904	162,925	188,138	162,925
Less Deferred interest	(9,528)	(9,832)	(9,515)	(9,832)
Present value of minimum lease payments	179,376	153,093	178,623	153,093
Total lease liabilities	276,913	215,093	275,110	215,093

## 20. Trade and other current payables

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Trade payables</b>				
Related parties	14,980	13,019	5,547	3,585
Other parties	557,719	427,461	522,636	394,531
<b>Total</b>	<b>572,699</b>	<b>440,480</b>	<b>528,183</b>	<b>398,116</b>
<b>Other current payables</b>				
Assets payables	4,430	5,467	4,430	5,467
Accrued expenses	5,713	48,123	4,771	44,169
Others	10,111	15,528	9,882	12,496
<b>Total</b>	<b>20,254</b>	<b>69,118</b>	<b>19,083</b>	<b>62,132</b>
<b>Total trade and other current payables</b>	<b>592,953</b>	<b>509,598</b>	<b>547,266</b>	<b>460,248</b>

As at 31 December 2020, the Company has trade payable - promissory notes amount of 304.47 Baht million (2019: Baht 132.10 million), aval by commercial banks. The aval are collateralized by bank deposit (Note12). and certain plots of land with constructions thereon and equipment (Note15).

## 21 Other Current Provisions.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Provision for loss on construction projects</b>				
As at 1 January	46,398	36,143	38,936	29,269
Add Recorded during the year	69,717	36,094	45,242	26,965
Less Decrease in provision as project cost actually occurred in theyear	(33,196)	(25,839)	(15,356)	(17,298)
<b>As at 31 December</b>	<b>82,919</b>	<b>46,398</b>	<b>68,822</b>	<b>38,936</b>

## 22. Non- current provisions for employee benefits

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2020	2019
<b>Statement of financial position</b>		
Employee benefit obligations	86,214	69,139
 <i>For the years ended 31 December</i>		
<b>Statement of comprehensive income:</b>		
<b>Recognized in profit or loss:</b>		
Post-employment benefits	5,451	16,528
	<b>5,451</b>	<b>16,528</b>
 <b>Recognized in other comprehensive income:</b>		
Actuarial losses recognized in the years	11,624	2,675
	<b>11,624</b>	<b>2,675</b>

Movements in the present value of the defined benefit obligations

Unit : Thousand Baht

	Consolidated and Separate financial statements	
	2020	2019
Defined benefit obligations at 1 January	69,138	49,935
Actuarial gains	11,624	2,675
Current service costs	4,304	15,063
Interest on obligation	1,148	1,466
Benefit paid	-	-
<b>Defined benefit obligations at 31 December</b>	<b>86,214</b>	<b>69,139</b>



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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	
		2020	2019
<b>For the years ended 31 December</b>			
Demographic assumptions	-	-	-
Financial assumptions	6,916	-	-
Experience adjustment	4,708	2,675	
<b>Total</b>	<b>11,624</b>	<b>2,675</b>	

### Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period

		Consolidated and Separate financial statements	
		2020	2019
		(%)	
Discount rate	1.71	2.80	
Salary increase rate	6.00	6.00	
Employee turnover rate	3.82 - 45.84	3.82 - 45.84	
Mortality rate	105.00	105.00	

### 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	
		2020	2019
Discount rate			
1% increase	(6,378)	(4,999)	
1% decrease	7,451	5,798	
Salary increase rate			
1% increase	7,805	6,148	
1% decrease	(6,818)	(5,397)	
Employee turnover rate			
20% increase	(4,517)	(3,430)	
20% decrease	5,550	4,146	

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 13 December 2018, the National Legislative Assembly passed a final resolution to approve the draft of new amendment to the Labor Protection Act. Such draft was announced as the amendment to the Labor Protection Act (No.7) B.E.2019 in the Royal Thai Government Gazette on 5 April 2019.

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.

**23. Shares capital**

	Par Value (in Baht)	Consolidated and Separate financial statements			
		2020		2019	
		Number of share	Amount baht	Number of share	Amount baht
		<i>(thousand shares/ Thousand Baht)</i>			
<b>Authorized Share Capital</b>					
At 1 January					
- ordinary shares	0.50	739,708	369,854	672,463	336,231
Add Stock dividend (Note 29)	0.50	-	-	67,245	33,623
<b>At 31 December</b>					
- ordinary shares		<b>739,708</b>	<b>369,854</b>	<b>739,708</b>	<b>369,854</b>
<b>Issued and paid - up</b>					
At 1 January					
- ordinary shares	0.50	739,708	369,854	672,463	336,231
Add Stock dividend (Note 29)	0.50	-	-	67,245	33,623
<b>At 31 December</b>					
- ordinary shares		<b>739,708</b>	<b>369,854</b>	<b>739,708</b>	<b>369,854</b>

**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 (if any), 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. 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 construction businesses 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.

