

Ref.: SEAFCO-07-018

Date: August 14, 2007.

Subject: Notification about the operation of the second quarter ended June 30, 2007

Attention: President

Stock Exchange of Thailand

The Seafco Public Company Limited would like to report that starting from the second quarter ended June 30, 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 June 30, 2007 showed net loss 21.52 million baht, while there was net loss 21.34 million baht in Seafco financial statement. The difference of net loss between consolidated financial statement and Seafco financial statement is 0.18 million baht. For the six-month period ended June 30, 2007, the consolidated financial statement showed net profit 38.65 million baht while there was net profit 38.84 million baht in the Seafco financial statement. The difference of net profit between consolidated financial statement and Seafco financial statement is 0.19 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 June 30, 2007 net investment value in subsidiaries company using the cost method was 1.80 million baht which was different to net investment value of the year ended December 31, 2006 (after adjustment) 10,769 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 June 30, 2007 was adjusted by using the cost method equal to 609.34 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 second quarter ended June 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 six-month period in year 2007 was 397.40 million baht and 1,107.09 million baht comparing with 438.78 million baht and 840.53 million baht in the 2006, decreasing 9.43% in three-month period and increasing 31.71% in six-month period. Consolidated financial statement of Seafco and subsidiaries of the three-month and six-month period in year 2007 were 397.40 million baht and 1,107.30 million baht comparing with 438.78 million baht and 840.53 million baht in the 2006, decreasing 9.43% in three-month period and increasing 31.73% in six-month period as the three-month period in 2007 company handed less the work within contractual time three-month period in year 2006. But six-month period in year 2007 company handed over the work within contractual time in year 2006.
2. In Seafco financial statement, the company's net loss of the three-month period in year 2007 was (21.34) million baht while the company's net profit of six-month period was 38.84 million baht, the company's net profit of three-month and six-month period in year 2006 was 28.45 million baht and 60.27 million baht accordingly. In year 2007, the consolidated financial statement showed net loss (21.52) million baht for three month period and net profit 38.65 million baht for six-month period. In year 2006, the consolidated financial statement showed net profit 28.42 million baht for three-month period and net profit 60.21 million baht for six-month period. The reason of net loss in three-month period in year 2007 is that in second quarter the company had provision of doubtful account total amount 30 million baht 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