

Annual Report

2011

รายงานประจำปี 2554

35th Anniversary

SURAPON FOODS

YOUR TOTAL QUALITY



35th Anniversary

www.surapon.com



Your Total Quality

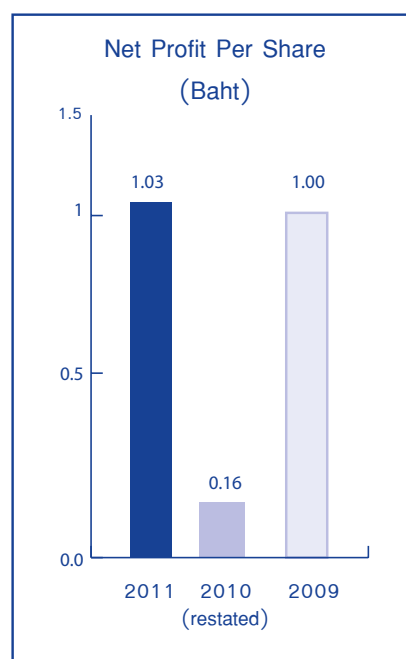
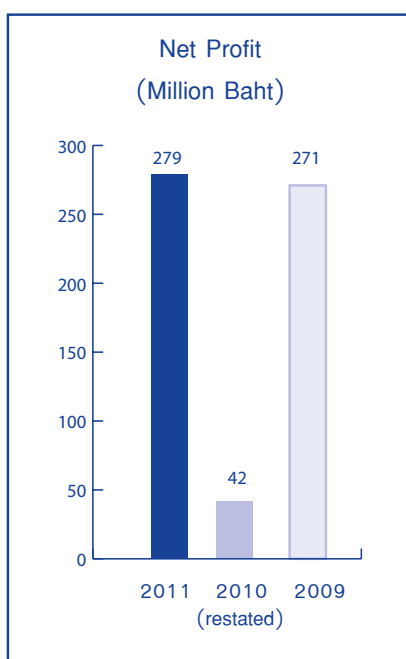
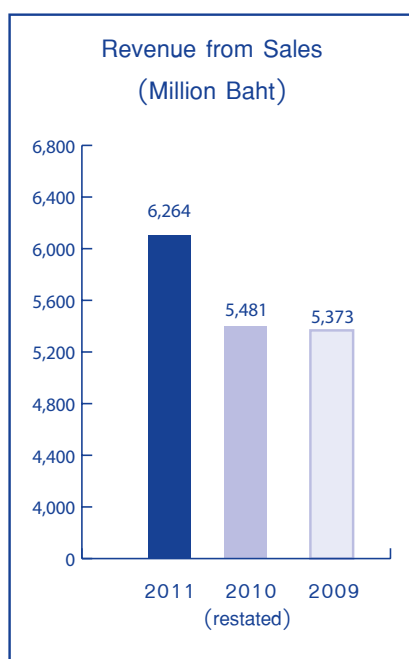
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Financial Highlight

Unit : Million Baht

	2011	2010	2009
Total Assets	3,047.37	2,903.65	2,427.37
Total Liabilities	1,029.31	1,112.20	425.29
Total Equity	2,018.06	1,791.45	2,002.08
Revenue from Sales	6,264.09	5,481.26	5,373.31
Total Revenue	6,354.42	5,592.07	5,487.92
Gross Profit	910.26	493.68	728.15
Net Profit	279.29	42.11	271.31
<u>Financial Ratio</u>			
Net Profit Margin (%)	4.40	0.75	4.94
Return on Equity (%)	14.66	2.22	14.20
Return on Asset (%)	9.39	1.58	11.15
Net Profit per Share (Baht)	1.03	0.16	1.00
Book Value per Share (Baht)	7.47	6.64	7.42



Message from Chairman and Chief Executive Officer

In 2011, the overall performance of the food industry, the frozen food industry, and the frozen seafood industry in Thailand experienced growths from 2010. The Company and its subsidiaries' performance also posted satisfied results which were in line with the industry's growth. Because of the Company's determined commitment to deliver the best quality products and services to all the customers, the Company was able to successfully push both its export and domestic revenue figures. In addition, the Company's continuously stress on the significance of process efficiencies coupled with the cost effectiveness mindset in all the activities along the value chain allowed the Company to gain competitive edge in the markets.

Apart from persistent efforts in expanding existing businesses, the Company also pays great importance to corporate governance and to responsibility of the stakeholders. In 2011, the Company authorized and publicized its first corporate social responsibility policy along with increased efficiency in risk management, and internal audit and control in all of the activities.

The year 2012 will mark the Company's 35th anniversary. The Company will always continue to strive for sustainable growth and returns while upholding the best interests of all the shareholders and the stakeholders under the strong commitment to deliver the best quality products and services under the Company's mission, "Your Total Quality."

Lastly, as the representatives of the Company's Board of Directors, Management Team, and Employees, we would like to thank you for your kind support and we hope that we will always continuously receive this strong support in the future.

Bangkok on February 29, 2012



(Mr. Kosol Chantikul)

Chairman



(Mr. Surapon Vongvadhanaroj)

Chief Executive Officer

General Information

(Information as of January 4, 2012)

Name	: Surapon Foods Public Company Limited
Address	: 247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Tel	: Head Office : +66-2-385-3038-54 Company Secretary : +66-2-385-3038-54 ext. 561 Investor Relation : +66-2-385-3038-54 ext. 215
Fax	: +66-2-385-3179
Company Registration Number	: 0107537000661
Website	: www.surapon.com
Type of Business	: Manufacturing and Distribution of Frozen Foods
Stock Symbol	: SSF
Registered Capital	: 270,000,000 Baht
Paid up Capital	: 269,999,000 Baht
Par Value	: 1.00 Baht per share
Ending period	: December 31

Summary Information of Subsidiary Company and Other Investments

Subsidiary Company (SSF has shareholding more than 50% of paid up capital)

1. Surat Seafoods Co., Ltd. (SS)

Address	: 247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Type of Business	: Processor and Exporter of Frozen Seafoods
Contact	: Tel: +66-2-385-3038-54 Fax: +66-2-385-3176
Registered Capital	: 40,000,000 Baht
Shareholding by SSF	: 94.28%

2. Surapon Aquaculture Co., Ltd. (SAC)

Address	: 247 Moo1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Type of Business	: Shrimp Farm
Contact	: Tel: +66-2-385-3038-54 Fax: +66-2-385-3176
Registered Capital	: 85,000,000 Baht
Shareholding by SSF	: 99.99%

3. Chantaburi Marine Farm Co., Ltd. (CHAMF)

Address	: 247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Type of Business	: Shrimp Farm
Contact	: Tel: +66-2-385-3038-54 Fax: +66-2-385-3176
Registered Capital	: 92,750,000 Baht
Shareholding by SSF	: 94.57%

4. Punpin Co., Ltd. (PP)

Address	: 247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Type of Business	: Manufacturing and Distribution of Food Products
Contact	: Tel: +66-2-385-3038-54 Fax: +66-2-385-3176
Registered Capital	: 60,000,000 Baht
Shareholding by SSF	: 100%

5. Champion Foods Co., Ltd. (CHAMPION)

Address	: 589/131 Bangna-Trad Road, Bangna Sub-district, Bangna District, Bangkok 10260, Thailand
Type of Business	: Restaurant
Contact	: Tel: +66-2-745-6270 Fax: +66-2-745-6272
Registered Capital	: 50,000,000 Baht
Shareholding by PP	: 51%

Related Company (SSF has shareholding between 20% to 50% of paid up capital)

1. Surapon Nichirei Foods Co., Ltd. (SUNIF)

Address	: 22/5 Moo 4 Theparak Road, Bangpleeyai Sub-district, Bangplee District, Samutprakarn 10540, Thailand
Type of Business	: Processor and Distributor of Frozen Foods
Contact	: Tel: +66-2-385-5021-4 Fax: +66-2-385-5119
Registered Capital	: 100,000,000 Baht
Shareholding by SSF	: 49%

2. BJC Marine Resources Development Co., Ltd. (BMRD)

Address	: 247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Type of Business	: Shrimp Farm
Contact	: Tel: +66-2-385-3038-54 Fax: +66-2-385-3176
Registered Capital	: 100,000,000 Baht
Shareholding by SSF	: 50%

3. Independent Consultant Co., Ltd. (ICC)

Address	: 1168/75 Lumpini Tower 26 th Floor, Rama IV Road, Bangkok 10120, Thailand	
Type of Business	: Insurance Broker	
Contact	: Tel: +66-2-679-8184	Fax: +66-2-285-6428
Registered Capital	: 2,000,000 Baht	
Shareholding by SSF	: 20%	

The Company which SSF has shareholding between 10.00% to 19.99% of paid up capital)

1. Sampo Japan Insurance (Thailand) Co., Ltd. (SOMPO)

Address	: 990 Abdulrahim Place 12 th Floor, Rama IV Road, Bangkok 10500, Thailand	
Type of Business	: Insurance	
Contact	: Tel: +66-2-636-2333	Fax: +66-2-636-2340
Registered Capital	: 300,000,000 Baht	
Shareholding by SSF	: 19%	

Reference**1. Security Registrar**

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building, 4th, 7th Floor,
Rachadapisek Road, Klongtoey, Bangkok 10110
Tel: +66-2-2292800 Fax: +66-2-6545599

2. Auditor

Ms. Bongkot Amsageam, CPA License No. 3684
KPMG Phoomchai Audit Co., Ltd.
Empire Tower, 22nd Floor, 195 South Sathorn Road,
Sathorn, Bangkok 10120
Tel: +66-2-677-2000 Fax: +66-2-677-2222

3. Bankers

Kasikorn Bank Public Company Limited
Bangkok Bank Public Company Limited
Siam Commercial Bank Public Company Limited

Board of Directors and Executives

Board of Directors

(Information as of January 4, 2012)

1. Mr. Kosol Chantikul

Age 65 Years
Position in the Company Independent Director and Chairman



Education	<ul style="list-style-type: none"> • Master Degree in Law, University of Sydney, Australia • Master Degree in Law, Chulalongkorn Univeristy • Bachelor Degree in Law, Thammasat University
Training on Directorship	<ul style="list-style-type: none"> • DCP class 18/2002 Thai Institute of Directors Association (IOD) • The Role of Chairman Program class 13/2006 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	No
Other Positions	<ul style="list-style-type: none"> • Independent Director, United Securities PLC. • Legal Advisor, Team Group of Companies Co.,Ltd. • Director, Unipalm Industry Co., Ltd. • Legal Advisor, HNP Counsellors Limited
Amount of Shareholding	0 Share
Share increasing/decreasing last year	0 Share
Qualification for Independent Directors	Qualifications are conformed with the qualification of Independent Directors as announced by the Stock Exchange of Thailand, The Securities and Exchange Commission and The Company's policy on nomination of Directors
Dispute	No

2. Mr. Surapon Vongvadhanaroj

Age 66 Years

Position in the Company Director, Executive Committee,
Nomination and Remuneration Committee
and Chief Executive Officer



Education	<ul style="list-style-type: none"> • Master Degree in Political Economics, Chulalongkorn University • Bachelor Degree in Political Science, Ramkamhaeng University
Training on Directorship	<ul style="list-style-type: none"> • Role of the Chairman Program (RCP) class 7/2002 Thai Institute of Directors Association (IOD) • DCP class 41/2004 Thai Institute of Directors Association (IOD) • Developing Corporate Governance Policy 2008 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	<ul style="list-style-type: none"> • Chairman, Surat Seafoods Co., Ltd. • Chairman, Surapon Nichirei Foods Co., Ltd. • Chairman, Sompoo Japan Insurance (Thailand) Co., Ltd. • Chairman, Surapon Aquaculture Co., Ltd. • Director, Chantaburi Marine Farm Co., Ltd.
Other Positions	<ul style="list-style-type: none"> • Advisor to the Board of Directors and Director, The Thai National Shippers' Council • Director, Board of Trade of Thailand • Honorary Advisor, National Food Committee • Honorary Advisor, National Food Institute Committee
Amount of Shareholding	105,441,750 Shares (39.05%)
Share increasing/decreasing last year	0 Share
Dispute	No

3. Mr. Sithichai Kraisithisrin

Age 67 Years

Position in the Company Director, Corporate Governance Committee



Education	<ul style="list-style-type: none"> • Master Degree in Business Administration, Chulalongkorn University • Bachelor Degree in Political Science, Chulalongkorn University
Training on Directorship	DCP class 5/2001 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	<ul style="list-style-type: none"> • Director and Advisor, Surapon Nichirei Foods Co., Ltd. • Director, Surat Seafoods Co., Ltd. • Director, Surapon Aquaculture Co., Ltd. • Director, Chantaburi Marine Farm Co., Ltd.
Other Positions	Director, Lighting and Equipment Public Company Limited
Amount of Shareholding	32,436,000 Shares (12.01%)
Share increasing/decreasing last year	0 Share
Dispute	No

4. Mr. Chokchai Jiengwareewong

Age 67 Years

Position in the Company Director, Executive Committee, Chairman of Nomination and Remuneration Committee, Chairman of Risk Management Committee



Education	High School, Amnuaysilpa School
Training on Directorship	DAP class 6/2003 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	<ul style="list-style-type: none"> • Director, Surat Seafoods Co., Ltd. • Director, Surapon Aquaculture Co., Ltd. • Director, Chantaburi Marine Farm Co., Ltd.
Amount of Shareholding	30,615,000 Shares (11.34%)
Share increasing/decreasing last year	0 Share
Dispute	No

5. Mrs. Boonperm Jamtiranat

Age 63 Years

Position in the Company Independent Director, Chairman of Corporate Governance Committee and Audit Committee



Education	Bachelor Degree in Accounting, Chulalongkorn University
Training on Directorship	DCP class 81/2006 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	No
Other Positions	<ul style="list-style-type: none"> • Independent Director and Chairman of Audit Committee, Noble Development Public Company Limited • Director, Noble Estate Co., Ltd • Independent Director and Chairman of Audit Committee Rian Thai Interplas Co., Ltd.
Amount of Shareholding	0 Share
Share increasing/decreasing last year	0 Share
Qualification for Independent Directors	<ul style="list-style-type: none"> • Qualifications are conformed with the qualification of Independent Directors as announced by the Stock Exchange of Thailand, The Securities and Exchange Commission and The Company's policy on nomination of directors. • Has adequate expertise and experience to review creditability of the financial reports
Dispute	No

6. Mr. Adul Amatavivadhana

Age 73 Years

Position in the Company Independent Director, Corporate Governance Committee and Nomination and Remuneration Committee



Education	<ul style="list-style-type: none"> • Ph.D. in Chemical Engineering, London University, United Kingdom • Bachelor Degree in Chemical Engineering, London University, United Kingdom
Training on Directorship	DAP class 30/2004 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	No
Other Positions	<ul style="list-style-type: none"> • Director and Chairman of Audit Committee, DRACO PCB Public Company Limited. • Director and Chairman of Audit Committee, Thai O.P.P. Public Company Limited.
Amount of Shareholding	0 Share
Share increasing/decreasing last year	0 Share
Qualification for Independent Directors	Qualifications are conformed with the qualification of Independent Directors as announced by the Stock Exchange of Thailand, The Securities and Exchange Commission and The Company's policy on nomination of directors
Dispute	No

7. Mr. Pisanu Rienmahasarn

Age 63 Years

Position in the Company Independent Director and Audit Committee



Education	<ul style="list-style-type: none"> • Master Degree in Economics, Duke University, USA. • Bachelor Degree in Economics, Thammasat University
Training on Directorship	DAP class 80/2009 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	No
Other Positions	Audit and Evaluation Committee to the Thai Ministry of Commerce
Amount of Shareholding	0 Share
Share increasing/decreasing last year	0 Share
Qualification for Independent Directors	Qualifications are conformed with the qualification of Independent Directors as announced by the Stock Exchange of Thailand, The Securities and Exchange Commission and The Company's policy on nomination of directors
Dispute	No

8. Mr. Sathaporn Kotheeranurak

Age 55 Years

Position in the Company Independent Director and Chairman of Audit Committee



Education	<ul style="list-style-type: none"> • Master Degree in Business Administration, Chulalongkorn University • Advanced Certificate in Accounting, Thammasat University • Bachelor Degree in Accounting, Rajamangala University of Technology
Training on Directorship	DAP class 35/2005 Thai Institute of Directors Association (IOD)
Position in Subsidiaries	No
Other Positions	<ul style="list-style-type: none"> • Independent Director and Audit Committee, Kunkul Engineering PLC. • Independent Director and Audit Committee, Star Sanitaryware PLC. • Managing Director, DBMT Co., Ltd
Amount of Shareholding	0 Share
Share increasing/decreasing last year	0 Share
Qualification for Independent Directors	<ul style="list-style-type: none"> • Qualifications are conformed with the qualification of Independent Directors as announced by the Stock Exchange of Thailand, The Securities and Exchange Commission and The Company's policy on nomination of Directors • Has adequate expertise and experience to review creditability of the financial reports
Dispute	No

9. Mr. Paiboon Kangvonkit

Age 44 Years

Position in the Company Director, Executive Committee and Risk Management Committee



Education

- Master Degree in International Trade, Texas A&M International University, USA.
- Bachelor Degree in Accounting, The University of Thai Chamber of Commerce

Training on Directorship

- DAP class 75/2010 Thai Institute of Directors Association (IOD)
- DCP class 148/2011 Thai Institute of Directors Association (IOD)

Position in Subsidiaries Director and President, Surapon Nichirei Foods Co., Ltd.