Unit : Thousand Baht		
	Consolidated financial statements	
	2020	2019
Foundation and wall works	2,555,732	3,027,927
General civil works	349	703

### ***Major customers***

The Group recognized construction revenues from constructions three major customers in 2020 and two major customers in 2019 (income received from customers over 10% of total income), amounting to Baht 1,249 million. in 2020 and Baht 1,460 million in 2019.

## 25. Administrative expenses

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Personnel expenses	55,263	67,513	52,065	63,472
Expected credit loss (2019: doubtful accounts and bad debts)	22,018	5,467	2,874	6,980
Impairment loss of investment in subsidiary	-	-	2,750	-
Office supplies and utilities expenses	2,459	2,448	2,387	2,388
Rental expenses	249	4,119	249	2,728
Depreciation and amortisation	17,948	9,274	16,284	10,267
System monitoring and maintenance expenses	2,967	3,108	2,894	3,037
Others	48,775	65,587	47,905	55,037
<b>Total</b>	<b>149,679</b>	<b>157,516</b>	<b>127,408</b>	<b>143,909</b>

### Defined contribution plans

The defined 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% - 15% of their basic salaries and by the Group at rates 3% 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 2020, the Group have contribution to be paid to the fund for the amount of Baht 5.30 million. (2019: Baht 4.85 million).

## 26. Expenses by nature

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Construction materials and supplies used	1,124,045	1,257,086	1,112,431	1,196,296
Subcontractors costs	195,176	121,069	191,212	110,675
Personnel expenses	387,270	486,052	373,490	449,199
Depreciation and amortisation	212,543	180,195	204,574	174,092
Repair and maintenance expenses	88,199	85,878	87,490	83,010
Transportation expenses	39,688	65,246	37,082	47,381
Rental expenses	94,024	222,463	83,975	175,050

## 27. 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 Subsidiary*

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 recognized in profit or loss*

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Current tax expense</b>				
Current year	45,271	100,058	39,606	100,338
<b>Deferred tax expense</b>				
Relating to origination and reversal of temporary differences	2,967	(17,132)	2,967	(17,132)
<b>Total income tax expense</b>	<b>48,238</b>	<b>82,926</b>	<b>42,573</b>	<b>83,206</b>

### *Income tax recognized in other comprehensive income*

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Actuarial loss	11,624	2,675	11,624	2,675
Income tax expenses(income) reported in the statement of comprehensivincome	(2,325)	(535)	(2,325)	(535)
<b>Total</b>	<b>9,299</b>	<b>2,140</b>	<b>9,299</b>	<b>2,140</b>





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# Reconciliation of effective tax rate

Unit : Thousand Baht

	Consolidated financial statements			
	2020		2019	
	Rate	Amount	Rate	Amount
Profit before income tax expense		197,172		494,137
Income tax using the Thai corporation tax rate	20,25	45,147	20,25	98,955
Exemption of income/Additional expenses deduction allowed		(10,911)		(13,887)
Expenses net deductible for tax purposes and others		11,035		14,990
Current income tax		45,271		100,058
Movements in temporary differences		2,967		(17,132)
<b>Income tax expenses</b>	<b>24</b>	<b>48,238</b>	<b>18</b>	<b>82,926</b>

Unit : Thousand Baht

	Separate financial statements			
	2020		2019	
	Rate	Amount	Rate	Amount
Profit before income tax expense		197,412		496,172
Income tax using the Thai corporation tax rate	20	39,482	20	99,235
Exemption of income/Additional expenses deduction allowed		(10,911)		(13,887)
Expenses net deductible for tax purposes and others		11,035		14,990
Current income tax		39,606		100,338
Movements in temporary differences		2,967		(17,132)
<b>Income tax expenses</b>	<b>22</b>	<b>42,573</b>	<b>17</b>	<b>83,206</b>

## 28. Earnings per share

Basic earnings per share for the years ended 31 December 2020 and 2019 are determined by dividing the profit attributable to ordinary shareholders of the Company for each year by the weighted average number of ordinary shares outstanding during each year, 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 67,245 million shares on 24 May 2019.

