

Ref.: SEAFCO-07-028

Date: November 14, 2007.

Subject: Notification about the operation of the third quarter ended September 30, 2007

Attention: President

Stock Exchange of Thailand

The Seafco Public Company Limited would like to report that starting from the first quarter ended March 31, 2007 the company changed its accounting policy regarding investment in its subsidiaries; therefore, the reports financial statement, which formerly reported investment by using the equity method, now reported by using the cost method. This is to comply with TAS 44. In this case, the company and subsidiaries had restated the financial statement. Investment in subsidiaries showed in Seafco's financial statement used the cost method as the cost of the investment comparing with the company and subsidiaries's consolidated financial statement.

This adjustment caused the net profit on the financial statement of Seafco public company not equal to the net profit in the consolidated financial statement. The consolidated financial statement for the three-month period ended September 30, 2007 showed net loss 31.62 million baht, while there was net loss 32.36 million baht in Seafco financial statement. The difference of net loss between consolidated financial statement and Seafco financial statement is 0.74 million baht. For the nine-month period ended September 30, 2007, the consolidated financial statement showed net profit 7.03 million baht while there was net profit 6.47 million baht in the Seafco financial statement. The difference of net profit between consolidated financial statement and Seafco financial statement is 0.56 million baht. The reason of the difference of net loss and net profit between consolidated financial statement and Seafco financial statement is that Seafco financial statement did not include any share of profits from investment which was different from using equity method. Other impacts to company financial statement from changing accounting policy were:-

1. The second quarter ended September 30, 2007 net investment value in subsidiaries company using the cost method was 5.05 million baht which was different to net investment value of the year ended December 31, 2006 (after adjustment) 3.25 million baht because of increasing investment in subsidiaries shares.
2. Retained earning as stated in Seafco's financial statement at the year ended December 31, 2006 was adjusted by using the cost method equal to 249.66 million baht compared by using equity method equal to 249.96 Million Baht, decreasing three hundred thousand baht.
3. Shareholders equity as stated in Seafco's financial statement at September 30, 2007 was adjusted by using the cost method equal to 576.98 million baht comparing with December 31, 2006 by using equity

method (Before adjustment) equal to 611.55 million Baht and after adjusting to cost method would be 611.25 Million Baht ,decreasing three hundred thousand baht.

However, the above change of accounting policy did not have any effect on business fundamentals of Seafco public company limited and subsidiaries.

The operation income for the third quarter ended September 30, 2007 comparing with the same period in 2006, increasing (decreasing) more than 20% The significant effectively of the increasing operating income were as follows:-

1. In Seafco financial statement, the company's contract revenue of the three-month and nine-month period in year 2007 was 382.48 million baht and 1,489.57 million baht comparing with 835.75 million baht and 1,676.28 million baht in the 2006, decreasing 54.24% in three-month period and decreasing 11.14% in nine-month period. Consolidated financial statement of Seafco and subsidiaries of the three-month and six-month period in year 2007 were 382.48 million baht and 1,489.78 million baht comparing with 835.75 million baht and 1,676.28 million baht in the 2006, decreasing 54.24% in three-month period and decreasing 11.13% in nine-month period as the three-month period and nine-month period in 2007 company handed less the work within contractual time comparing with three-month and nine-month period in year 2006.
2. In Seafco financial statement, the company's net loss of the three-month period in year 2007 was (32.36) million baht while the company's net profit of nine-month period was 6.49 million baht, the company's net profit of three-month and nine-month period in year 2006 was 72.02 million baht and 132.30 million baht accordingly. In year 2007, the consolidated financial statement showed net loss (31.62) million baht for three month period and net profit 7.03 million baht for nine-month period. In year 2006, the consolidated financial statement showed net profit 72 million baht for three-month period and net profit 132.21 million baht for nine-month period. The reason of net loss is that the company had provision of doubtful account total amount 17.14 million baht in three-month period in year 2007 and total amount 47.14 million baht in nine-month period for Instyle Estate Ekkamai Company Limited, the company's customer, who had failed to pay outstanding on time.

For your information.

Sincerely yours,

SEAFKO PUBLIC COMPANY LIMITED.

(Mr. Narong Thasnanipan)

President