Amount of Shareholding 0 Share

Share increasing/decreasing last year 0 Share

Dispute No

10. Miss Malai Wongwatroj

Age 56 Years

Position in the Company Director, Executive Committee, Risk Management Committee



Education Bachelor Degree in International Marketing, Baruch College, USA.

Training on Directorship DCP class 135/2010 Thai Institute of Directors Association (IOD)

Position in Subsidiaries Director, Surat Seafoods Co., Ltd.

Amount of Shareholding 12,000 Shares (0.01%)

Share increasing/decreasing last year 0 Share

Dispute No

Executives

(Information as of January 4, 2012)

1. Mr. Surapon Vongvadhanaroj

Age	66 Years
Education	<ul style="list-style-type: none"> • Master Degree in Political Economics, Chulalongkorn University • Bachelor Degree in Political Science, Ramkamhaeng University
Position in the Company	Chief Executive Officer
Position in Subsidiaries	<ul style="list-style-type: none"> • Chairman, Surat Seafoods Co., Ltd. • Chairman, Surapon Nichirei Foods Co., Ltd. • Chairman, Sompoo Japan Insurance (Thailand) Co., Ltd. • Chairman, Surapon Aquaculture Co., Ltd. • Director, Chantaburi Marine Farm Co., Ltd.
Amount of Shareholding	105,441,750 Shares (39.05%)
Share increasing/decreasing last year	0 Share

2. Mrs. Soranee Ung

Age	37 Years
Education	<ul style="list-style-type: none"> • Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor Degree in Finance, Boston College, USA.
Training on Directorship	DCP 118/2009 Thai Institute of Directors Association (IOD)
Position in the Company	General Manager – Business Development Group
Position in Subsidiaries	<ul style="list-style-type: none"> • Director, Surapon Nichirei Foods Co., Ltd. • Director, Punpin Co., Ltd. • Director and Chairman, Champion Foods Co., Ltd.
Amount of Shareholding	747,300 Shares (0.28%)
Share increasing/decreasing last year	0 Share

3. Mr. Supakorn Ruangsin

Age	39 Years
Education	Bachelor Degree in Food Science and Technology, Suan Dusit Rajabhat University
Position in the Company	General Manager – Frozen Seafoods Group
Position in Subsidiaries	Director, Surat Seafoods Co., Ltd.
Amount of Shareholding	0 Share
Share increasing/decreasing last year	0 Share

4. Mr. Thomas Ung

Age	41 Years
Education	Bachelor Degree in Sociology, Polhems Skolan College, Sweden
Position in the Company	General Manager – Frozen Food Group
Position in Subsidiaries	No
Amount of Shareholding	0 Share
Share increasing/ decreasing last year	0 Share

5. Mr. Sorapon Vongvadhanaroj

Age	30 Years
Education	<ul style="list-style-type: none"> • Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor Degree in Business Administration, Babson College, USA.
Position in the Company	General Manager – Finance and Corporate Services Group
Position in Subsidiaries	<ul style="list-style-type: none"> • Director, Surat Seafoods Co., Ltd. • Director, Surapon Aquaculture Co., Ltd.
Amount of Shareholding	1,582,000 Shares (0.59%)
Share increasing/decreasing last year	0 Share

6. Miss Silawan Kraisithsirin

Age	33 Years
Education	<ul style="list-style-type: none"> • Master Degree in Accounting, University of Virginia, USA. • Bachelor Degree in Business Administration, Babson College, USA.
Position in the Company	Corporate Finance and Accounting Manager
Position in Subsidiaries	<ul style="list-style-type: none"> • Director, Punpin Co., Ltd. • Director, Champion Foods Co., Ltd.
Amount of Shareholding	1,000,000 Shares (0.34%)
Share increasing/ decreasing last year	0 Shares

Company Secretary

Mr. Somnuk Somchaikulsup

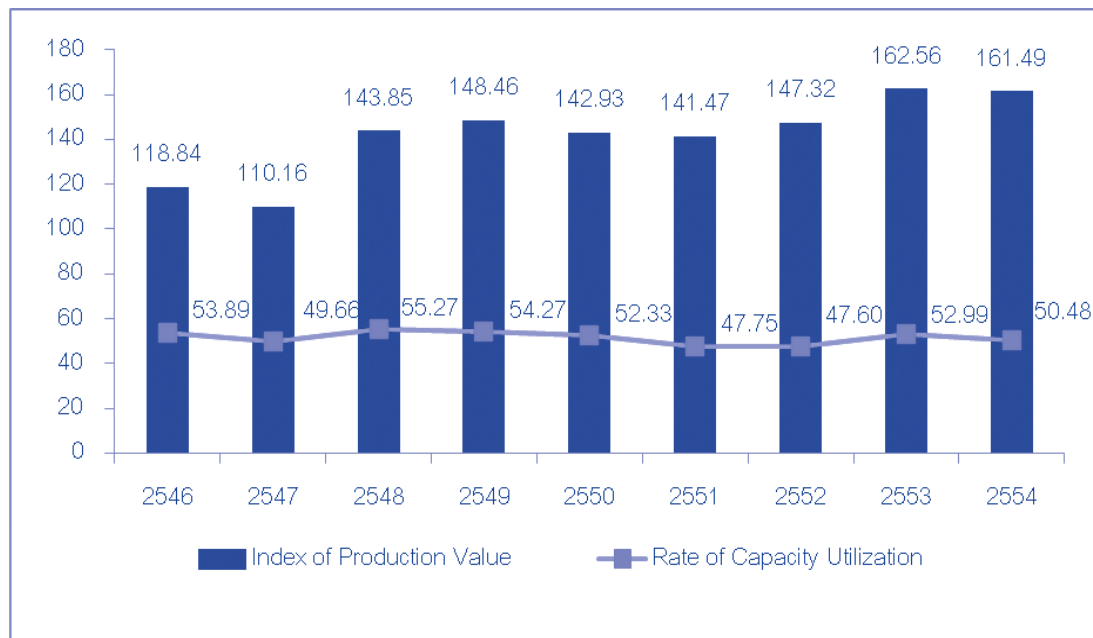
Education	<ul style="list-style-type: none"> • Master Degree in Economics, Thammasat University • Bachelor Degree in Economics, Thammasat University
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Business Type

Overall Industry and Competition

Production Situation

Overall processed seafood production in the year 2011 is almost equivalent to the year 2010. Data from the Ministry of Industry indicated that index of production value of processed seafood product for the first 11 months of 2011 was 161.49, while the year 2010 was at 162.56. The capacity utilization rate for the first 11 months of 2011 marked at 50.48% while year 2010 at 52.99%



Remarks : 1. The based year is year 2000 which index is equal to 100
2. Data for the year 2011 is preliminary data for the period of Jan.-Nov.

Source : Ministry of Industry

Sales Situation

Frozen and processed seafood industry relies on export market more than domestic market. Shrimp is the major raw material with the highest production and sales in the frozen and processed seafood business. Products, which are mainly produced from shrimp, can be categorized in 2 main product groups – fresh chilled/frozen shrimp and processed frozen shrimp.

Export value of Thai fresh chilled/frozen shrimp for the year 2011 was 52,088 million Baht, 1.76% decrease from the year 2010. USA is the Thai's largest export market, accounted for 41.86% of total export value of fresh chilled/frozen shrimp. Other Thai main export markets are Japan and Europe, accounted for 21.08% and 15.04% respectively. The proportion of export to USA decreased whereas the proportion of export to other main countries increased.

Export market of Thai chilled/frozen shrimp products

Countries	Value (Million Baht)			Growth (%)		Proportion (%)	
	2009	2010	2011	2010	2011	2010	2011
U.S.A.	20,728	23,976	21,805	15.67	-9.06	45.22	41.86
Japan	9,215	10,377	11,353	12.67	9.41	19.57	21.80
E.U.	6,109	7,612	7,835	24.61	2.93	14.36	15.04
ASEAN	1,298	1,318	1,672	1.59	26.84	2.49	3.21
Others	8,749	9,740	9,423	11.33	-3.25	18.37	18.09
Total	46,099	53,023	52,088	15.05	-1.76	100.00	100.00

Source : The Office of Permanent Secretary, Ministry of Commerce in cooperation with Department of Customs

Export value of Thai processed shrimp products for the year 2011 was 54,606 million Baht, 25.64% higher than the year 2010. USA is the Thai's largest export market, accounted for 50.88% of total export value of processed frozen shrimp. Other Thai main export markets are Japan and Europe, accounted for 22.91% and 14.34% respectively.

Export market of Thai processed shrimp products

Countries	Value (Million Baht)			Growth (%)		Proportion (%)	
	2009	2010	2011	2010	2011	2010	2011
U.S.A.	22,248	21,722	27,785	-2.37	27.91	49.98	50.88
Japan	8,969	9,460	12,510	5.48	32.23	21.77	22.91
E.U.	5,801	6,996	7,829	20.60	11.90	16.10	14.34
ASEAN	89	90	92	1.29	2.43	0.21	0.17
Others	4,846	5,195	6,390	7.20	23.00	11.95	11.70
Total	41,953	43,463	54,606	3.60	25.64	100.00	100.00

Source : The Office of Permanent Secretary, Ministry of Commerce in cooperation with Department of Customs

In summary, the sale situation of Thai shrimp business in 2011 continued to grow from 2010. The main driver of the sale growth comes from the sale expansion of processed shrimp products.

Structure of Revenue

Revenue from Sales by Sale Channels and Companies for the past 3 years

Sale Channel	Company	% Shareholding by SSF	2011		2010		2009	
			Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Value of Export Sale	SSF		1,477,607	22.36	1,293,308	22.34	1,378,065	24.05
	SS	94.28%	942,805	14.27	943,260	16.29	931,649	16.26
	SUNIF	49%	3,290,530	49.79	2,762,096	47.71	2,692,709	47.00
Value of Domestic Sale	SSF		603,455	9.13	556,672	9.61	450,059	7.86
	SS	94.28%	287,807	4.36	224,428	3.88	269,886	4.71
	SUNIF	49%	6,404	0.10	9,926	0.17	6,819	0.12
Total Sales Value			6,608,608	100.00	5,789,690	100.00	5,729,187	100.00

Note : (1) The Sale figure is shown only in the Company's Separate Financial Statement

(2) SSF = Surapon Foods PLC.

SS = Surat Seafoods Co., Ltd.

SUNIF = Surapon Nichirei Foods Co., Ltd.

Overall Business and Important Changes

Surapon Foods Public Company Limited was established in 1977 under the name of Surapon Seafoods Co., Ltd. The Company was the first frozen food manufacturer listed in the Stock Exchange of Thailand. In the first stage, the main products were frozen seafood. In 1996, the Company has renamed from “Surapon Seafoods Public Co., Ltd.” to “Surapon Foods Public Co., Ltd.” in the order to reflect business diversification into both frozen seafood and frozen non-seafood products.

We are manufacturer and distributor of various frozen foods which include frozen Ready-to-cook and Ready-to-eat products. Our production processes have been internationally accredited by GMP, BRC, HACCP, HALAL and etc. These international standards demonstrate high level of trustworthy in safety, quality and traceability in our food products.

The Company has invested and established the other subsidiaries company in various businesses such as frozen food business under the name of Surat Seafoods Co., Ltd., Surapon Nichirei Foods Co., Ltd. and Punpin Co., Ltd. Sompoo Japan Insurance (Thailand) Co., Ltd. and Independent Consultant Co., Ltd. as insurance business, and Champion Foods Co., Ltd. as restaurant business.

In year 2011, the Company and Subsidiaries have important changes as follow :-

Surapon Foods Public Co., Ltd.

1. To solve the labor shortage and higher labor cost, The Company has invested in more machinery especially in Theparak plant for the benefits of cost and quality control, and waste/loss reduction. Kabinburi plant is our second plant after Surat Seafoods plant who hired the foreign workers whose register with the Ministry of Labor. The Company has equal treatment policy for all Thai and Foreign workers.

2. To move the business forward, The Company has been pushing forward sale to Asian Market in parallel with other markets. In 2011, the Company can increase number of partnership countries in Asia.

3. The Company established a sale unit in Pattaya for expanding sales and delivery channel in Pattaya and neighboring areas.

4. The Company has publicized CSR policy and has taken part to be the alliance of Private Sector Collective Action Coalition Against Corruption.

Subsidiary and Related Companies

1. Champion Foods Co., Ltd. has expanded its business to the second branch at Central City Bangna. The first branch is located at K Village, Sukhumvit 26.

2. Champion Foods Co., Ltd. has called the additional share payment for another 25 million baht. The total of registered and paid up capital would be 50 million baht. Besides, Punpin Co., Ltd. has called the additional share payment for another 15 million baht. The total of paid-up capital would be 30.15 million baht. The main objective of calling of additional share payment is to expand the business.

3. Surapon Aquaculture Co., Ltd. has been studying the shrimp cultivation business. The result of study would be the supporting data for our future business plan to utilize the existing assets.

4. Surat Seafoods Co., Ltd. was affected from the flood situation. The plant stopped its operation temporarily. However, there was no substantial damage due to the Company prepared the preventive and corrective plans to solve the problem. All damages are under insurance coverage.

5. The Shareholder of Sompo Japan Insurance (Thailand) Co., Ltd. offered to buy all shares held by Surapon Foods Public Co., Ltd. As of December 31, 2011, the discussion is on the process by concerning all required laws and regulations. In addition, the Company submitted the important information to SET on December 15, 2011 in order to circulate to all Shareholders for their acknowledgment.

Risk Management

The Company is aware of business risks both internal and external. The Company has implemented and specified the method to manage the business risk as follows:-

1. Risk from Fluctuation of Foreign Exchange

Since the Company's revenue mainly derives from export, fluctuation in foreign exchange has inevitably affected the Company's performance.

Risk Management

Closer monitoring of the exchange rate is exercised. A clear policy fits to take care and protect against the risk arisen in any interval via various financial instruments such as forwarding, direct hedge, and foreign exchange option are also in place. Furthermore, the Company tries to diversify sales in several currencies fit for each customer group in every country. These implementations are done through the zero speculation policy.

2. Risk from International Trade Regulation

Stringent quality standards and regulations are imposed more and more. One by one; non-trade regulations and methodologies such as food safety, labor protection, and welfare are being introduced and penetrated to international trade; along with the rising of health consciousness. Unable to cope with these trade obstacles could reduce the competitiveness as well as lose of sales opportunity.

Risk Management

Constantly monitor and update trade regulations and laws on the imported countries, the Company assigns the working team to follow up, analyze impacts and purpose actions to the Company. In addition, the team monitors, communicates and exchanges information with relevant agencies/organizations – public and private as well as overseas business alliances, which helps the Company to access information and then the Company can quickly develop as well as control the business processes to meet the standards and regulations.

3. Risk from Fluctuation of Raw Materials

The raw materials required are from agriculture and fisheries, and largely depended on natural conditions and natural constraints in both domestic and other countries. Fluctuation in both price and quantity is common and could affect to business.

Risk Management

Enhance competency of procurement department – to keep raw material information updated, as well as analyze data in order to consider the keeping of raw material stock for production during the shortage of raw material. The Company joins forces with business alliance – shrimp suppliers, contract farming as well as communicates essential information and exchanges up-to-date situations with suppliers

to manage raw materials shortage problem and to ensure customer's confidence in quality of shrimps. Besides, The Company is sourcing for substitution of raw material to reduce business risk from shortage problem.

4. Risk from Labor Shortage and Higher Labor Cost

Labor shortage including higher labor cost and welfare are affecting to current overall cost of production and cost of goods.

Risk Management

The Company has more invested in machinery to work jointly with labors for cost controlling and waste reduction. The action plans to increase labor productivity has also implemented. Besides, The Company also hired the legal foreign workers who registered with the Ministry of Labor. The Company has equal treatment policy for all Thai and Foreign Labors.