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to ordinary shareholders of the Company	154,414	409,514	154,838	412,966
Number of ordinary shares outstanding	739,708	672,463	739,708	672,463
Add Stock dividend 2019 (Note 29)	-	67,245	-	67,245
Weighted average number of paid-up ordinary shares	739,708	739,708	739,708	739,708

## 29. Dividend paid

The Company's Board of directors' meeting No.6/2020 held on 10 November 2020 approved to pay an interim dividend from the results of operation of the 3rd quarter of 2020 to the shareholders at Baht 0.03 per share for 739.71 million shares, totaling Baht 22.19 million. The Company paid dividend to shareholders on 9 December 2020.

The Company's Board of directors' meeting No.5/2020 held on 13 August 2020 approved to pay an interim dividend from the results of operation of the 2nd quarter of 2020 to the shareholders at Baht 0.04 per share for 739.71 million shares, totaling Baht 29.59 million. The Company paid dividend to shareholders on 10 September 2020.

The Company's Board of directors' meeting No.3/2020 held on 13 May 2020 approved to pay an interim dividend from the results of operation for the 1st quarter of 2020 to the shareholders at Baht 0.03 per share for 739.71 million shares, totaling Baht 22.19 million. The Company paid dividend to shareholders on 11 June 2020.

The Company's shareholders at their Annual General Shareholders' Meeting 2020 held on 23 April 2020 approved a dividend payment at the rate of Baht 0.26 per share, including an interim dividend paid during the year at Baht 0.15 per share. According to the resolution of the shareholders, all ordinary shareholders are eligible to receive additional cash dividend at Baht 0.11 per share, totaling Baht 81.37 million. The Company paid dividend to shareholders on 22 May 2020.

The Company's Board of directors' meeting No.6/2019 held on 12 November 2019 approved to pay an interim dividend from the results of operation for 3rd quarter of 2019 to the shareholders at Baht 0.07 per share for 739.71 million shares, totaling Baht 51.78 million. The Company paid dividend to shareholders on 11 December 2019.

The Company's Board of directors' meeting No.5/2019 held on 13 August 2019 approved to pay an interim dividend from the results of operation for 2nd quarter of 2019 to the shareholders at Baht 0.03 per share for 739.71 million shares, totaling Baht 22.19 million. The Company paid dividend to shareholders on 12 September 2019.

The Company's Board of directors' meeting No.3/2019 held on 3 May 2019 approved to pay an interim dividend from the results of operation for the 1st quarter of 2019 to the shareholders at Baht 0.05 per share for 739.71 million shares, totaling Baht 36.98 million. The Company paid dividend to shareholders on 3 June 2019.

The company's shareholders at their 2019 Annual General Shareholders' Meeting held on 25 April 2019 approved a dividend payment at the rate of Baht 0.31 per share, including an interim dividend paid during the year at Baht 0.16 per share. According to the resolution of shareholders, all ordinary shareholders are eligible to receive additional cash dividend at Baht 0.10 per share, totaling Baht 67.25 million, and stock dividend at the ratio of 10 existing shares to 1 new ordinary share par value of Baht 0.50 per share, totaling Baht 33.62 million. The Company paid dividend to shareholders on 23 May 2019.

### 30. Financial instruments

#### 30.1 Carrying amounts and fair values

As at 31 December 2020 and 2019, the fair value of financial assets and liabilities do not differ significantly from amount recorded in the statements of financial position.

The fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at FVTPL and FVOCI are as follows:

Unit : Thousand Baht

	Consolidated and separate financial statements			
At 31 December 2020	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Equity investment – FVOCI	9,600	-	-	9,600
<b>Total assets</b>	<b>9,600</b>	<b>-</b>	<b>-</b>	<b>9,600</b>

Unit : Thousand Baht

	Consolidated and separate financial statements			
At 31 December 2019	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Current investments (Unit fund) - FVTPL	-	133,142	-	133,142
<b>Total assets</b>	<b>-</b>	<b>133,142</b>	<b>-</b>	<b>133,142</b>

During the current years, there was no transfer within the fair value hierarchy.

#### Valuation techniques

The fair value of equity investments which is listed on the Stock Exchange of Thailand, is determined by using current bid price from the Stock Exchange of Thailand.

The fair value of investments in unit trusts of open-end fund 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.

### 30.2 Financial risk management policies

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets are as follows:

		Unit: Thousand Baht			
		Consolidated financial statements			
		Trade accounts receivables	Contract assets	Total carrying amounts	Allowance for expected credit loss
<b>As at 31 December 2020</b>					
Within credit terms		152,778	430,193	582,971	984
Overdue:					
1-30 days		72,904	-	72,904	151
31-60 days		53,799	13,769	67,568	479
61-90 days		41,021	4,618	45,639	708
More than 90 days		145,915	130,424	276,339	84,713
<b>Total</b>		<b>466,417</b>	<b>579,004</b>	<b>1,045,421</b>	<b>87,035</b>
Less allowance for expected credit loss		(57,447)	(29,588)	(87,035)	
<b>Net</b>		<b>408,970</b>	<b>549,416</b>	<b>958,386</b>	



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Unit: Thousand Baht

	Separate financial statements			
	Trade accounts receivables	Contract assets	Total carrying amounts	Allowance for expected credit loss
<b>As at 31 December 2020</b>				
Within credit terms	152,778	414,462	567,240	984
Overdue:				
1-30 days	72,904	-	72,904	151
31-60 days	53,799	13,769	67,568	479
61-90 days	41,021	4,618	45,639	708
More than 90 days	136,513	98,450	234,963	62,646
<b>Total</b>	<b>457,015</b>	<b>531,299</b>	<b>988,314</b>	<b>64,818</b>
Less allowance for expected credit loss	(48,045)	(16,773)	(64,818)	
<b>Net</b>	<b>408,970</b>	<b>514,526</b>	<b>923,496</b>	

Loss rates are based on actual credit loss experience incurred the past. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables

#### *Cash and cash equivalent*

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a minimum credit rating.

#### *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.

As at 31 December 2020, the remaining contractual maturities of financial liabilities ,which the amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements, are as follows:



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Unit: Thousand Baht

	Consolidated financial statements				
	Carrying amount	Maturity period			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
<b>As at 31 December 2020</b>					
<b>Financial liabilities</b>					
Bank overdrafts	-	-	-	-	-
Trade and other current payables	592,953	592,953	-	-	592,953
Loans from financial institutions	355,163	158,380	196,783	-	355,163
Lease liabilities	276,913	106,794	188,904	-	295,698
	<b>1,225,029</b>	<b>858,127</b>	<b>385,687</b>	<b>-</b>	<b>1,243,814</b>

Unit: Thousand Baht

	Separate financial statements				
	Carrying amount	Maturity period			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
<b>As at 31 December 2020</b>					
<b>Financial liabilities</b>					
Bank overdrafts	-	-	-	-	-
Trade and other current payables	547,266	547,266	-	-	547,266
Loans from financial institutions	340,077	147,820	192,257	-	340,077
Lease liabilities	275,110	105,683	188,138	-	293,821
	<b>1,162,453</b>	<b>800,769</b>	<b>380,395</b>	<b>-</b>	<b>1,181,164</b>

As at 31 December 2019, 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 2019	Consolidated financial statements					
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	After 1 year but within 5 years	After 5 years			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	42,043	20,525	62,568
Current investment	-	-	-	133,142	-	133,142
Trade and other receivables	-	-	-	-	440,788	440,788
Bank deposits used as collateral	59,000	-	-	-	-	59,000
<b>Financial liabilities</b>						
Bank overdraft and Short-term loans from financial institutions	-	-	-	169,580	-	169,580
Trade and other payables	-	-	-	-	509,598	509,598
Long-term loan from financial institution	119,231	228,651	-	-	-	347,882
Financial lease liabilities	62,000	153,093	-	-	-	215,093
						Effective interest rate (%per annum)
						0.25-0.50
						11.50-13.30
						-
						0.80-1.90
						2.30-6.95
						-
						3.21-5.03
						3.25-14.39



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As at 31 December 2019	Separate financial statements					
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	After 1 year but within 5 years	After 5 years			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	968	11,611	12,579
Current investment	-	-	-	133,142	-	133,142
Trade and other receivables	-	-	-	-	419,693	419,693
Short-term loan to related party	-	1,300	-	-	-	1,300
Bank deposits used as collateral	59,000	-	-	-	-	59,000
						0.25-0.50 11.50-13.30 -
<b>Financial liabilities</b>						
Bank overdraft and Short-term loans from financial institutions	-	-	-	169,580	-	169,580
Trade and other payables	-	-	-	-	460,248	460,248
Long-term loan from financial institution	108,209	213,077	-	-	-	321,286
Financial lease liabilities	62,000	153,093	-	-	-	215,093
						2.30-6.95 -
						3.21-5.03 3.21-14.39



#### Market risk

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.