Structure of Shareholders and Management

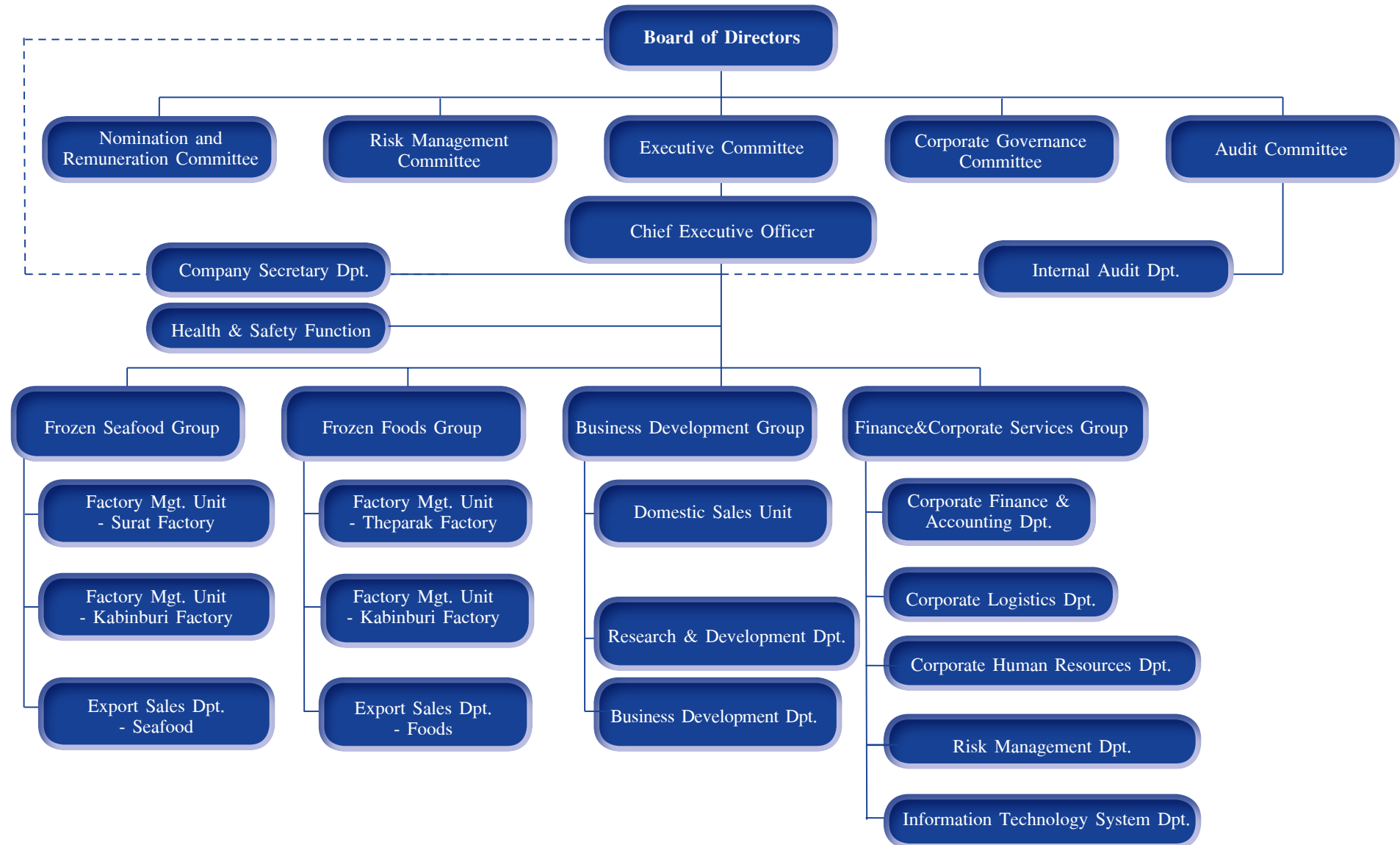
Common Stock = 269,999,000 shares (Par value = 1 Baht)

	Name of Shareholders	No. of Share	Proportion of Shareholding (%)
1.	Mr. Surapon Vongvadhanaroj	105,441,750	39.05
2.	Mr. Sithichai Kraisithisirin	32,436,000	12.01
3.	Mr. Chokchai Jiengwareewong	30,615,000	11.34
4.	Mr. Aryuth Chansetikul	11,249,900	4.17
5.	Mrs. Sukanya Vongvadhanaroj	6,957,000	2.58
6.	Mr. Thanatip Pichetvanichchok	5,156,000	1.91
7.	CREDIT SUISSE AG SINGAPORE BRANCH	5,000,000	1.85
8.	Miss Woraran Taepaisitpong	5,000,000	1.85
9.	HSBC PRIVATE BANK (SUISSE) SA, HONG KONG BRANCH	3,915,720	1.45
10.	Thai NVDR Co., Ltd.	3,755,600	1.39

Source: Thailand Securities Depository Co., Ltd (Information as of December 26, 2011)

Structure of Management

(Effective : January 1, 2012)



Structure of Board of Directors

The Board of Directors assigns 5 Sub-committees for specific matters. The Sub-committees comprise of the Audit Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee, the Executive Committee and the Risk Management Committee.

1. The Board of Directors

Duties and Responsibilities of the Board of Directors

The Board has authority and responsibilities to supervise the Company's operation and management to meet the Company's target in accordance with the objectives of the Company, Articles of Association, resolutions of the Shareholders' meeting, resolutions of the Board of Directors' meeting, and related regulations. In addition, the Board is committed to work by concerning fiduciary duties – loyalty, care and disclosure.

As of December 31, 2011, the Board of Directors consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2011
1.	Mr.Kosol Chantikul	Chairman and Independent Director	6/6
2.	Mr.Surapon Vongvadhanaroj	Director	6/6
3.	Mr.Sithichai Kraisithisirin	Director	6/6
4.	Mr.Chokchai Jiengwareewong	Director	6/6
5.	Mrs.Boonperm Jiamtiranat	Independent Director	6/6
6.	Mr.Adul Amatavivadhana	Independent Director	4/6
7.	Mr.Pisanu Rienmahasarn	Independent Director	6/6
8.	Mr.Sathaporn Kotheeranurak	Independent Director	6/6
9.	Mr.Paiboon Kangvonkit	Director	6/6
10.	Miss Malai Wongwatroj	Director	6/6

Thereby, Mr.Somnuk Somchaikulsup carries out duties as Secretary of the Board of Directors

2. The Audit Committee

Duties and Responsibilities of the Audit Committee

The Audit Committee's responsibilities are to review the Company's operation to be in line with the Company's policies and Articles of Association as well as to be complied with relevant rules and regulations. The Committee supports the development of report system on financial and accounting recording in comply with international standard. In addition, the Committee is responsible for reviewing the Company's internal control system, internal audit system, and the risk management system that they are appropriate and efficient. The Committee is independent and be able to consult any matter with outside advisors. The Committee has to convene the meeting with Certified Public Accountant without the Management.

As of December 31, 2011, the Audit Committee consists of the following persons:

Name - Surname	Position	No. of the meeting attended in 2011
1. Mr.Sathaporn Kotheeranurak ⁽¹⁾	Chairman	5/5
2. Mrs.Boonperm Jiamtiranat ⁽¹⁾	Director	5/5
3. Mr.Pisanu Rienmahasarn	Director	5/5

Thereby, Mrs.Suree Nuntatikul carries out duties as Secretary of the Audit Committee

Remarks : ⁽¹⁾ The Committee no.1 and 2 have adequate expertise and experience to review creditability of the financial report

3. The Corporate Governance Committee

Duties and Responsibilities of the Corporate Governance Committee

The Corporate Governance Committee is responsible for monitoring an implementation of the Corporate Governance Policy

As of December 31, 2011, the Corporate Governance Committee consists of the following persons:

Name - Surname	Position	No. of the meeting attended in 2011
1. Mrs.Boonperm Jiamtiranat	Chairman	4/4
2. Mr.Adul Amatavivadhana	Director	4/4
3. Mr.Sithichai Kraisithisirin	Director	3/4

Thereby, Mr.Somnuk Somchaikulsup carries out duties as Secretary of the Corporate Governance Committee

4. The Nomination and Remuneration Committee

Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for recruitment and selection of qualified candidate as Director and Chief Executive Officer. The Committee's responsibilities are also to convey opinions and views regarding compensation of the directors to the Board of Directors for their approval or proposing to the Shareholders' Meeting. To consider the compensation for the Chief Executive Officer is one of the responsibilities.

As of December 31, 2011, the Nomination and Remuneration Committee consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2011
1.	Mr.Chokchai Jiengwareewong	Chairman	2/2
2.	Mr.Surapon Vongvadhanaroj	Director	2/2
3.	Mr.Adul Amatavivadhana	Director	2/2

Thereby, Mr.Somnuk Somchaikulsup carries out duties as Secretary of the Nomination and Remuneration Committee

5. The Executive Committee

Duties and responsibilities of the Executive Committee

The Board of Directors designated the Executive Committee to assist the Board. The Executive Committee is responsible for supervising the Company's management in accordance with vision and both short-term and long-term policies and goals as well as guidelines for efficient and effective management.

As of December 31, 2011, the Executive Committee consists of the following persons:

Name - Surname		Position
1.	Mr.Surapon Vongvadhanaroj	Chairman
2.	Mr.Chokchai Jiengwareewong	Director
3.	Miss Malai Wongwatroj	Director
4.	Mr.Paiboon Kangvonkit	Director
5.	Mr.Supakorn Ruangsri	Director
6.	Mr.Thomas Ung	Director
7.	Mr.Cherdsak Charoenmongkonsuk	Director

Name - Surname		Position
8. Mr.Montai	Chulatitta	Director
9. Mrs.Soranee	Ung	Director
10. Miss Silawan	Kraisithsirin	Director
11. Mr.Sorapon	Vongvadhanaroj	Director

Thereby, Mr.Somnuk Somchaikulsup carries out duties as Secretary of the Executive Committee

Remark : There is 24 times meeting throughout the year 2011

6. The Risk Management Committee

Duties and Responsibilities of the Risk Management Committee

The Risk Management Committee is responsible for setting and reviewing the risk management system.

As of December 31, 2011, the Risk Management Committee consists of the following persons:

Name - Surname		Position
1. Mr.Chokchai	Jiengwareewong	Chairman
2. Miss Malai	Wongwatroj	Director
3. Mr.Paiboon	Kangvonkit	Director
4. Mr.Supakorn	Ruangsin	Director
5. Mr.Cherdsak	Charoenmongkonsuk	Director
6. Mr.Thomas	Ung	Director
7. Mr.Montai	Chulatitta	Director
8. Mrs.Soranee	Ung	Director
9. Miss Silawan	Kraisithsirin	Director
10. Mr.Sorapon	Vongvadhanaroj	Director

Thereby, Mrs.Vilairat Kamyuang carries out duties as Secretary of the Risk Management Committee

Remark : There is 5 times meeting throughout the year 2011

Details of Directors and Authorized Persons

(as of January 31, 2012)

Name		SSF	Subsidiaries					
			SS	SUNIF	PP	SAC	CHAMF	CHAMPION
Mr. Kosol	Chantikul	///						
Mr. Surapon	Vongvadhanaroj	/, //, X	/, //, ///	/, //, ///		/, //	/, //	
Mr. Sithichai	Kraisithisirin	/, //	/, //	/, //		/, //	/, //	
Mr. Chokchai	Jiengwareewong	/, //	/, //			/, //	/, //	
Mrs. Boonperm	Jiamtiranat	/						
Mr. Adul	Amatavivadhana	/						
Mr. Pisanu	Rienmahasarn	/						
Mr. Sathaporn	Kotheeranurak	/						
Miss Malai	Wongwatroj	/, //	/, //					
Mr. Paiboon	Kangvonkit	/		/, //, X				
Mr. Chatuporn	Watcharanat		/, //, X				/, //	
Mr. Supakorn	Ruangsin		/, //					
Mr. Sorapon	Vongvadhanaroj		/, //			/, //		
Mrs. Soranee	Ung			/, //	/, //			/, //, ///
Miss Silawan	Kraisithsirin				/, //			/, //
Mrs. Soraya	Sorakraikitikul				/, //	/, //		
Mr. Somnuk	Somchaikulsup				/, //			/, //

Note: / = Board of Directors

X = Chief Executive Officer, President

// = Authorized Director

/// = Chairman of the Board of Directors

Explanations of the Abbreviation

SSF	= Surapon Foods Public Company Limited
SS	= Surat Seafoods Company Limited
SUNIF	= Surapon Nichirei Foods Company Limited
PP	= Punpin Company Limited
SAC	= Surapon Aquaculture Company Limited
CHAMF	= Chantaburi Marine Farm Company Limited
CHAMPION	= Champion Foods Company Limited

The above Directors and Executives have all qualifications in accordance with Chapter 6 of the Public Limited Company Act B.E.2535 and Notification of the Securities and Exchange Commission.

Remuneration of Directors and Executives

1. Directors

From the Annual General of Shareholders' Meeting no.34/2011 dated April 5, 2011, the Meeting has passed the resolution to approve the Directors' remuneration totally not exceeding 3,735,000 Baht. The actual amount of payment is 3,515,000 baht.

Name			Board of Directors		Audit Committee		Nomination	Corporate Governance	Total (Baht)
			Retaining Fee	Meeting Allowance	Retaining Fee	Meeting Allowance	Meeting Allowance	Meeting Allowance	
1	Mr.Kosol	Chantikul	960,000	60,000					1,020,000
2	Mr.Surapon	Vongvadhanaroj	180,000	30,000			10,000		220,000
3	Mr.Sithichai	Kraisithisirin	180,000	30,000				10,000	220,000
4	Mr.Chokchai	Jiengwareewong	180,000	30,000			20,000		230,000
5	Mr.Adul	Amatavivadhana	180,000	20,000			10,000	15,000	225,000
6	Mr.Sathaporn	Kotheeranurak	180,000	30,000	180,000	50,000			440,000
7	Mrs.Boonperm	Jamtiranat	180,000	30,000	120,000	25,000		30,000	385,000
8	Mr.Pisanu	Rienmahasarn	180,000	30,000	120,000	25,000			355,000
9	Mr.Pai boon	Kangvonkit	180,000	30,000					210,000
10	Miss Malai	Wongwatroj	180,000	30,000					210,000
Total			2,580,000	320,000	420,000	100,000	40,000	55,000	3,515,000

2. Executives

Remuneration	2011		2010	
	No.of person	Total (Baht)	No.of person	Total (Baht)
Salary	6	27,007,320	8	26,765,793
Bonus	0	0	7	1,095,848
Others Remunerations	6	3,251,400	8	17,493,047
Total	6	30,258,720	8	45,354,688

Note : 1) Bonus payment from the 2011 operation will be paid in January 2012

2) Other remunerations such as gasoline, telephone, per dium, and etc.

Corporate Governance

Surapon Foods Public Company Limited has always put a strong emphasis on the good corporate governance in taking care of all Shareholders' interest. The Board of Director has brought the principle of good corporate governance for listed companies as well as the regulation of Securities and Exchange Commission and all related regulatory institution to be the guideline for the Company's Corporate Governance Policy.

The Company issued the 1st version of Corporate Governance Policy on August 2005 then the Board of Directors improved the Corporate Governance Policy substituting the former policy for 7 times in total. The latest version of the Policy is approved according to the Board meeting no.6/2011 on December 15, 2011. The Company publicizes the Corporate Governance Policy through the Company's website (www.surapon.com). An implementation according to the Corporate Governance Policy can be summarized as the followings:

1. The Board of Directors

1.1 The Board of Directors consists of 10 persons. 3 persons are Executive Director, 2 persons are non Executive Director, 5 persons are Independent Director. Number of Independent Director is all together 5 persons which is in line with the Corporate Governance Policy specified that "The Board shall consist of Independent Director not less than one-third and not less than 3 persons".

1.2 Nomination of Directors will follow the Nomination of Director Policy and will be considered by the Nomination and Remuneration Committee before proposing to Board of Directors and Shareholders. The Company publicizes the Nomination Policy on www.surapon.com. Nominating the Directors, who replace the vacant position before expiring the term in office, will follow the resolution of the Board of Directors. Whereas nominating the Directors, who replace the Director retired by rotation, will follow the resolution of Shareholders. In 2011, there was no nomination of Directors to replace the vacant position before expiring term in office.

1.3 The Company's definition of Independent Directors is the Director who shall not hold the Company's share more than 1% of total issued share. Qualification of Independent Directors must follow the qualification of Audit Committee as specified in the notification of the Stock Exchange of Thailand and all relevant regulatory institutions. Independent Directors must possess knowledge and experience in one of business type such as industry, commerce, service business, law, accounting, finance, public relation, or public administration. Independent Director does not relate to a close relative (for example father, mother, spouse, children, brother, sister, uncle, aunt including spouse's mentions persons) or any executive and major shareholder of the Company and its subsidiaries. Independent Director is not Director who involves management, staff, employee or consultant who received monthly remuneration. In 2011, there was no Independent Director hold the share more than 1% and no Independent Directors have any related business transactions or provide any service professions to the Company, Subsidiaries, Major shareholders or Controlling Person. There are no Independent Directors has any conflict of interest in the position.

1.4 The Directors shall not post in the other listed companies more than 5 companies except the Board of Directors considers that the nominated director possesses knowledge, capability, working experience that would help the Company. Term of the Board of Directors, at every annual general meeting of shareholders, one-thirds of the directors shall retire by rotation. If the member of directors is not a multiple of three then the number nearest to one-third shall retire. Whenever the director is retired by rotation, the director might be reappointed. The Sub-Committee has two year tenure from either the appointed date or the Board's resolution which can be re-appointed after the tenure is completed. In 2011, there was no Director post in the other listed companies more than 5 companies.

1.5 The Board of Directors' meeting must be held at least 6 times a year with the specific agenda distributed in advance and related documents to allow enough time for due consideration. Every Board member has attended the Board meeting more than 80% of total times of the Board meeting held which follow the criteria of Thai Institute of Directors' Association (IOD). Company Secretary will send the agenda and meeting documents to every director not less than 7 days prior to the meeting date except any urgent and/or confidential documents. Evaluation of the meeting has set up in every meeting which follows the criteria of Thai Institute of Directors' Association (IOD). Average score of the Board meeting evaluation in 2011 is 90.78 from 100 which is equivalent to "excellent" level.