#### Foreign currency risk

The Group has financial assets and liabilities denominated in foreign currencies which are not hedged against foreign exchange rate risk as follows:

Unit: Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>As at 31 December</b>				
<b>Financial assets</b>				
USD	1,549	2,425	-	-
<b>Financial liabilities</b>				
USD	2,047	2,658	13	456
SG Dollar	47	8	47	8

Sensitivity analysis of strengthening (weakening) of the foreign currencies with a movement of 10% at reporting date are as follows:

Unit: Thousand Baht					
	Movement (%)	Consolidated financial statements		Separate financial statements	
		Strengthening	Weakening	Strengthening	Weakening
<b>As at 31 December 2020</b>					
USD	10	(1,557)	1,557	(40)	40
SG Dollar	10	(107)	107	(107)	107

#### 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 lease agreements interest rates are fluctuations in market interest rates or fixed interest rates which are close to the market rate.

### 30.3 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.



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### 31. Commitments with non-related parties

	Unit : Thousand	
	Consolidated and separate financial statements	
	2020	2562
<b><i>Project construction cost commitments</i></b>		
USD Dollar	13	-
SG Dollar	3	12
Euro	8	-
Baht	156,380	247,579
<b><i>Non-cancellable operating lease commitments`</i></b>		
Within one year	25,368	79,602
After one year but within five years	-	-
<b>Total</b>	<b>25,368</b>	<b>79,602</b>
<b><i>Other commitments</i></b>		
Letter of Credit		
USD	2,000	2,000
Baht	-	-
Bank guarantees	398,265	590,560
Fleet Card		
Baht	81	80

The Group and the Company had the following commitments:

#### Project construction cost commitments

As at 31 December 2020 and 2019, the Group had commitments of project construction costs agreements. These repayment shall be made when the group received goods or services.

#### Operating lease commitments

As at 31 December 2020, the Company had outstanding commitments of approximately Baht 23.37 million (2019: Baht 79.60 million) with the periods of 1 months to 1 years.

#### Letters of credit

As at 31 December 2020 and 2019 the Group had unused letters of credit for purchase fixed asset Baht 29.69 million (2019: Baht 19.85 million).

***Bank guarantees***

As at 31 December 2020 and 2019, the Group had outstanding bank guarantees issued by banks to some customers in accordance with the hire of work contracts, goods seller and others. Such letters of guarantee are guaranteed by bank deposit (Note 12), land and construction (Note 15) and the right to receive of payments from various customers.

As at 31 December 2020, the Group had unused bank guarantees amounting to Baht 1,188.63 million (2019: Baht 1,620.43 million).

***Credit for fleet card***

As at 31 December 2020 and 2019, the Group had unused credit for fleet card of Baht 1.92 million.

**32. Events after the reporting period**

The Company's Board of directors' meeting held on 1 March 2021 approved to pay dividend at the rate of Baht 0.10 per share for the year 2020 including an interim dividend paid during the year 3 times totaling Baht 0.10 per share.

**33. Reclassification of accounts**

Certain accounts in the 2019 financial statements have been reclassified to conform with the presentation in the financial statements for the year ended 31 December 2020 as follows:


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Unit : Thousand Baht

	2019					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
<b>Statements of financial position as at 31 December</b>						
Unbilled receivables	399,128	(399,128)	-	387,368	(387,368)	-
Retention receivables	268,465	(268,465)	-	235,145	(235,145)	-
Current contract assets	-	399,128	399,128	-	387,368	387,368
Non - current contract assets	-	268,465	268,465	-	235,145	235,145
Amounts received in advance under agreements and construction income received in advance	125,543	-	-	93,852	-	-
Current contract liabilities	-	125,543	125,543	-	93,852	93,852

**34. Approval of financial statements**

These financial statements have been authorised for issue by the Company's Board of Directors on 1 March 2021.

## Sustainable Development

On 10 August 2018, the Board of Directors of the company had resolution to set a Corporate Governance, Social Responsibility and Sustainable Development committee. The Board of Directors has established this committee having the purpose to show the determination to develop the organization to grow sustainably. The company wished to be a transparent organization having good governance truly, based on the philosophy of Sufficiency Economy, to be the basis for doing business, having responsibility and protect the interests of all stakeholders and society as a whole, developing personnel to be good people, having morality, promoting knowledge and quality of life, together with developing and maintaining the environment, by specifying international framework for economic, social, and environmental aspects.

### About SEAFCO Public Company Limited (page 15)

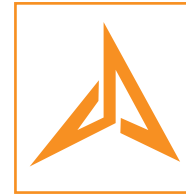
SEAFCO Public Company Limited (Company) was incorporated as a limited company on December 19, 1974 and transformed into a public limited company on March 18, 2004.

### Vision, mission and strategy of the company (page 14)

Vision: "TO BE THE REPUTABLE LEADER IN CONSTRUCTION INDUSTRY OF ASEAN"

The company has determined and analyzed about stakeholders of the company, by collecting data from all divisions/ departments of the company, including information from construction units collected through the Community Relations Section that has duty for communicating and creating relationships between the construction department and surrounding communities, to know the needs and information of each group of stakeholders, both main and secondary stakeholders. The information is used as guideline for placing policies, strategies, processes and administration that can respond to needs efficiently and sustainably. In this regard, the determination of the social responsibility policy has the following detail:

Stakeholders	Expectation	Related procedures	Communication and channel
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> <li>will not bring any information which has not been disclosed to the public to seek benefits for himself</li> <li>will not take any action that may cause conflicts of interest.</li> </ul>	<ul style="list-style-type: none"> <li>Holding shareholders' annual general meeting as per AGM Checklist</li> <li>Meeting with analysts and investors</li> <li>Annual report, Form 56-1</li> <li>The company's website</li> </ul>



Stakeholders	Expectation	Related procedures	Communication and channel
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>	<ul style="list-style-type: none"> <li>● Participating in meeting with customers, project owners and consultant</li> <li>● Engineers Entering to check in the site by the executives 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>● The company develops potential of employees</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> <li>● The company has organized meditation teacher course of the Willpower Institute, to train employees to be good people</li> </ul>	<ul style="list-style-type: none"> <li>● Meeting of employees and small group meeting of working unit; the company holds HBD parties to employees every month and holding meeting of employees always and every month</li> <li>● Channels for opinion and complaint</li> <li>● Activities to link relations of company employees</li> </ul>



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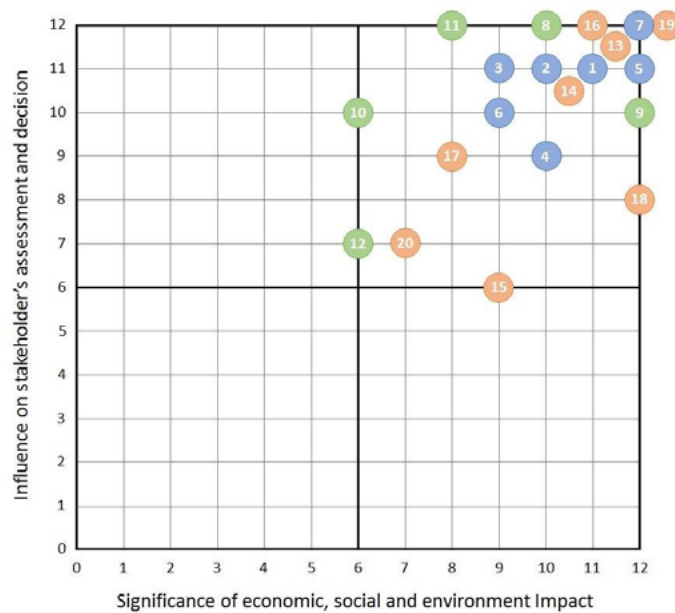
Stakeholders	Expectation	Related procedures	Communication and channel
4. Partners	<ul style="list-style-type: none"> <li>• Transparent process of selection of partners</li> <li>• Disclosure of information appropriately and adequately</li> <li>• Making of contracts between partners and company fairly</li> <li>• Keeping of confidential information of partners</li> <li>• Payment of business partners meets deadline</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>	<ul style="list-style-type: none"> <li>• Holding meeting between trade partners and the company</li> <li>• The company's website</li> </ul>
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> <li>• Has financial discipline and ability to pay debt</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with good corporate governance and business code of conduct of the company</li> <li>• The company pays debt to creditors according to the terms and conditions</li> <li>• The company strictly complies with contract conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Holding meeting with creditors</li> <li>• The company's website</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>	<ul style="list-style-type: none"> <li>• The company's website</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>• Transparency 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>	<ul style="list-style-type: none"> <li>• The company's website</li> </ul>