1.6 The Board has established 5 sub-committees with responsibility for specific matters. The Board has also set up the sub-committee charter as a guideline to convene the meeting effectively. The Charter must be reviewed at least once in a year. In 2011, The Executive Committee had meeting 24 times, The Audit Committee 5 times, The Nomination and Remuneration Committee 2 times, The Corporate Governance Committee 4 times and The Risk Management Committee 5 times. The quarterly report of all sub-committees will be submitted to the Board of Directors.

1.7 The Board considered the conflict of interest issue with care, fair, and transparent. Disclosure of information with completeness. In case that the Director may have possible conflict with the Company's interest in any matter considered by the Board at any point of time, the director must leave the meeting during which the matter is considered or must not be entitled to vote on such matter and the Board will ask for an opinion from the Independent Director. The Directors and Executives including their related person have to report their possible related transaction according to the form of reporting. In 2011, there was no conflict of interest transaction between the Company with the Directors and Executives.

1.8 The Board has formulated a Code of Ethics in writing to be the guideline of practice for all staffs. The Board has arranged and invited Director and Executives to attend the ceremony of signing the Code of Ethics.

1.9 The Board participated in consideration of annual business plan. The Board gives opinions and suggestions to the Management. In addition, the Management shall submit the summary of monthly performance to the Board. In 2011, the Management presented the annual business plan and the Board approved the plan at the Board meeting no. 6/2011 dated December 15, 2011.

2. Shareholders Rights and Equal Treatment

2.1 The Board respects the right of all shareholders equally and responsible for taking care of shareholder's interest. Shareholder has rights to make decision on important policies and has rights to access information accurately and adequately. Shareholder has an equal right on profit sharing. The Company has a policy to pay the dividend approximately 60% of net profit after tax of separate financial statement, except when investment or cash flow is needed – the Board could present the shareholder's meeting to pay the dividend as it fits. In 2011, The Company paid dividend to shareholder at 0.20 baht per share or 62.18% of net profit after tax of separate financial statement.

2.2 The Board emphasizes on decision making of significant matters and disclosure information for shareholders, investors and public. In 2011, The Company has managed to support the rights of shareholder as follows:

1) To disclose the resolution of the Board's meeting no.1/2011 on February 24, 2011 at 10.00 am. holding the AGM on April 5, 2011 at Novotel Bangna Hotel. The disclosure of information includes agenda and important details. The Company disclosed all mentioned information through SET website.

2) To preserve the rights of shareholder, The Company has a great emphasis on organizing the AGM by complying with the laws and regulations. The Company supports shareholders to give recommendation to the Company.

3) Before the AGM date : the Company sent out the notice of AGM to all shareholders and all regulatory institutions. Details as specified in the notice are in accordance with the laws and regulations as well as AGM checklist. The Company posted the AGM document through the Company's website 30 days prior to the AGM date. The AGM document in paper was sent out to shareholders more than 14 days prior to the AGM date. The notice of AGM was also publicized through daily local newspapers for consecutive 3 days. Shareholder, thus, would have enough time for due consideration.

4) On AGM date : The Company opened 2 hours in advance for registration as well as arranged proper facilities, receptions, staffs for registration, snacks, and beverages. The IT system for the meeting registration was used. In addition, the Company presented the general information of the Company by Projector screen. In AGM 2011, chairman of the Board presided Chairman of AGM meeting. All Board members, Executives, CEO, and legal advisor attended the meeting.

5) Before starting the meeting : Chairman informed the number of attendant and introduced the Board, the Management, Auditor, Legal Advisor, Company Secretary and Observer from The Stock Exchange of Thailand. To make shareholder understand the process of the meeting, The Chairman explained the process of voting, counting and voting result. The Company used the IT system for counting the vote for cursoriness and correctness. Furthermore, The Company had invited legal advisor to be the witness for counting process for trustworthiness and transparency.

6) During the meeting : The Chairman allowed shareholders inquire and express their opinions and recommendations on an equal basis. The Company Secretary would record all important questions and answers in the Minutes.

7) After finished the meeting : The Company disclosed the essence of the meeting resolutions through SET website on the same date of the AGM. The completed Minute was submitted to the regulatory institutions within 14 days after the meeting date and posted on the Company's website (www.surapon.com).

8) The Company has a policy to disclose significant information/events to shareholders through SET website.

2.3 The Company has a good preparation to support the basic rights of shareholders to attend AGM. Number of shareholders attended the meeting has increased every year. Increase from 112 persons in 2010 to 162 persons in 2011. In 2011, the Company created an evaluation form to seek opinions and recommendations from Shareholders.

In 2011, the Company got score of 90 out of 100 from the AGM organizing assessment, evaluated by Thai Investors' Association.

3. Concerning the Stakeholders Right

3.1 The Board is aware of the rights of all stakeholders. The Board monitors and supervises the management system to ensure the Company has responsibility for all stakeholders as written in Code of Ethics and CSR policy.

3.2 The Company has strengthened and developed the productivity of all activities to deliver the best quality of goods and services to our customers in accordance with the Company policy; "Your Total Quality".

3.3 In 2011, The Board approved CSR policy to be practice guideline for all employees. The Company publicized CSR policy through www.surapon.com. There are altogether 12 topics as specified in CSR policy; 1) Safety and Sanitation in the workplace 2) Remuneration and Welfare 3) Knowledge development and Potential of employee 4) Human rights violations 5) Customer 6) Competitor 7) Partner 8) Creditor 9) Intellectual property 10) Anti-Corruption and Bribe 11) Social support to the community and 12) Social and Environment Conservation. In 2011, the Company arranged many voluntary programs for community such as Mangrove Forest Management Program, Walk rally for Anti-Corruption program, and Flood relief donations in the area of Samutprakarn, Ayudhaya, Nontaburi, Pratumthani, Prachinburi and Suratthani. In addition, the Company got the Thai FDA Quality Award 2011 from the office of Food and Drug Administration.

3.4 In 2011, the Board participated in the Private Sector Collective Action Coalition Against Corruption due to the company has great emphasis in the business ethics and Anti-Corruption.

3.5 The Board set up the channel which shareholders and all stakeholders can suggest their concerns/suggestions to the Company by sending directly to the Chairman of the Audit Committee.

4. Information Disclosure and Transparency

4.1 The Board has a policy to disclose information both finance and non-finance concerning business and operational result which is accurate, complete and timely. This management of information covers channels which the company uses in various communication channels such as annual report, company's website, SET website.

4.2 The Board has the policy to treat information both positive and negative equally. The Board shall concern the equal accession of information from all shareholders in line with keeping confidentiality of important information. The disclosure of information will comply with requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Company has assigned Investor Relation function to publicize the information to shareholders and investors.

4.3 The Board monitor closely to internal information usage to encourage Good Corporate Governance. In 2011, The Board approved the Internal Information Usage Controlling Policy. The main objective is to prevent the use of internal information for private interest. The Directors and the Executives as defined in Securities and Exchange Commission as well as staffs who made financial statements, Company Secretary, Secretary of the Audit Committee, and External Auditor are the persons who are prohibited to buy or sell or transfer the Company's share in the period of 1 month before disclosing the financial statement.

4.4 Besides, The Directors and Executives as specified by the notification of Securities and Exchange Commission will have to report the Company's stock trading transaction to the Board. The Management and staffs who deal with the Company's important information will have to sign the Confidentiality Agreement. In 2011, there were no Directors and Executives have the Company's stock trading.

5. Internal Control and Risk Management

5.1 The Board supports and encourages all staffs to be aware of an importance of internal control and audit system. The Company assigned Internal Audit Department is responsible for auditing all activities to be in line with the Company's policy and Power of Attorney. Internal Audit Department directly report to Audit Committee.

5.2 The Board set up the Internal Audit and Control Policy to be the guideline for operations. Every functions will have to set up their own internal audit and control system. The evaluation of risky process of working as well as monitoring all risky points should be implemented. The Audit Committee has the power to approve, transfer or discontinue the head of Internal Audit Department.

5.3 The Board arranged an evaluation program for adequacy and suitability of the Internal Control system followed the Securities and Exchange Commission which consist of 5 compositions; Organizational Control and Environment, Risk Management, Controlling the operations, Information and communication, and Monitoring. The Company disclosed an opinion of the Board about adequacy and suitability in the annual information report (56-1) and annual report (56-2).

5.4 The Company pays attention to efficiency of the Risk Management. The Company established the Risk Management Committee in the order to evaluate and monitor the risk management system. The Risk Management Committee established the risk management policy which is based on The Committee of Sponsoring Organization of the Treadway Commission (COSO). Moreover, the Risk Management Committee created a handbook for risk management which consist of 8 topics; Internal Environment Management, Objective Setting, Risk Factor Identification, Risk Assessment, Risk Management, Controlling Activity, Information and Communication, and Monitoring.

6. Development of the Board and Executives

6.1 The Board encourages and facilitates training for the Directors by providing the Board's handbook. Training and site visit to the Company and Subsidiaries are introduced. In 2011, the Directors visited Surat Seafood Co., Ltd to share the opinion with the Management.

6.2 The Board encourages the Board's development. In 2011, 2 directors participated in the trainings/seminars as follow:-

1. Mr.Kosol Chantikul participated in training course on Financial Instruments for Directors (FID), arranged by the Stock Exchange of Thailand.

2. Mr.Paiboon Kangvonkit participated in training course on Director Certification Program (DCP) organized by Thai Institute of Directors (IOD).

In conclusion, 10 Directors have already participated in training course on directorship organized by IOD. 7 Directors participated in DCP and 3 Directors participated in DAP.

6.3 The Board conducts Board Self Assessment by annually both in overall group and individual. The Board use criteria of evaluation which is proposed by the Stock Exchange of Thailand as a guideline for the evaluation. The criteria comprise of 6 topics; Structure and Qualification of the Board, Roles and Responsibilities, Board's Meeting, Board on duties, Relationship with the Management, Self-Improvement of the Board and Executives.

6.4 The Board has emphasis on well preparation of human resources development especially, top management positions which will be an important person who drive the business. The succession planning for CEO will be considered by the Nomination Committee.

6.5 The Company assigned Human Resource Center and Human Resource of every business unit to take responsibility to manage Human Resource and support operating for the company's goal. The Company has a policy to support staffs for knowledge development, potential, career development. Framework of developing the potential is under 3 aspects of development; Core Competency, Managerial Competency, and Functional Competency. Besides, the Company puts strong emphasis on fair and proper compensation to staffs. In 2011, the Company got the award of good entrepreneur from the support of knowledge development in the workplace from Ministry of Labor and Welfare. The Company was also rewarded the Certificate of factory model for competency driving in food industry from Ministry of Industry in corporation with Ministry of Labor and Welfare.

7. Corporate Governance Policy

In summary, the Board approved and agreed to implement several policies in order to strengthen good corporate governance as follow:

1. Policy of Nomination of Directors and Chief Executive Officer
2. Policy of Remuneration of Directors and Chief Executive Officer
3. Policy of Internal Audit and Internal Control
4. Policy of Risk Management
5. Code of Ethics
6. Policy of Internal Information Usage Control
7. Policy of Corporate Social Responsibility

In 2011, The Board has approved additional 2 policies; Policy on Internal Information Usage Control and Policy on Corporate Social Responsibility. All the above policies are already posted on the Company's website (www.surapon.com).

The Company's Corporate Governance Development Score in 2011 is equal to 86 out of 100 which is equivalent to "very good" level according to the evaluation result from The Thai Institute of Directors' Association (IOD).

Internal Control

The Company pays attention to the efficiency of Internal Control system. Board of Directors has arranged the annual assessment program to evaluate the adequacy and suitability of Internal Control system. In 2011, Audit Committee has evaluated internal control system according to the proposed evaluation form of Securities and Exchange Commission and then presented to the Board of Director's meeting No.6/2011 on December 15, 2011 for approval.

The Board of Directors viewed that the Company's current internal control system fits with today's operation and the external auditor did not find any significant weakness in the system. In addition, the management has provided best support to develop and improve the current internal control system continuously. The current internal control system is based on the standard of The Committee of Sponsoring Organization of the Treadway Commission (COSO).

1. Organizational Control and Environment

The Company puts great emphasis on the sound organization structure and environment since both Element is the essential foundation of the effective internal control system. Thus, in the order to move forward into the goal, the Company has implemented the followings:

- To establish clear business policies, objectives and directions in order to monitor and constantly review.
- To determine the suitable organization structure to help facilitate the operation such as separating the CEO from the Chairman in order to check and balance each other, number of independent director will be not less than one-third of total number of directors and not less than three persons. In addition, the Board also appointed sub-committees to help on and operate some assignments.
- To communication corporate governance policy and business ethics to employee. The Company puts great emphasis on building up employee awareness on integrity and ethics.
- To establish the clear policy and working procedure in writing as well as set up clear job description, working manual, announcement, and power of attorney,

2. Risk Management

The Company aware the risk factors both internal and external that can affect the overall business. The Board assigns the Risk Management Committee to consider and monitor business risks. The Company creates a risk management handbook as well as assigns the risk management department to support and build up all employee awareness on risk factors. Besides, the Company arranges and monitors event risk evaluation. For example, the preparedness and prevention on the big flood in southern and central parts of Thailand. In 2011, the Company arranged workshop seminar in risk management for the executives and the person in charge to understand how to identify and manage the risk factors.

3. Management Control Activities

The Company puts a strong emphasis on following up the Management performance.

- To determine the scope of work and the right power of attorney limits assigned in writing. Finance and accounting department is responsible for auditing and supervising in term of the documents needed.
- To disintegrate possible authorities from loopholes that favor the possibility of fraud, for example (1) personal with the authority (2) recorder of accounting and information, and (3) personnel in charge of asset monitor in order to ensure good governance and transparency in all transactions.
- The Company will consider carefully in case of approval of related transaction. The person who has conflict of interest will not be able to vote for this. In case there are significant differences, the audit committee will review first then the case will be sent to the Board of Directors for approval and disclosure the transaction in the annual report.
- To support every department to write their own operating manual for work.
- To establish working groups to follow laws, regulations and accepted impact study. The impact study report shall submit to risk management committee.

4. Information and Communication

The Company values carefulness, decision based on care and adequate information. The communication to all involve parties are essential.

- To arrangement the adequacy of data to support the management for decision making. The management and staff involved are invited to attend in the Board of Director meeting to present and solve the main issue.
- To employ the suitable accounting policy that suits the business and in accordance with Generally Accepted Accounting Standard.
- To keep accounting document as required by laws and regulation.
- To manage ICT system to comply with the regulations. The company announced legal punishment by informing the penalty risk. Besides, the Company created a document keeping system in corresponding to the announcement of Ministry of ICT.
- To provide back-up data system and set up DRP (Disaster Recovery Plan). To prepare in case of business interruption, the Company plan to test DRP system at least once in a year.
- To disclose information via the Company's website (www.surapon.com).

5. Monitoring

The Company emphasizes in the monitoring system to ensure operations are efficient and effective as well as to achieve the business goal.

- Board of Directors shall convene the meeting to update and monitor the Company's performance. The Boards shall also give suggestion to the management.
- The Audit Committee convene the quarterly meeting together with Certified public accountant, finance and accounting department, and internal audit department to review financial statement, internal control system, monitor the improvement action including the reporting of the significant issue to the Board of Directors.
- The Corporate Governance Committee convenes the quarterly meeting to supervise and monitor the overall operation to comply with the Corporate Governance Policy.
- The Risk Management Committee convenes the quarterly meeting to supervise and monitor the overall operation and Business unit operation to comply with the Risk Management policy.
- The Nomination and Remuneration Committee convenes the meeting to consider the nomination of the director and Chief Executive Officer including determination of directors' remuneration for shareholder's approval. The committee is also responsible for assessing CEO's performance and remuneration.
- The Board assigns the internal audit department can audit and give opinion independently. The report of internal audit system will be submitted to the Audit Committee directly.
- The Audit Committee will consider and approve the annual internal audit action plan which is planned according to risk-based evaluation. This is to ensure that the high-risk activities shall be taken into account in first priority. The internal auditor shall report the result of auditing to the Management of each function immediately in case there is significant weakness. The internal auditor also reports the Audit Committee and the Board of Directors to acknowledge or to ask for suggestions. This is to ensure that the Company shall achieve the objectives of internal audit and control effectively and efficiently –financial audit, compliance audit, and operation audit.

Dividend Payment Policy

July 14 2006, the Board of Directors meeting no. 4/2006 had passed the resolution to add a sub-section 2.1.6 regarding the policy of dividend payment in the Corporate Governance Policy in Section 2 (Shareholders' rights and the equal treatment). The Board of Directors' meeting no.8/2009 has passed the resolution to adjust some wordings to make it clearer.

The Company's dividend policy as mentioned in the Corporate Governance policy sub-section 2.1.6 is "The Company's policy is to pay the dividend approximately 60% of annual net profit after tax of Separate Financial Statement, except when investment or cash flow is needed – the Board of Directors could present the shareholders' meeting to pay the dividend as it fits"

Related Transaction

In business operation, the Company and subsidiaries may have related transaction with related person and/or juristic person. The Company, however, carefully makes decision and closely monitors the related transaction by concerning shareholders' benefits and in accordance with the Notification of Stock Exchange of Thailand and the Securities Exchange Commission.

In addition, the Audit Committee has reviewed and given the opinion to the Board of Directors. In case the Company enters into related transaction with the director and the related person, the said director will not vote for this.

In the Board of Directors' meeting no.4/2008, the meeting has passed the resolution of entering into related transaction that the Board of Directors approves in principle to allow the Company and subsidiaries can enter into related transaction with the director, executive or related persons. The management can approve in case general trading conditions as specified by the Notification of the Board of Governors of the Stock Exchange of Thailand.

Disclosure of related transaction shall comply with the Notification of Stock Exchange of Thailand and the Notification of the Capital Market Supervisory Board as well as Generally Accepted Accounting standard. The related transaction of the year 2011 has been disclosed in the note to financial statement as specified in the Company's annual report 2011.

Performance and Financial Analysis

Overall Performance

Surapon Foods Public Company Limited and its subsidiaries' consolidated annual revenues increased by 14% in 2011 from the previous year. One of the factors that attributed to this rise was the Company can expand sale of various products to both the domestic and international markets. In addition, the Subsidiary company can increase sale to meet the sale target. Proportion of cost of goods sold to sales revenue was at 85.5% which is decreased from 91.0% in 2010 due to the Company can better manage and control cost and expense. In 2011, the Company and its subsidiaries' net profit was 447 Million Baht, an increase of 327% from 2010. Profit attributable to owners of the Company was 279 Million baht.

Revenue

The Company and its subsidiaries posted total revenue of 6,354 Million Baht in 2011, an increase of 14% from 2010. The major contribution to this increase was attributed from expansion of sales to many markets including development of various sales and marketing activities.

Expenses

Total expenses in 2011 were 5,849 Million Baht, an increase of 7% from the previous year, due to the following important factors:

- Cost of goods sold increased by 7% but sales revenue increased by 14% therefore proportion of cost of goods sold to sales revenue drop from 91% in 2010 to 85.5% in 2011. The main contribution was the Company can manage the expenses to be in consistent with the purchasing order and raw material situation as well as strictly control of all cost and expenses in every activity. The selling and administrative expenses decreased by 9% and freight expense decreased by 6%.
- Net foreign exchange loss was 57 Million baht due to fluctuation on foreign exchange including the Subsidiary had foreign exchange loan.
- Interest expense increased by 40% due to the Company and the Subsidiary had long term loan for investments in order to increase production capacity.

Financial Status

Assets

The Company and its subsidiaries' total assets as of 31 December 2011 were 3,047 Million Baht, an increase of 5% from the previous year. This important changes are as follows:

- Cash and cash equivalents increased by 122 Million Baht
- Inventory increased by 74 Million baht
- Net property, plant and equipment decreased by 65 Million Baht

Liabilities

The Company and its subsidiaries' total liabilities as of 31 December 2011 were 1,029 Million Baht, a decrease of 7% from the previous year. The major cause of this decrease is due to the 155 Million Baht decrease in short-term loans and 62 Million Baht decrease in long-term loans.

Shareholders' Equity

The total shareholders' equity for the Company and its subsidiaries as of 31 December 2011 was 2,018 Million Baht, an increase of 13%, which was largely due to the increase in net profit.

Liquidity

Total cash and cash equivalents for the Company and its subsidiaries increased by 122 Million Baht. In 2011, net operating cashflow was 718 Million baht, while net cashflow from investing activities was 101 Million Baht. 112 Million Baht was invested in acquisition of property, plant, and equipment and renovation of existing facilities; 9 Million Baht came from the proceed of the sales of assets. Net cashflow from financing activities was 495 Million Baht: 258 Million Baht from short-term and long-term loans, and a dividend payout of 234 Million Baht.

The current ratio decreased from 1.36 in 2010 to 1.58 in 2011 mainly because of the higher overall net profit.

Report of Audit Committee to the Shareholders

Board of Directors has appointed 3 independent directors whose background expertise are in accounting and business management to be the Audit Committee with Mr.Sathaporn Kotheeranurak presides as the Chairman, Mrs.Boonperm Jiamtiranat and Mr.Pisanu Rienmahasarn as the members. Every director is well qualified according to notification of Stock Exchange of Thailand Re: Qualification and Operation Scope of the Audit Committee, as well as the qualification enlisted in charter of the Audit Committee in conjunction with the procedure and practice guideline of the Audit Committee which recommended by the Stock Exchange of Thailand. Mrs.Suree Nuntatikul, Internal Audit Manager, acts as the secretary of the Audit Committee.

The Audit Committee has performed the duties under scope of work, duties and responsibilities independently without limitation of information access including good cooperation with the management and staffs. The Audit Committee's scope of work covers good corporate governance, internal control, risk management and managerial transparency.

In 2011, there were 5 meetings of the Audit Committee, 4 times joint meeting with the external auditor, internal audit unit, and the management team including 1 time annual meeting. In addition, 1 time meeting without the management. The Audit Committee attended all 3 persons for all the meeting. The summary of the meetings has summarized and submitted to the Board of Director's meeting that can be summarized as follow:

1. Financial Statement Review

There were meeting with the external auditor, the management, and internal auditor to consider financial statement, accounting policy, changes in an important accounting policy, discuss with the management before presented to the Board of Directors for approval. Besides, there was 1 time meeting without the management to consult and seek advices from the external auditor in the order to get an open idea which will be benefits to the Company. The Audit committee considered and viewed that financial statement as at December 31, 2011 is correct and adequate according to the Generally Accepted Accounting Principles. Certified Auditor has operated and shown independent opinion on the Audit report of Certified Public Accountant.

2. Internal Control System Review

To consider efficiency and effectiveness of internal control system through internal audit report quarterly. The report covered important activities. The report from external auditor was also taken into account. The result of internal control system report was not found any significant weakness. The Audit committee viewed that the Company's internal control system is adequate, appropriate, and efficient according to the composition of effective internal control system.

3. Operation Review to be in accordance with the laws and regulations

Operation review to ensure compliance with rules and notification of the Stock Exchange of Thailand and other business laws through the quarterly report from laws and regulations monitoring working committee submitted to the Risk Management Committee. Besides, Internal Audit Department had regularly done the audit sampling. The Audit Committee had opinion that the Company has the adequate and proper monitoring system.

4. Related and Conflict of Interest Transactions Review

In 2011, there was not found the related and conflict of interest transactions between the Company and related person.

5. Internal Audit System Review

Considering independence, scope of work, duty and responsibility of Internal Audit Department to be consistent with international professional standard and Guideline of COSO Integrated Internal Control. The Audit Committee also considered and approved the annual risk-based audit plan. The Audit Committee viewed that the Company's Internal Audit System is independent, sufficient, and efficient as well as in conjunction with the business target.

6. Risk Management System Review

To follow up an efficiency of risk management system, the Company has reviewed the Risk Management Committee from the quarter minutes of meeting. The Audit Committee viewed that risk management system is appropriate and suitable.

7. Selection of Certified Public Accountants and the auditing fee for the year 2012

To select the certified public accountants, The Audit Committee considered the reliability, international standard, independence, quality of works and services, The Audit Committee also considered the suitable auditing fee before submit to the Board of Directors meeting and Shareholders' meeting. The Audit committee recommended the Company to appoint KPMG Phoomchai Audit Ltd. to be the Company's auditor for year 2012.

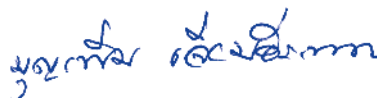
8. Performance Assessment of the Audit Committee for the year 2011

This is to ensure that performance is completely done as specified in the charter of the Audit Committee and complied with guideline from the Stock Exchange of Thailand. Overall assessment result is "very good" and also submitted the result report to the Board of Directors.

In conclusion, the Audit Committee has an opinion that the Board of Directors and the Executives have a solid commitment to achieve the Company's goal by given first priority to the good corporate governance, transparency, effective internal audit and risk management systems that be appropriate and suitable with continuously development.



(Mr.Sathaporn Kotheeranurak)
Chairman of the Audit Committee



(Mrs.Boonperm Jiamtiranat)
Member of the Audit Committee



(Mr.Pisanu Rienmahasarn)
Member of the Audit Committee

Report of the Board of Directors' Responsibilities for Financial Reporting

The Board of Directors of Surapon Foods Public Company Limited is responsible for the Company's financial statement which has been prepared in accordance with the Generally-accepted Accounting Standards in Thailand. The policies pursued are deemed appropriate and applied consistently with adequate disclosure of important information in the notes to the financial statements.

The Board has appointed the Audit Committee consisted of independent directors to provide effective oversight of finances and the internal control system to ensure that accounting records are accurate, complete and timely to prevent fraud and materially irregular operation. The views of the Audit Committee are reported in the Audit Committee's report in the Company's annual report.

The Board assessed sufficiency of internal control system and believes that the internal control system of the Company presenting the financial status, operational results and cash flow accurately in significant matter and satisfactory level as well as transparency. The Board creates confidence on financial statements as of December 31, 2011.



(Mr. Kosol Chantikul)
Chairman



(Mr. Surapon Vongvadhanaroj)
Chief Executive Officer

Audit Fee

The Company's Certified Auditor in 2011 named Miss Bongkot Amsageam CPA No. 3684 of KPMG Phoomchai Audit Ltd.

The Company paid off remunerations to the Auditor as follows:-

Audit Fee

Company		Audit Fee (Baht)
1	Surapon Foods Public Company Limited	1,147,000
2	Surat Seafoods Co., Ltd.	495,000
3	Surapon Aquaculture Co., Ltd	55,000
4	Chantaburi Marine Farm Co., Ltd.	55,000
5	Punpin Co., Ltd.	70,000
6	Surapon Nichirei Foods Co., Ltd.	813,000
7	Champion Foods Co., Ltd.	80,000
Total Audit Fee		2,715,000

Non Audit Fee

Company	Non-Audit Service	Name of Company Service	Non-Audit Fee	
			Interim Payment	Future Payment
- None -	- None -	- None -	- 0 -	- 0 -
Total Non-Audit Fee			- 0 -	- 0 -

Audit Report of Certified Public Accountant

To the Shareholders of Surapon Foods Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at 31 December 2011 and 2010, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended of Surapon Foods Public Company Limited and its subsidiaries, and of Surapon Foods Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2011 and 2010 and the results of operations and cash flows for the years then ended of Surapon Foods Public Company Limited and its subsidiaries, and of Surapon Foods Public Company Limited, respectively, in accordance with Financial Reporting Standards.

As explained in notes 3 and 4 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended 31 December 2010 have been restated accordingly.

บงกต์ อ่ำแจ้งม

Bongkot Amsageam

Certified Public Accountant

Registration No. 3684

KPMG Phoomchai Audit Ltd.

Bangkok

23 February 2012

Statements of financial position

Surapon Foods Public Company Limited and its Subsidiaries As at 31 December 2011 and 2010

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
<i>Current assets</i>					
Cash and cash equivalents	6	379,414,460	257,780,441	88,954,252	21,638,579
Trade accounts receivable	5, 7	388,180,472	376,951,590	190,659,669	149,218,021
Other receivables	5, 8	38,757,934	38,305,935	12,910,997	13,024,698
Inventories	9	492,152,418	417,630,422	241,168,275	241,737,840
Total current assets		1,298,505,284	1,090,668,388	533,693,193	425,619,138
<i>Non-current assets</i>					
Investments in subsidiaries	10	-	-	276,549,585	261,549,735
Investments in associates	11	26,762,550	24,054,783	17,550,000	17,550,000
Other long-term investments	12	56,417,657	56,417,657	56,417,657	56,417,657
Investment properties	13	123,760,732	124,843,978	5,000,000	5,000,000
Property, plant and equipment	14	1,509,919,223	1,574,627,847	531,166,913	534,438,182
Intangible assets	15	15,279,136	17,155,952	11,250,431	13,291,318
Other non-current assets	16	16,726,197	15,880,065	7,916,137	8,232,601
Total non-current assets		1,748,865,495	1,812,980,282	905,850,723	896,479,493
Total assets		3,047,370,779	2,903,648,670	1,439,543,916	1,322,098,631

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

Statements of financial position

Surapon Foods Public Company Limited and its Subsidiaries As at 31 December 2011 and 2010

		Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity	Note	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
Current liabilities					
Bank overdrafts and short-term					
loans from financial institutions	17	236,823,300	392,236,235	-	148,370,691
Trade accounts payable	5, 18	208,636,669	173,433,692	105,357,739	53,423,103
Other payables	5, 19	189,020,159	134,941,700	78,466,905	51,732,609
Current portion of long-term loans					
from financial institutions	17	137,537,560	86,060,340	30,312,000	37,412,000
Current portion of finance lease liabilities	17	4,310,975	2,270,030	2,004,929	1,494,974
Income tax payable		42,951,118	15,297,089	8,635,366	-
Total current liabilities		819,279,781	804,239,086	224,776,939	292,433,377
Non-current liabilities					
Long-term loans from financial institutions	17	96,521,780	209,666,020	42,909,000	63,721,000
Finance lease liabilities	17	8,434,002	4,422,510	2,593,050	2,789,888
Employee benefit obligations	20	105,070,418	93,873,532	57,371,147	50,853,983
Total non-current liabilities		210,026,200	307,962,062	102,873,197	117,364,871
Total liabilities		1,029,305,981	1,112,201,148	327,650,136	409,798,248
Equity					
Share capital	21				
Authorised share capital		270,000,000	270,000,000	270,000,000	270,000,000
Issued and paid-up share capital		269,999,000	269,999,000	269,999,000	269,999,000
Additional paid-in capital	21				
Premium on ordinary shares		270,000,000	270,000,000	270,000,000	270,000,000
Retained earnings					
Appropriated					
Legal reserve	22	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		717,277,896	491,985,772	335,454,400	136,819,003
Other component of equity	22				
Revaluation surplus		288,309,092	287,351,092	209,440,380	208,482,380
Total equity attributable to owners					
of the Company		1,572,585,988	1,346,335,864	1,111,893,780	912,300,383
Non-controlling interests		445,478,810	445,111,658	-	-
Total equity		2,018,064,798	1,791,447,522	1,111,893,780	912,300,383
Total liabilities and equity		3,047,370,779	2,903,648,670	1,439,543,916	1,322,098,631

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

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

Statements of comprehensive income

Surapon Foods Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2011	2010	2011	2010
			(Restated)		(Restated)
(in Baht)					
Revenues					
Revenue from sale of goods	5, 23	6,264,087,914	5,481,263,676	2,081,061,558	1,849,979,638
Net foreign exchange gain		-	52,765,409	3,010,220	24,408,552
Investment income	5, 24	11,911,074	11,172,149	201,539,408	96,569,924
Other income	5, 25	78,424,527	46,865,975	46,001,777	44,121,407
Total revenues		6,354,423,515	5,592,067,209	2,331,612,963	2,015,079,521
Expenses					
Cost of sale of goods	5	5,353,831,548	4,987,576,934	1,839,469,068	1,701,465,919
Selling expenses	5, 26	265,631,872	268,967,974	130,351,294	131,320,903
Administrative expenses	5, 27	158,865,119	194,893,609	92,104,570	95,405,220
Net foreign exchange loss		57,062,064	-	-	-
Finance costs	5, 30	13,583,001	9,715,100	7,105,341	6,507,988
Total expenses		5,848,973,604	5,461,153,617	2,069,030,273	1,934,700,030
Share of profit of associates	5	4,307,767	661,341	-	-
Profit before income tax expense		509,757,678	131,574,933	262,582,690	80,379,491
Income tax expense	31	(62,687,502)	(26,860,332)	(9,947,493)	-
Profit for the year		447,070,176	104,714,601	252,635,197	80,379,491
Other comprehensive income					
Revaluation of property		958,000	-	958,000	-
Other comprehensive income for the year		958,000	-	958,000	-
Total comprehensive income for the year		448,028,176	104,714,601	253,593,197	80,379,491
Profit attributable to:					
Owners of the Company		279,291,924	42,109,779	252,635,197	80,379,491
Non-controlling interests		167,778,252	62,604,822	-	-
Profit for the year		447,070,176	104,714,601	252,635,197	80,379,491
Total comprehensive income attributable to:					
Owners of the Company		280,249,924	42,109,779	253,593,197	80,379,491
Non-controlling interests		167,778,252	62,604,822	-	-
Total comprehensive income for the year		448,028,176	104,714,601	253,593,197	80,379,491
Basic earnings per share	33	1.03	0.16	0.94	0.30

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

Statements of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries For the years ended 31 December 2011 and 2010

Consolidated financial statements								
Other component								
	Issued and paid-up share capital	Share premium	Retained earnings		of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Note			Legal reserve	Unappropriated	Revaluation surplus			
(in Baht)								
Balance at 1 January 2010 - as reported	269,999,000	270,000,000	27,000,000	668,151,116	291,768,202	1,526,918,318	475,161,771	2,002,080,089
Impact of changes in accounting policies	3	-	-	(67,075,683)	(4,417,110)	(71,492,793)	(14,626,236)	(86,119,029)
Balance at 1 January 2010 - restated	269,999,000	270,000,000	27,000,000	601,075,433	287,351,092	1,455,425,525	460,535,535	1,915,961,060
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	34	-	-	(151,199,440)	-	(151,199,440)	-	(151,199,440)
Total distributions to owners of the Company		-	-	(151,199,440)	-	(151,199,440)	-	(151,199,440)
Changes in ownership interests in subsidiaries								
Issue of ordinary shares in subsidiaries of non-controlling interests		-	-	-	-	-	12,250,150	12,250,150
Dividends of subsidiary to non-controlling interests		-	-	-	-	-	(90,278,849)	(90,278,849)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	(78,028,699)	(78,028,699)
Total transactions with owners, recorded directly in equity		-	-	(151,199,440)	-	(151,199,440)	(78,028,699)	(229,228,139)
Comprehensive income for the year								
Profit		-	-	42,109,779	-	42,109,779	62,604,822	104,714,601
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	42,109,779	-	42,109,779	62,604,822	104,714,601
Balance at 31 December 2010	269,999,000	270,000,000	27,000,000	491,985,772	287,351,092	1,346,335,864	445,111,658	1,791,447,522