Stakeholders	Expectation	Related procedures	Communication and channel
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> <li>Listen to opinions and suggestions of the communities around the project area, to find ways to mitigate the effects that may occur, including handling complaints, when receiving notification of problems from the communities</li> </ul>	<ul style="list-style-type: none"> <li>The company's website</li> </ul>

Sustainability Materiality Matrix





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Economic dimension	Environmental dimension	Social dimension
<ul style="list-style-type: none"> <li>• 1. Business ethics</li> <li>• 2. Good corporate governance</li> <li>• 3. Supply chain management</li> <li>• 4. Economic performance</li> <li>• 5. Anti-corruption</li> <li>• 6. Risk and crisis management</li> <li>• 7. Information security and information system</li> </ul>	<ul style="list-style-type: none"> <li>• 8. Environmental impacts from Construction Project</li> <li>• 9. Environmental law</li> <li>• 10. Energy</li> <li>• 11. Air emission</li> <li>• 12. Waste</li> </ul>	<ul style="list-style-type: none"> <li>• 13. Occupational health and safety</li> <li>• 14. Attracting and retaining employees with potential</li> <li>• 15. Employment/Labor practices</li> <li>• 16. Education and training</li> <li>• 17. Local communities</li> <li>• 18. Economic and social law (child labor, forced labor)</li> <li>• 19. Operation with quality standards</li> <li>• 20. Customers' satisfaction</li> </ul>

#### **Responsibility to communities and society**

The company conducts business with awareness of responsibility in conducting business with responsibility to the community and society, economy, environment, and good corporate governance. Based on the fact that if society is strong, it will lead to the sustainability of business growth. The company has set a policy to conduct business with social responsibility in accordance with international guidelines and according to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In implementing of the guideline, conducting business policies with social responsibility which starts by identifying the company's stakeholders, including evaluating the expectations or needs of each stakeholder group towards the company through agencies that perform duties directly related to each stakeholder group. After that, the information obtained was evaluated as follows:

#### **Economy**

The company is committed to be the leading company making eco-friendly piles and retaining walls in ASEAN which can deliver work on time with specified quality.

#### **Society**

- The company attaches importance to education. The company has always supported education with students at the bachelor's degree level, master's degree, and doctorate level in engineering related fields for all the time throughout. In the year 2019, the company gives scholarship to King Mongkut University of Technology Lat Krabang and mahidol University including making MOU with educational institutions in order to deliver students at the vocational certificate or higher vocational certificate level to do internships with the company for 1 year, so that the company will be a source of technical staff to work with the company. In addition, the company also manages staff in the office to do a short meditation for 5 minutes, 3 times a day every day to continuously develop the mind

- The company attaches importance to developing the minds of people to be mindful and tolerant, by using meditation, in which the company opened the company as a meditation teacher branch of Power Conservation Institute of Reverend Father Wiriyang Sirintharo, Branch 47, for the communities around the company and the company's employees to have come to study. Currently, there are all employees at the head office to have completed the meditation teacher courses.

### **Environmental aspect**

The company is aware of operations focusing on safety and the environment. The company has established policies, guidelines, monitoring and development regarding safety and the environment strictly. The company imparts knowledge and training in performing duties in every process to comply with the work standards related to safety and the environment, including supporting environmental preservation guideline in each project area.

**Good governance.** As discussed in the section on corporate governance.

### **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:

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:
  - 1.1 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.
  - 1.2 Always Give information, provide research work and new innovation to interest parties and customers.
  - 1.3 Deliver quality work on time at fair price to the customers as agreed and do not set selling price in an exorbitant prices.
2. Promote trade partner responsibilities
  - 2.1 Promote trade partner responsibilities for employers, sellers and contractors to be able to participate in social activities both directly and indirectly.
  - 2.2 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.
  - 2.3 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.
  - 2.4 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.
  - 2.5 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 contactors 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.

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.

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.

### **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.

Company directors, executives and employees must perform their duties with honesty and without corruption and dishonesty of all kinds, whether directly or indirectly; they have to strictly abide by and perform according to the policies and ethics of the company strictly.