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

Statements of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries For the years ended 31 December 2011 and 2010

Consolidated financial statements								
Other component								
			Retained earnings		of equity	Equity		
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus	attributable to owners of the Company	Non-controlling interests	Total equity
(in Baht)								
Balance at 1 January 2011 - as reported	269,999,000	270,000,000	27,000,000	569,004,906	291,768,202	1,427,772,108	461,966,056	1,889,738,164
Impact of changes in accounting policies	-	-	-	(77,019,134)	(4,417,110)	(81,436,244)	(16,854,398)	(98,290,642)
Balance at 1 January 2011 - restated	269,999,000	270,000,000	27,000,000	491,985,772	287,351,092	1,346,335,864	445,111,658	1,791,447,522
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	-	-	-	(53,999,800)	-	(53,999,800)	-	(53,999,800)
Total distributions to owners of the Company	-	-	-	(53,999,800)	-	(53,999,800)	-	(53,999,800)
Changes in ownership interests in subsidiaries								
Issue of ordinary shares in subsidiaries of non-controlling interests	-	-	-	-	-	-	12,250,300	12,250,300
Dividends of subsidiary to non-controlling interests	-	-	-	-	-	-	(179,661,400)	(179,661,400)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	(167,411,100)	(167,411,100)
Total transactions with owners, recorded directly in equity	-	-	-	(53,999,800)	-	(53,999,800)	(167,411,100)	(221,410,900)
Comprehensive income for the year								
Profit	-	-	-	279,291,924	-	279,291,924	167,778,252	447,070,176
Other comprehensive income	-	-	-	-	958,000	958,000	-	958,000
Total comprehensive income for the year	-	-	-	279,291,924	958,000	280,249,924	167,778,252	448,028,176
Balance at 31 December 2011	269,999,000	270,000,000	27,000,000	717,277,896	288,309,092	1,572,585,988	445,478,810	2,018,064,798

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

Statements of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries For the years ended 31 December 2011 and 2010

Separate financial statements							
		Issued and paip-up share capital	Share premium	Retained earnings		Other component of equity	
	Note			Legal reserve	Unappropriated	Revaluation surplus	Total equity
				(in Baht)			
Balance at 1 January 2010 - as reported		269,999,000	270,000,000	27,000,000	252,027,379	208,782,380	1,027,808,759
Impact of changes in accounting policies	3	-	-	-	(44,388,427)	(300,000)	(44,688,427)
Balance at 1 January 2010 - restated		269,999,000	270,000,000	27,000,000	207,638,952	208,482,380	983,120,332
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	34	-	-	-	(151,199,440)	-	(151,199,440)
Total distributions to owners of the Company		-	-	-	(151,199,440)	-	(151,199,440)
Total transactions with owners, recorded directly in equity		-	-	-	(151,199,440)	-	(151,199,440)
Comprehensive income for the year							
Profit		-	-	-	80,379,491	-	80,379,491
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	80,379,491	-	80,379,491
Balance at 31 December 2010		269,999,000	270,000,000	27,000,000	136,819,003	208,482,380	912,300,383

Statements of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Separate financial statements						
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity
				Legal reserve	Unappropriated	Revaluation surplus
				(in Baht)		Total equity
Balance at 1 January 2011 - as reported		269,999,000	270,000,000	27,000,000	187,672,986	208,782,380
Impact of changes in accounting policies	3	-	-	-	(50,853,983)	(300,000)
Balance at 1 January 2011 - restated		269,999,000	270,000,000	27,000,000	136,819,003	208,482,380
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	34	-	-	-	(53,999,800)	-
Total distributions to owners of the Company		-	-	-	(53,999,800)	-
Total transactions with owners, recorded directly in equity		-	-	-	(53,999,800)	-
Comprehensive income for the year						
Profit		-	-	-	252,635,197	-
Other comprehensive income		-	-	-	-	958,000
Total comprehensive income for the year		-	-	-	252,635,197	958,000
Balance at 31 December 2011		269,999,000	270,000,000	27,000,000	335,454,400	209,440,380

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

Statements of cash flows

Surapon Foods Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

	Consolidated financial statements		Separate financial statements	
Note	2011	2010 (Restated)	2011	2010 (Restated)
	(in Baht)			
Cash flows from operating activities				
Profit for the year	447,070,176	104,714,601	252,635,197	80,379,491
<i>Adjustments for</i>				
Depreciation	200,662,347	176,128,435	55,589,204	54,677,807
Amortisation of intangible assets	3,703,536	3,362,759	2,865,784	2,713,962
Dividend income	(2,280,000)	(1,903,800)	(194,218,600)	(89,424,950)
Finance costs	13,583,001	9,715,100	7,105,341	6,507,988
Employee benefits	12,369,718	12,171,613	6,517,164	6,465,556
Reversal of doubtful debt expense	(2,983,500)	(413,730)	(2,983,500)	(413,730)
Allowance for decline in value of inventories (reversal)	(678,909)	(2,989,250)	(2,279,335)	110,495
Unrealised loss (gain) on exchange	48,730,949	19,289,146	1,085,432	(1,387,367)
Loss (gain) on disposal and written-off property, plant and equipment	(912,683)	(32,284)	1,444,616	881,609
Loss on disposal of intangible assets	1,047	-	-	-
Written-off withholding tax	192,700	83,414	-	-
Share of profit of associates	(4,307,767)	(661,341)	-	-
Income tax expense	62,687,502	26,860,332	9,947,493	-
	777,838,117	346,324,995	137,708,796	60,510,861
Changes in operating assets and liabilities				
Trade accounts receivable	(6,560,864)	8,649,668	(39,876,008)	(10,626,152)
Inventories	(73,843,087)	(35,768,442)	2,848,900	(38,474,336)
Other receivables	2,531,501	(6,715,678)	3,097,202	(404,501)
Other non-current assets	(1,847,529)	(8,437,371)	(130,934)	(2,696,721)
Trade accounts payable	34,619,095	28,578,687	51,934,116	(8,802,125)
Other payables	21,088,289	(6,452,782)	18,617,487	(2,362,226)
Employee benefit obligations	(1,172,833)	-	-	-
Cash generated from (used in) operating activities	752,652,689	326,179,077	174,199,559	(2,855,200)
Income taxes paid	(35,033,474)	(42,270,914)	(1,312,128)	(3,940,940)
Net cash provided by (used in) operating activities	717,619,215	283,908,163	172,887,431	(6,796,140)
Cash flows from investing activities				
Dividends received	3,880,000	2,703,800	194,218,600	89,424,950
Purchase of property, plant and equipment	(111,905,229)	(447,685,926)	(45,697,286)	(43,976,152)
Sales of property, plant and equipment	9,428,226	4,040,360	789,873	3,017,401
Increase in investment properties	(1,345,707)	-	-	-
Purchase of intangible assets	(1,022,278)	(3,101,915)	(377,500)	(1,720,485)
Sales of intangible assets	3,208	-	-	-
Net cash outflow on acquisition of subsidiaries	-	-	(14,999,850)	-
Net cash provided by (used in) investing activities	(100,961,780)	(444,043,681)	133,933,837	46,745,714

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

Statements of cash flows

Surapon Foods Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010 (Restated)	2011	2010 (Restated)
		(in Baht)			
Cash flows from financing activities					
Finance costs paid		(12,608,986)	(8,764,407)	(7,429,179)	(6,196,647)
Dividends paid to owners of the Company		(53,999,800)	(151,199,440)	(53,999,800)	(151,199,440)
Dividends paid to non-controlling interests		(179,661,400)	(90,278,850)	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		(177,394,935)	381,643,135	(148,370,691)	148,370,691
Finance lease payments		(3,226,705)	(3,107,456)	(1,793,925)	(2,388,651)
Proceeds from long-term loans from financial institutions		-	201,185,000	-	20,000,000
Repayment of long-term loans from financial institutions		(80,381,890)	(38,280,000)	(27,912,000)	(38,280,000)
Proceeds from issuance of ordinary shares by non-controlling interests		12,250,300	12,250,150	-	-
Net cash provided by (used in) financing activities		(495,023,416)	303,448,132	(239,505,595)	(29,694,047)
Net increase in cash and cash equivalents		121,634,019	143,312,614	67,315,673	10,255,527
Cash and cash equivalents at beginning of year		257,780,441	114,467,827	21,638,579	11,383,052
Cash and cash equivalents at end of year	6	379,414,460	257,780,441	88,954,252	21,638,579

Non-cash transactions:

During the year 2011, the Group acquired property, plant and equipment at a total cost of Baht 141.2 million (2010: Baht 465.8 million) of which Baht 112.0 million was made by cash payment (2010: Baht 447.7 million), Baht 9.3 million was made by finance lease agreements (2010: Baht 0 million), and Baht 19.9 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2011 (2010: Baht 18.1 million).

During the year 2011, the Company acquired plant and equipment at a total cost of Baht 53.6 million (2010: Baht 48.7 million) of which Baht 45.7 million was made by cash payment (2010: Baht 44.0 million), Baht 2.1 million was made by finance lease agreements (2010: Baht 0 million), and Baht 5.8 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2011 (2010: Baht 4.7 million).

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

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 23 February 2012.

1 General information

Surapon Foods Public Company Limited, the “Company”, is incorporated in Thailand.

Presently, the Company has registered offices located at the following addresses:

- (a) Head Office : 247 Moo 1, Theparak Road, Amphur Muang, Samutprakarn Province
- (b) Factory 1 : 247 Moo 1, Theparak Road, Amphur Muang, Samutprakarn Province
- (c) Factory 2 : 509 Moo 9, Nongki, Amphur Kabinburi, Prachinburi Province

The Company was listed on the Stock Exchange of Thailand in September 1989.

The Company’s major shareholders during the financial year were the groups of Vongvadhanaroj, Kraisithisirin, and Jiengwareewong who hold an approximate total 65 % shareholding in the Company.

The principal businesses of the Company and its subsidiaries are the manufacturing and distribution of seafood, finished and semi-finished frozen foods. Details of the Company’s subsidiaries as at 31 December 2011 and 2010 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			31 December 2011	31 December 2010
<i>Direct Subsidiaries</i>				
Punpin Company Limited	Distribution of finished and semi- finished frozen foods	Thailand	100	100
Surapon Aquaculture Company Limited	Assets lessor	Thailand	100	100
Chantaburi Marine Farm Company Limited	Assets lessor	Thailand	100	100
Surat Seafoods Company Limited	Frozen seafoods exporter	Thailand	94	94
Surapon Nichirei Foods Company Limited	Frozen foods exporter	Thailand	49	49
<i>Indirect Subsidiary</i>				
Champion Foods Company Limited	Restaurant	Thailand	51	51

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Thai Securities and Exchange Commission.

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows.
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
FAP Announcement no. 17/2554	Transitional Procedures for Other Long-term Employee Benefits
FAP Announcement no. 18/2554	Accounting Guidance on Revaluation of Assets

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 38.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 13	Fair value of investment properties
Note 14	Measurement of property, plant and equipment
Note 20	Measurement of defined benefit obligations
Note 35	Valuation of financial instruments

3 Changes in accounting policies**(a) Overview**

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for property, plant and equipment
- Accounting for investment properties
- Accounting for borrowing costs
- Accounting for employee benefits

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(f) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group. The impact of the changes on the financial statements for the years ended 31 December 2011 and 2010 is summarised as follows:

<i>For the year ended 31 December 2010</i>		Consolidated financial statements	Separate financial statements
	<i>Note</i>	2010	2010
		<i>(in thousand Baht)</i>	
<i>Statement of financial position</i>			
Equity at 1 January 2010 - as reported		2,002,080	1,027,809
Changes as a result of the adoption retrospectively of:			
TAS 19 Employee benefits	3(f)	(81,702)	(44,388)
TAS 40 Investment Property	3(d)	(4,417)	(300)
Equity at 1 January 2010 - restated		1,915,961	983,121
Equity at 31 December 2010 - as reported		1,889,738	963,454
Changes as a result of the adoption retrospectively of:			
TAS 19 Employee benefits	3(f)	(93,874)	(50,854)
TAS 40 Investment Property	3(d)	(4,417)	(300)
Equity at 31 December 2010 - restated		1,791,447	912,300
<i>Statement of comprehensive income for the year ended 31 December 2010</i>			
Profit - as reported		116,886	86,845
Changes as a result of the adoption retrospectively of:			
TAS 19 Employee benefits	3(f)	(12,172)	(6,465)
Profit - restated		104,714	80,380
Decrease in basic earnings per share <i>(in Baht)</i>		0.05	0.02

<i>For the year ended 31 December 2011</i>		Consolidated financial statements	Separate financial statements
	<i>Note</i>	2011	2011
		<i>(in thousand Baht)</i>	
<i>Statement of comprehensive income for the year ended 31 December 2011</i>			
Decrease in profit as a result of the adoption of:			
TAS 19 Employee benefits	3(f)	12,370	6,517
Decrease in profit		12,370	6,517
Decrease in basic earnings per share <i>(in Baht)</i>		0.05	0.02

(b) Presentation of financial statements

From 1 January 2011, The Group has adopted TAS 1 Presentation of Financial Statements (revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) *Accounting for property, plant and equipment*

From 1 January 2011, the Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the years ended 31 December 2011 and 2010.

(d) *Accounting for investment properties*

From 1 January 2011, the Group has adopted TAS 40 (revised 2009) Investment Property.

Under the revised standard, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment and measured using either the cost model or the fair value model, with changes in fair value being recognised in profit or loss.

Previously, investment properties were included in property, plant and equipment and other non-current assets for land held for future project (land measured using the valuation model, plant and equipment measured using the cost model). Revaluation changes were recognised in equity or profit or loss in accordance with the provisions of TAS 16 Property, Plant and Equipment.

The Group has selected the cost model for accounting for its investment properties under the revised standard. The change in accounting policy has been applied retrospectively and the financial statements for the year ended 31 December 2010, which are included in the Group's 2011 financial statements for comparative purposes, have been adjusted accordingly. The carrying amounts as at 1 January 2010 and 31 December 2010 of investment properties recorded in "Property plant and equipment" and "Land held for future project" have been reclassified to a separate account, "Investment properties" and the related revaluation surplus previously recorded has been reversed. From 1 January 2011, the depreciable amount and useful life of the investment properties have been reassessed in accordance with the requirements of TAS 16 (revised 2009) - see note 3(c). The change in accounting policy in this regard has been applied prospectively in accordance with TAS 16 (revised 2009). The impact on the 2011 and 2010 financial statements was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Statement of financial position				
Decrease in revaluation surplus	4,417	4,417	300	300
Decrease in property, plant and equipment	(113,976)	(115,059)	(5,300)	(5,300)
Decrease in other non-current assets	(14,202)	(14,202)	-	-
Increase in investment properties	123,761	124,844	5,000	5,000
Increase (decrease) in retained earnings	-	-	-	-

(e) Accounting for borrowing costs

From 1 January 2011, the Group has adopted TAS 23 (revised 2009) Borrowing Costs.

Under the revised standard, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Under the former standard, there was also an option to expense borrowing costs on qualifying assets when incurred.

It was the Group's policy under the former TAS 23 to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Consequently the adoption of the revised standard has had no impact on reported profit or earnings per share for the years ended 31 December 2011 and 2010.

(f) Accounting for employee benefits

From 1 January 2011, the Group has adopted TAS 19 Employee Benefits.

Under the new policy, the Group's liability for post-employment benefits and other long-term employee benefit obligations are recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The change in accounting policy has been applied retrospectively and the Group's 2010 financial statements, which are included in the Group's 2011 financial statements for comparative purposes, have been restated accordingly. The impact on the 2011 and 2010 financial statements was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Statement of financial position as at 31 December				
Increase in employee benefit obligations	105,070	93,874	57,371	50,854
Decrease in retained earnings	105,070	93,874	57,371	50,854
Statement of comprehensive income for the year ended 31 December				
Increase in employee benefit expenses resulting in:				
Increase in cost of sales	9,691	9,407	4,553	4,481
Increase in selling expenses	404	386	269	259
Increase in administrative expenses	2,275	2,379	1,695	1,725
Decrease in profit	12,370	12,172	6,517	6,465
Decrease in basic earnings per share (in Baht)	0.05	0.05	0.02	0.02

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Basis of consolidation

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

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group’s share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange risk arising from operational activities. Derivative financial instruments are not used for trading purposes. However, derivatives do not qualify for hedge accounting are accounted for as trading instruments.