#### Guidelines of the year 2020

##### ● Receiving or giving gifts

Receiving or giving gifts on behalf of the company to those involved in the business of the company according to social customs or etiquette that should be followed, to congratulate, or as souvenir on several occasions shall strictly comply with the laws, rules and policies specified strictly, in order to ensure that receiving or giving a gift does not create conflict of interest, not result in relief, or negligence, or compensation in business agreement, or inappropriate business practices, it will not lead to corruption or dishonesty.

From 2017 onwards, the company announced to stop receiving and giving new year gifts to customers / partners / government agencies / financial institutions / those involved with the company during the New Year festival, in order to show the intention to adhere to transparent business operation.

##### ● Charitable donations

Donations, or support to public sector or private sector agencies shall be done transparently, not violating moral, or ethics, shall be done lawfully and complying with the policies and regulation of the company in such matter strictly; there shall be approval in accordance with the steps under the regulation of the company

##### ● Entertainment cost

To provide entertainment in connection with the business operation of the company to individuals or any working unit, the entertainment cost shall be transparent and can be checked according to related regulations and is going to create good relations or expression of social etiquette, not to make conflict of interest, not create result in relief, negligence, or benefits in a business agreement, or inappropriate business operation and lead to corruption or dishonesty.

Approval of entertainment cost shall comply with regulations strictly, there is making of report for consideration and approval in accordance with the regulations of the company.

### **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.

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.
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.
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.

### **Fair labor practice**

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 footsol 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 harmonization and unity among employees and employees' treatments, remunerations and welfares are appropriate.

2. Supports arranged for employees to develop their knowledge and competence are as follows.

- 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.
- 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.



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- 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.
- 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
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.
4. Safe workplace is arranged to ensure safety in life and property of the workers.
  - 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.
  - 4.2 Regular inspection of equipment to ensure its function because there are equipment and machines disbursed 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.
  - 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.\
  - 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.
  - 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
  - 4.6 Installation of closed-circuit television and sufficient lighting system (spotlight) and night patrol by the security guards to prevent undesirable incident.

5. Development of environment in the company to ensure suitability with the working conditions

- 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.
- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 Light checks on the working desks are made by hiring an outsource company to measure the brightness that turns out to be suitable for working.

**Responsibility for consumers**

1. To ensure satisfaction of the customers in the services and quality such as
  - 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.





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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

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.

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.

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.

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. 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.

### **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

1. Initiate preventive/corrective measure to be followed when the Company's operation has adverse effects to the environment and community.

2. Providing supports on educations for the needy youth by awarding scholarships and accepting students to intern training at the company.



Statistics of interns returning to work with the company:

No	Educational	2019		2020	
		Number of Trainee	Number of students returning to work for the company	Number of Trainee	Number of students returning to work for the company
1	Bachelor's degree	29	5	16	3
2	High Vocational Certificate	44	4	29	10
3	Vocational Certificate	10	3	10	4
	<b>Total</b>	<b>83</b>	<b>12</b>	<b>55</b>	<b>17</b>

3. Organize volunteer activity by encouraging employee to participate and support the employee to practice benevolence 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.

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.

7.1 Measures are arranged to reduce the impact from construction of underground oor against nearby structure and to measure and inspect the work as the construction of underground oor 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 oor 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.

7.2 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.

7.3 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.

7.4 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.

7.5 Use of modern machines with consistent maintenance to reduce air pollution and smell from the working unit and to reduce the construction time.



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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 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.

7.8 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.

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.

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.

### **Environmental responsibility**

The Company aims to conduct its business on occupational safety and good environment basis by following the guideline below

1. Comply with law and regulation and occupational safety and environment.  
2. Utilize natural resources effectively and efficiently. Initiate energy saving measure and promote reuse procedure.  
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.

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.

5. Disclose information on relationship between business operation and occupational safety and environment.

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.

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 oor is clean. Accident will be lower and that is the moral support provided to the workers.

### **Innovation and distribution of innovation**

1. To provide information and knowledge from the company to the other entities.
  - 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.
  - 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.
  - 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.
  - 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.

### **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, Seafco 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 Krath in 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. 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. Currently, the company gives scholarships to employees to study master's degrees, Faculty of Business Administration, National Institute of Development Administration.

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.

3. 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.

4. The company has made a memorandum of understanding (MOU) on bilateral vocational education arrangement with educational institutes, including Sawang Daen Din Vocational College, Ubon Ratchathani Technical College, Lop Buri Technical College.







# SEAFCO



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