(d) *Hedging*

Hedge of foreign currency

The Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to Thai Baht at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains/losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

(e) *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. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Deposits at financial institutions that have a restriction of use are presented separately as “Restricted fixed deposits at financial institutions” under “Other non-current assets” in the statement of financial position.

(f) *Trade and other accounts receivable*

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) *Inventories*

Inventories are stated at the lower of cost and net realisable value.

Raw materials, packing materials and supplies are calculated using first-in, first-out method. Work in progress and finished goods are calculated using weighted average cost principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investments

Investments in subsidiaries and associates

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

Investments in other equity securities

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

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

(i) 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 stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment property	5 to 20 years
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Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, its book value at the date of reclassification becomes its cost for subsequent accounting.

(j) ***Property, plant and equipment***

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land which is stated at their revalued amount. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent impairment losses.

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. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment, considering as property, plant and 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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

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

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in "the revaluation reserve" in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its book value.

Subsequent costs

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

Depreciation

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

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 improvements	20 years
Buildings and improvements	5 to 20 years
Freezing buildings and equipment	5 to 20 years
Prawn pond and improvements	5 and 20 years
Machinery and equipment	5 to 20 years
Electrical and water systems	5 to 20 years
Transportation equipment	5 years
Furniture, fixtures and office equipment	3 and 5 years

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

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

(k) Intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, 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:

Computer software	3 and 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Leasehold right

Leasehold right is stated at cost less accumulated amortisation. Leasehold right is amortised in the statement of income on a straight-line basis over lease agreement of 30 years.

(m) Impairment

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

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' 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

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

(n) Interest-bearing liabilities

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

(o) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(p) *Employee benefits*

Defined benefit plans

A defined benefit plan is a post-employment benefit plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on Government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on the Government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

(q) Provisions

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

(r) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Investments

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

Rental income

Rental income from investment property is recognised in the statement of income 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.

Dividend income

Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in the statement of income as it accrues.

Compensation income on exported goods

Compensation income on exported goods is recognised as income when sales are recognised, delivery has taken place and transfer of risks and rewards has been completed.

(s) Finance costs

Finance costs comprise interest expense on borrowings.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(u) Income tax expense

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

In determining the amount of current 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.

(v) Earnings per share

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

5 Related party transactions and balances

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.

Relationships with related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Punpin Company Limited	Thailand	Subsidiary, 100% shareholding
Surapon Aquaculture Company Limited	Thailand	Subsidiary, 100% shareholding, some common directors
Chantaburi Marine Farm Company Limited	Thailand	Subsidiary, 100% shareholding, some common directors
Surat Seafoods Company Limited	Thailand	Subsidiary, 94% shareholding, some common directors
Surapon Nichirei Foods Company Limited	Thailand	Subsidiary, 49% shareholding, some common directors
Champion Foods Company Limited	Thailand	Indirect subsidiary, 51% shareholding by Punpin Company Limited
BJC Marine Resources Development Company Limited	Thailand	Associate, 50% shareholding
Independent Consultant Company Limited	Thailand	Associate, 20% shareholding
Nichirei Foods Inc.	Japan	Shareholder of a subsidiary
Nichirei Australia Pty, Ltd.	Australia	Shareholding by Nichirei Foods Inc.
Nichirei Foods U.S.A. Inc.	U.S.A.	Shareholding by Nichirei Foods Inc.
Nichirei Fresh Inc.	Japan	Shareholding by Nichirei Foods Inc.
Nichirei Europe S.A.	Netherlands	Shareholding by Nichirei Foods Inc.
GFPT Nichirei (Thailand) Company Limited	Thailand	Shareholding by Nichirei Foods Inc.
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Cost plus margin
Purchases of raw materials and goods	Prices are determined based on the terms and conditions in normal business comparable to those of non-related parties
Dividend income	The declared amount

Transactions**Pricing policies**

Management, selling and marketing assistance income	Contractually agreed prices
Technical assistance fee	Contractually agreed prices
Management assistance fee	Contractually agreed prices
Marketing support fee	Contractually agreed prices
Key management personnel compensation	As defined by the Nomination and Remuneration Committee and the Company's policy

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods	-	-	92,928	91,627
Dividend income	-	-	190,339	86,721
Management, selling and marketing assistance income	-	-	35,246	32,623
Purchases of raw materials and goods	-	-	310,810	257,253
Associates				
Dividend income	1,600	800	1,600	800
Shares of profits of associates	4,308	662	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	37,564	57,511	33,774	48,890
Post-employment benefits	308	441	308	441
Other related parties				
Sale of goods	3,520,464	3,014,379	229,884	343,910
Dividend income	2,280	1,904	2,280	1,904
Purchase of raw materials and goods	127,943	91,188	-	-
Technical assistance fee	16,550	13,545	-	-
Management assistance fee	5,839	5,504	-	-
Marketing support fee	715	535	-	-

In March and April 2011 and March 2010, a subsidiary (Surapon Nichirei Foods Company Limited) had declared the payment of dividends. Such dividend was paid to the Company of Baht 171.5 million (2010: Baht 86.7 million) and non-controlling interests of Baht 178.5 million (2010: Baht 90.3 million) in March, June and July 2011 and March 2010, respectively.

In December 2011, a subsidiary (Surat Seafoods Company Limited) had declared the payment of dividends. Such dividend was paid to the Company of Baht 18.8 million and non-controlling interests of Baht 1.2 million in December 2011.

As at 31 December 2011, the Company had commitments for the purchase of investments of three subsidiaries (Surapon Aquaculture Company Limited, Chantaburi Marine Farm Company Limited and Punpin Company Limited) which have not yet been called-up amounting to totaling Baht 38.9 million (2010: Baht 53.8 million).

Balances as at 31 December 2011 and 2010 with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	2,404	6,347
Punpin Company Limited	-	-	6,754	1,086
Champion Foods Company Limited	-	-	228	160
Other related parties				
Nichirei Foods Inc.	134,391	130,891	5,610	8,257
Nichirei Australia Pty, Ltd.	5,407	3,486	5,407	3,486
Nichirei Food America Inc.	3,361	1,488	3,361	1,113
Total	143,159	135,865	23,764	20,449

<i>Other receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	1,305	1,146
Surapon Nichirei Foods Company Limited	-	-	735	719
Punpin Company Limited	-	-	128	53
Champion Foods Company Limited	-	-	176	60
Total	-	-	2,344	1,978

<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	19,159	12,889
Surapon Nichirei Foods Company Limited	-	-	779	2,474
Other related parties				
Nichirei Foods Inc.	24,845	14,976	-	-
GFPT Nichirei (Thailand) Company Limited	5,260	-	-	-
Total	30,105	14,976	19,938	15,363

<i>Other payables to related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(in thousand Baht)		
Subsidiaries				
Surapon Nichirei Foods Company Limited	-	-	646	-
Surat Seafoods Company Limited	-	-	-	18
Punpin Company Limited	-	-	-	2
Other related party				
Nichirei Foods Inc.	22,889	19,577	-	-
Total	22,889	19,577	646	20

Significant agreements with related parties

On 7 October 1988, the Company entered into a sales agreement for main raw materials with a subsidiary (Surapon Nichirei Foods Company Limited) whereby the Company is the exclusive supplier of the main raw materials to such subsidiary at the agreed price which is close to the market price.

The Company has entered into management, selling and marketing assistance agreements with several subsidiaries for a period of one year, whereby the Company agreed to provide management assistance services to those subsidiaries. These agreements may be notified to terminate by either party giving 30 days advance written notices. Otherwise, these agreements shall be automatically renewed for successive periods of one year each. In consideration thereof, these subsidiaries agreed to pay management fees at the amounts prescribed in the agreements.

A subsidiary (Surapon Nichirei Foods Company Limited) has a technical support agreement with Nichirei Foods Inc. of Japan, whereby the latter provides technical know-how, and assistance including consultations in relation to the manufacture of certain products. Under this agreement, the subsidiary agrees to pay service fee at certain percentage of F.O.B. Bangkok port value for the export products to Japan except frozen breaded, fritter and tempura shrimp. The agreement expired on 31 December 2002 and is automatically renewable for successive period of one year each unless either party notifies to terminate or amend the agreement one month prior to the due date.

On 10 July 1995, a subsidiary (Surapon Nichirei Foods Company Limited) entered into a management assistance agreement with Nichirei Foods Inc. of Japan, whereby the latter provides management and administration assistances to the subsidiary. Under this agreement, the subsidiary agrees to pay service fee as specified in the agreement. This agreement is effective until terminated by either party by giving advance written notice.

A subsidiary (Surapon Nichirei Foods Company Limited) has a marketing support agreement with Nichirei Foods Inc. of Japan. Under this agreement, the subsidiary agrees to pay service fee at certain percentage of F.O.B. Bangkok value for products sold to North America.

On 7 January 2010, a subsidiary (Champion Foods Company Limited) entered into a master license agreement with Ringer Hut Co., Ltd., whereby the latter provides technical know-how of the restaurant business operation. Under this agreement, the subsidiary agrees to pay service fee at certain percentage of the sales value. This agreement is effective until terminated by either party by giving advance written notice.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		<i>(in thousand Baht)</i>		
Cash on hand	294	259	100	100
Cash at banks - current accounts	58,246	158,585	4,160	16,449
Cash at banks - savings accounts	140,296	98,395	84,694	5,090
Highly liquid short-term investments	180,578	541	-	-
Total	379,414	257,780	88,954	21,639

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		<i>(in thousand Baht)</i>		
Thai Baht (THB)	374,026	257,540	83,577	21,597
United States Dollars (USD)	5,303	199	5,294	2
Japanese Yen (JPY)	85	41	83	40
Total	379,414	257,780	88,954	21,639

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			<i>(in thousand Baht)</i>		
Related parties	5	143,159	135,865	23,764	20,449
Other parties		245,321	241,387	167,196	129,069
		388,480	377,252	190,960	149,518
Less allowance for doubtful accounts		(300)	(300)	(300)	(300)
Net		388,180	376,952	190,660	149,218
Reversal of doubtful debts expenses for the year		-	(356)	-	(356)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		<i>(in thousand Baht)</i>		
Related parties				
Within credit terms	141,423	135,028	23,764	20,449
Overdue:				
Less than 30 days	-	-	-	-
Over 30 days to 60 days	-	11	-	-
Over 60 days to 90 days	-	63	-	-
Over 90 days	1,736	763	-	-
	143,159	135,865	23,764	20,449
Less allowance for doubtful accounts	-	-	-	-
Net	143,159	135,865	23,764	20,449

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	225,900	220,749	161,739	126,125
Overdue:				
Less than 30 days	18,364	20,509	4,906	2,815
Over 30 days to 60 days	294	40	290	40
Over 60 days to 90 days	234	3	234	3
Over 90 days	529	86	27	86
	245,321	241,387	167,196	129,069
Less allowance for doubtful accounts	(300)	(300)	(300)	(300)
Net	245,021	241,087	166,896	128,769
Total	388,180	376,952	190,660	149,218

The normal credit term granted by the Group ranges from 30 days to 65 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	75,420	63,610	79,362	68,905
Japanese Yen (JPY)	194,484	171,521	65,704	48,907
United States Dollars (USD)	73,704	100,009	28,668	30,414
Australian Dollars	31,345	40,897	3,699	77
Euro	13,227	915	13,227	915
Total	388,180	376,952	190,660	149,218

8 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Value added tax receivable		22,897	23,518	3,401	3,280
Other accounts receivable, net	5	2,917	5,317	3,313	2,747
Prepaid expenses		2,921	4,377	2,568	3,883
Accrued income		2,022	1,095	693	559
Others		8,001	3,999	2,936	2,556
Total		38,758	38,306	12,911	13,025
Reversal of doubtful debts expense for the year		(2,984)	(58)	(2,984)	(58)

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Finished goods	208,992	186,997	104,164	100,469
Work in progress	100,257	71,659	53,698	40,449
Raw materials	91,286	124,593	61,994	92,859
Packing materials and supplies	98,876	40,884	25,093	14,020
Goods in transit	-	1,435	-	1
	499,411	425,568	244,949	247,798
Less allowance for decline in value of inventories	(7,259)	(7,938)	(3,781)	(6,060)
Net	492,152	417,630	241,168	241,738

10 Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	-	-	261,550	261,550
Acquisitions	-	-	15,000	-
At 31 December	-	-	276,550	261,550

In December 2011, a subsidiary called for the remaining unpaid share capital of 25% amounting to Baht 15 million.

Investments in subsidiaries as at 31 December 2011 and 2010, and dividend income from those investments for the years then ended were as follows:

Separate financial statements												
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(%)						(in thousand Baht)					
<i>Subsidiaries</i>												
Punpin Company Limited	100	100	30,150	15,150	30,150	15,150	-	-	30,150	15,150	-	-
Surapon Aquaculture Company Limited	100	100	82,786	82,786	210,323	210,323	(171,000)	(171,000)	39,323	39,323	-	-
Chantaburi Marine Farm Company Limited	100	100	79,590	79,590	281,807	281,807	(203,000)	(203,000)	78,807	78,807	-	-
Surat Seafoods Company Limited	94	94	40,000	40,000	79,205	79,205	-	-	79,205	79,205	18,856	-
Surapon Nichirei Foods Company Limited	49	49	100,000	100,000	49,065	49,065	-	-	49,065	49,065	171,483	86,721
Total					650,550	635,550	(374,000)	(374,000)	276,550	261,550	190,339	86,721

11 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		<i>(in thousand Baht)</i>		
At 1 January	24,055	24,193	17,550	17,550
Share of net profits of investments				
- equity method	4,308	662	-	-
Dividend income	(1,600)	(800)	-	-
At 31 December	26,763	24,055	17,550	17,550

Investments in associates as at 31 December 2011 and 2010, and dividend income from those investments for the years then ended were as follows:

Consolidated financial statements														
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(%)		(in thousand Baht)											
Associates														
BJC Marine Resources Development Company Limited	50	50	94,400	94,400	50,950	50,950	18,158	17,724	-	-	18,158	17,724	-	-
Independent Consultant Company Limited	20	20	2,000	2,000	400	400	8,605	6,331	-	-	8,605	6,331	1,600	800
Total					51,350	51,350	26,763	24,055	-	-	26,763	24,055	1,600	800

Separate financial statements												
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(%)						(in thousand Baht)					
<i>Associates</i>												
BJC Marine Resources Development Company Limited	50	50	94,400	94,400	50,950	50,950	(33,800)	(33,800)	17,150	17,150	-	-
Independent Consultant Company Limited	20	20	2,000	2,000	400	400	-	-	400	400	1,600	800
Total					51,350	51,350	(33,800)	(33,800)	17,550	17,550	1,600	800

The following summarised financial information on associated companies which have been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

	Reporting date	Ownership interest (%)	Total assets	Total liabilities	Total revenues	Net profit
<i>(in thousand Baht)</i>						
2011						
BJC Marine Resources Development Company Limited	31 December	50	38,592	778	1,114	866
Independent Consultant Company Limited	31 December	20	132,983	105,316	33,337	3,875
Total			171,575	106,094	34,451	4,741
2010						
BJC Marine Resources Development Company Limited	31 December	50	37,590	641	970	575
Independent Consultant Company Limited	31 December	20	96,032	64,220	33,336	2,010
Total			133,622	64,861	34,306	2,585

12 Other long-term investments

Other long-term investments as at 31 December 2011 and 2010, and dividend income from those investments for the years then ended were as follows:

Consolidated and separate financial statements													
	Type of business	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
		(%)		(in thousand Baht)									
Sompo Japan Insurance (Thailand) Company Limited	Insurance company	19.0	19.0	300,000	300,000	57,000	57,000	(582)	(582)	56,418	56,418	2,280	1,904
Pure Refined Oil Company Limited	Palm oil producer	6.0	6.0	250,000	250,000	15,000	15,000	(15,000)	(15,000)	-	-	-	-
In Arm Group Company Limited	Shrimp farm	10.0	10.0	10,000	10,000	1,000	1,000	(1,000)	(1,000)	-	-	-	-
Shrimp Culture Research and Development Company Limited	Research and development	0.4	0.4	30,000	30,000	100	100	(100)	(100)	-	-	-	-
Total						73,100	73,100	(16,682)	(16,682)	56,418	56,418	2,280	1,904

On 15 December 2011, the Board of Directors approved the sale of other long-term investment in Sompo Japan Insurance (Thailand) Company Limited to a foreign company, comprising 570,000 shares, Baht 100 per share, amounting to Baht 57.0 million. The ownership of this investment will be transferred when the Company receives cash for sale of the investment in full amount. Presently, the sale agreement is still being processed for signing.

13 Investment properties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	320,716	320,654	5,000	5,000
Additions	1,345	62	-	-
At 31 December	322,061	320,716	5,000	5,000
Depreciation and impairment losses				
At 1 January	195,872	192,843	-	-
Depreciation charge for the period	2,428	3,029	-	-
At 31 December	198,300	195,872	-	-
Net book value				
At 1 January 2010		127,811		5,000
At 31 December 2010 and at 1 January 2011	124,844	124,844	5,000	5,000
At 31 December 2011	123,761		5,000	

Investment properties were revalued as at 31 December 2011 by General Valuation and Constant Company Limited, a firm of independent professional valuers, at open market values on an existing use basis. The appraised value was Baht 157.7 million (2010: Baht 157.2 million) for the consolidated financial statements and Baht 5.3 million (2010: Baht 5.3 million) for the separate financial statements.

Investment properties comprise a number of commercial properties that are leased to third parties and land held for future project. Each of the leases contains an initial period of 3 years. These agreements are effective until terminated by either party by giving advance written notice as prescribed in the agreement.

14 Property, plant and equipment

Consolidated financial statements										
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Prawn pond and improvements	Machinery and equipment	Electrical and water systems	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>									
Revaluation										
At 1 January 2010	408,878	-	-	-	-	-	-	-	-	408,878
At 31 December 2010 and 1 January 2011	408,878	-	-	-	-	-	-	-	-	408,878
Additions	958	-	-	-	-	-	-	-	-	958
At 31 December 2011	409,836	-	-	-	-	-	-	-	-	409,836
Cost										
At 1 January 2010	40,218	454,253	179,208	-	1,258,044	165,888	49,123	161,860	153,738	2,462,332
Additions	119	7,530	2,028	-	53,269	2,442	5,908	15,239	380,952	467,487
Transfers	18,405	101,151	31,614	-	301,684	46,849	160	17,412	(518,909)	(1,634)
Disposals	(148)	(6,146)	(1,696)	-	(22,156)	(5,071)	(4,145)	(6,020)	-	(45,382)
At 31 December 2010 and 1 January 2011	58,594	556,788	211,154	-	1,590,841	210,108	51,046	188,491	15,781	2,882,803
Additions	-	9,015	1,416	-	33,767	2,250	3,318	12,545	78,893	141,204
Transfers	-	10,764	2,091	-	67,643	2,248	238	1,004	(83,988)	-
Disposals	-	(10,200)	(4,011)	-	(46,366)	(325)	(6,802)	(8,071)	-	(75,775)
At 31 December 2011	58,594	566,367	210,650	-	1,645,885	214,281	47,800	193,969	10,686	2,948,232

Consolidated financial statements										
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Prawn pond and improvements	Machinery and equipment	Electrical and water systems	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>									
Accumulated depreciation										
Cost										
At 1 January 2010	20,778	271,219	128,890	-	908,896	108,103	24,271	125,327	-	1,587,484
Depreciation charge for the year	1,933	25,831	7,404	-	105,970	9,190	7,825	15,161	-	173,314
Transfers	-	(1)	(9)	-	10	-	-	-	-	-
Disposals	(148)	(5,486)	(1,688)	-	(21,108)	(5,001)	(4,425)	(5,889)	-	(43,745)
At 31 December 2010										
and 1 January 2011	22,563	291,563	134,597	-	993,768	112,292	27,671	134,599	-	1,717,053
Depreciation charge for the year	2,459	27,784	7,520	-	125,006	10,676	7,554	17,496	-	198,495
Transfers	-	-	-	-	91	324	(1)	(414)	-	-
Disposals	-	(7,472)	(3,948)	-	(44,000)	(227)	(6,596)	(5,156)	-	(67,399)
At 31 December 2011	25,022	311,875	138,169	-	1,074,865	123,065	28,628	146,525	-	1,848,149
Net book value										
At 1 January 2010										
Owned assets	428,318	183,034	50,318	-	346,995	57,785	17,251	35,456	153,738	1,272,895
Assets under finance leases	-	-	-	-	2,153	-	7,601	1,077	-	10,831
	428,318	183,034	50,318	-	349,148	57,785	24,852	36,533	153,738	1,283,726
At 31 December 2010 and 1 January 2011										
Owned assets	444,909	265,225	76,557	-	597,073	97,816	17,572	53,223	15,781	1,568,156
Assets under finance leases	-	-	-	-	-	-	5,803	669	-	6,472
	444,909	265,225	76,557	-	597,073	97,816	23,375	53,892	15,781	1,574,628
At 31 December 2011										
Owned assets	443,408	254,492	72,481	-	570,125	91,216	14,012	42,205	10,686	1,498,625
Assets under finance leases	-	-	-	-	895	-	5,160	5,239	-	11,294
	443,408	254,492	72,481	-	571,020	91,216	19,172	47,444	10,686	1,509,919

Separate financial statements									
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and Equipment	Electrical and water systems	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
	(in thousand Baht)								
Revaluation									
At 1 January 2010	249,402	-	-	-	-	-	-	-	249,402
At 31 December 2010 and 1 January 2011	249,402	-	-	-	-	-	-	-	249,402
Additions	958	-	-	-	-	-	-	-	958
At 31 December 2011	250,360	-	-	-	-	-	-	-	250,360
Cost									
At 1 January 2010	11,548	206,683	109,292	433,845	65,127	13,032	54,332	5,975	899,834
Additions	-	1,390	691	8,751	571	525	1,425	36,930	50,283
Transfers	-	5,921	194	17,187	3,273	-	4,045	(32,235)	(1,615)
Disposals	(148)	(6,146)	(528)	(16,962)	(4,201)	(569)	(4,410)	-	(32,964)
At 31 December 2010 and 1 January 2011	11,400	207,848	109,649	442,821	64,770	12,988	55,392	10,670	915,538
Additions	-	2,420	578	11,375	179	170	1,535	37,337	53,594
Transfers	-	6,241	50	35,867	1,256	239	151	(43,804)	-
Disposals	-	(5,084)	(1,131)	(18,524)	(634)	(1,402)	(2,358)	-	(29,133)
At 31 December 2011	11,400	211,425	109,146	471,539	65,571	11,995	54,720	4,203	939,999

Separate financial statements

	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and Equipment	Electrical and water systems (in thousand Baht)	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
<i>Accumulated depreciation</i>									
<i>Cost</i>									
At 1 January 2010	6,605	126,216	71,109	309,670	42,596	6,071	44,872	-	607,139
Depreciation charge for the year	592	12,451	4,080	28,671	3,375	1,822	3,687	-	54,678
Transfer	-	(1)	(9)	10	-	-	-	-	-
Disposals	(148)	(5,486)	(528)	(16,170)	(4,132)	(569)	(4,282)	-	(31,315)
At 31 December 2010 and 1 January 2011	7,049	133,180	74,652	322,181	41,839	7,324	44,277	-	630,502
Depreciation charge for the year	592	11,558	3,303	31,271	3,466	1,563	3,836	-	55,589
Transfer	-	-	-	(322)	324	(1)	(1)	-	-
Disposals	-	(4,859)	(1,102)	(17,127)	(575)	(916)	(2,320)	-	(26,899)
At 31 December 2011	7,641	139,879	76,853	336,003	45,054	7,970	45,792	-	659,192
<i>Net book value</i>									
At 1 January 2010									
Owned assets	254,345	80,467	38,183	122,022	22,531	2,533	8,383	5,975	534,439
Assets under finance leases	-	-	-	2,153	-	4,428	1,077	-	7,658
	254,345	80,467	38,183	124,175	22,531	6,961	9,460	5,975	542,097
At 31 December 2010 and 1 January 2011									
Owned assets	253,753	74,668	34,997	120,640	22,931	2,351	10,446	10,670	530,456
Assets under finance leases	-	-	-	-	-	3,313	669	-	3,982
	253,753	74,668	34,997	120,640	22,931	5,664	11,115	10,670	534,438
At 31 December 2011									
Owned assets	254,119	71,546	32,293	135,536	20,517	4,025	8,591	4,203	530,830
Assets under finance leases	-	-	-	-	-	-	337	-	337
	254,119	71,546	32,293	135,536	20,517	4,025	8,928	4,203	531,167

The land stated at appraised value is detailed as follows:

			Consolidated financial statements		Separate financial statements	
Company	Latest appraised year	Revaluation method	Appraised value	Cost model	Appraised value	Cost model
(in thousand Baht)						
Surapon Foods Public Company Limited	2011	Market value method	250,360	40,920	250,360	40,920
Surat Seafood Company Limited	2011	Market value method	12,000	1,546	-	-
Surapon Nichirei Foods Company Limited	2007	Market value method	147,476	43,765	-	-
			409,836	86,231	250,360	40,920

The Group recorded their land used in operations at reappraised values as shown in the reports of an independent professional valuer.

The gross carrying amount of fully depreciated plant and equipment that was still in use as at 31 December 2011 amounted to Baht 1,256.7 million for the Group and Baht 394.5 million for the Company (2010: Baht 1,142.8 million for the Group and Baht 384.2 million for the Company).

The Company and subsidiaries are committed to comply with certain conditions and restrictions prescribed in the long-term agreements, such as additional mortgages of land and buildings are not allowed (See Note 17).

15 Intangible assets

	Consolidated financial statements		
	Computer software	Computer software under installation	Total
<i>(in thousand Baht)</i>			
Cost			
At 1 January 2010	23,635	1,696	25,331
Additions	2,962	-	2,962
Transfers	1,645	(1,696)	(51)
At 31 December 2010 and 1 January 2011	28,242	-	28,242
Additions	1,022	-	1,022
Transfers	(5)	-	(5)
At 31 December 2011	29,259	-	29,259
Accumulated amortisation			
At 1 January 2010	8,727	-	8,727
Amortisation charge for the year	2,384	-	2,384
Transfers	(25)	-	(25)
At 31 December 2010 and 1 January 2011	11,086	-	11,086
Amortisation charge for the year	2,895	-	2,895
Transfers	(1)	-	(1)
At 31 December 2011	13,980	-	13,980
Net book value			
At 1 January 2010	14,908	1,696	16,604
At 31 December 2010 and 1 January 2011	17,156	-	17,156
At 31 December 2011	15,279	-	15,279

	Separate financial statements
	Computer software (in thousand Baht)
Cost	
At 1 January 2010	22,062
Additions	1,747
Transfer	(51)
At 31 December 2010 and 1 January 2011	23,758
Additions	378
At 31 December 2011	24,136
Accumulated amortisation	
At 1 January 2010	8,206
Amortisation charge for the year	2,286
Transfer	(25)
At 31 December 2010 and 1 January 2011	10,467
Amortisation charge for the year	2,419
At 31 December 2011	12,886
Net book value	
At 1 January 2010	13,856
At 31 December 2010 and 1 January 2011	13,291
At 31 December 2011	11,250

16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
		(in thousand Baht)		
Leasehold rights, net	2,708	2,938	2,708	2,938
Advanced payment	1,004	4,511	759	1,003
Restricted fixed deposits at financial institution	2,000	2,000	-	-
Refundable deposits and others	11,014	6,431	4,449	4,292
Total	16,726	15,880	7,916	8,233

(a) Leasehold right

This represented payment of leasehold right to the lessor. The Company has a lease agreement for building area with a local company. A lease agreement is for a period of 30 years, expiring in 2023.

(b) Restricted fixed deposits at financial institution

This represented fixed deposits at financial institution of subsidiary with a local financial institution of Baht 2.0 million (2010: Baht 2.0 million), which has been pledged as collateral for bank guarantees issued by the said financial institution.

17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts unsecured	-	3,838	-	3,371
Promissory notes unsecured	236,823	388,398	-	145,000
Bank overdrafts and short-term loans from financial institutions	236,823	392,236	-	148,371
Current portion of long-term loans from financial institutions unsecured	137,538	86,060	30,312	37,412
	137,538	86,060	30,312	37,412
Current portion of finance lease liabilities	4,311	2,270	2,005	1,495
	378,672	480,566	32,317	187,278
Non-current				
Long-term loans from financial institutions unsecured	96,522	209,666	42,909	63,721
	96,522	209,666	42,909	63,721
Finance lease liabilities	8,434	4,423	2,593	2,790
	104,956	214,089	45,502	66,511
Total	483,628	694,655	77,819	253,789

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

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Within one year	374,361	478,296	30,312	185,783
After one year but within five years	96,522	209,666	42,909	63,721
Total	470,883	687,962	73,221	249,504

As at 31 December 2011, bank overdrafts and promissory notes bore interest at rates ranging from 6.6% to 7.6% per annum and ranging from 0.5% to 3.6% per annum, respectively.

Long-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(in thousand Baht)		
Local financial institution	73,221	101,133	73,221	101,133
Foreign financial institution	160,839	194,593	-	-
	234,060	295,726	73,221	101,133
Less Current portion	(137,538)	(86,060)	(30,312)	(37,412)
Net	96,522	209,666	42,909	63,721

Long-term loans from financial institutions

The Company entered into the loan agreements with a local financial institution for periods of from five to seven years. The loans mainly bear interest rates ranging from MLR to MLR minus 1.5% p.a. and are repayable in monthly installments until 2016.

A subsidiary entered into loan agreements with a foreign financial institution for JPY 250 million and JPY 270 million and for a period of three years. The interest rate is fixed at 1.5% per annum for the first year and six months and at 1.6% per annum thereafter. The loan is repayable every six months at JPY 62.5 million for each installment, commencing from September 2011 up to March 2013 for the first loan and JPY 67.5 million for each installment, commencing from October 2011 up to April 2013 for the second loan.

As at 31 December 2011, unutilised credit facilities totalled Baht 1,862.8 million, U.S. Dollars 12.3 million for the Group and Baht 1,301.3 million for the Company (31 December 2010: Baht 1,517.7 million, U.S. Dollars 11.3 million for the Group and Baht 1,004.1 million for the Company).

The Company and subsidiaries are committed to comply with certain conditions and restrictions prescribed in the loan agreements such as maintaining the debt to equity and the debt service coverage ratio, additional negative pledges or mortgages of land and buildings are not allowed (See Note 14), etc.

These credit facilities of subsidiaries are principally collateralised by the Company and/or a related company.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2011			2010		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
			(in thousand Baht)			
Within one year	4,311	169	4,480	2,270	250	2,520
After one year but within five years	8,434	79	8,513	4,423	168	4,591
Total	12,745	248	12,993	6,693	418	7,111

Separate financial statements						
	2011			2010		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	2,005	36	2,041	1,495	93	1,588
After one year but within five years	2,593	3	2,596	2,790	42	2,832
Total	4,598	39	4,637	4,285	135	4,420

As at 31 December 2011 and 2010, the Company and a subsidiary had entered into finance lease agreements with several local leasing companies to purchase vehicles, forklifts, machinery and equipment. Such lease agreements have terms expiring up to 2016, and bear interest at rates ranging from 4.20% to 13.38% per annum in 2011 (2010: ranging from 7.38% to 13.38% per annum). Most of the agreements are repayable in 36 installments starting from April 2009.

The ownership of the vehicles, forklifts, machinery and equipment purchased under finance lease agreements will be transferred to the Company and its subsidiary when the last installments are made.

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
Thai Baht (THB)	95,966	331,664	77,819	253,789
Japanese Yen (JPY)	387,662	362,991	-	-
Total	483,628	694,655	77,819	253,789

18 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		(in thousand Baht)			
Related parties	5	30,105	14,976	19,938	15,363
Other parties		178,532	158,458	85,420	38,060
Total		208,637	173,434	105,358	53,423

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		<i>(in thousand Baht)</i>		
Thai Baht (THB)	183,734	156,186	105,300	53,392
Japanese Yen (JPY)	24,903	16,438	58	31
United States Dollars (USD)	-	810	-	-
Total	208,637	173,434	105,358	53,423

19 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			<i>(in thousand Baht)</i>		
Accrued operating expenses		36,304	40,779	18,257	17,850
Other payables		42,559	32,201	24,613	17,042
Accrued wage and bonus expenses		61,822	25,482	29,411	6,584
Other payables to related parties	5	22,889	19,577	646	20
Others		25,446	16,903	5,540	10,237
Total		189,020	134,942	78,467	51,733

The currency denomination of other current liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		<i>(in thousand Baht)</i>		
Thai Baht (THB)	166,131	115,314	78,467	51,733
Japanese Yen (JPY)	22,889	19,628	-	-
Total	189,020	134,942	78,467	51,733

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		<i>(in thousand Baht)</i>		
<i>Statement of financial position</i>				
Statement of financial position obligations for:				
Employee benefit				
Post-employment	85,396	76,639	53,697	47,702
Other long-term	19,674	17,235	3,674	3,152
Total	105,070	93,874	57,371	50,854

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Statement of comprehensive income				
Recognised in profit or loss:				
Employee benefits	12,370	12,172	6,517	6,465

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (f). As stated in note 3 (f), the Group has opted to apply the new standard retrospectively and adjust the prior year's financial statements accordingly.

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration, length of service and long service award based on the Company's policy.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Defined benefit obligation at 1 January	93,874	81,702	50,854	44,389
Benefits paid by the plan	(1,174)	-	-	-
Current service cost and interest	12,370	12,172	6,517	6,465
Defined benefit obligation at 31 December	105,070	93,874	57,371	50,854

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Current service costs	8,380	8,105	4,371	4,238
Interest on obligation	3,990	4,067	2,146	2,227
Total	12,370	12,172	6,517	6,465

The expenses are recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Cost of sales	9,691	9,407	4,553	4,481
Selling expenses	404	386	269	259
Administrative expenses	2,275	2,379	1,695	1,725
Total	12,370	12,172	6,517	6,465

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(in percentage)		
Discount rate	4.5	4.5	4.5	4.5
Salary increment rate	3.0 – 6.0	3.0 – 6.0	3.0 – 6.0	3.0 – 6.0

Assumptions regarding future mortality are based on published statistics and Thai Mortality tables 1997 (TMO97).

21 Share capital

	Par value per share (in Baht)	2011		2010	
		Number	Amount	Number	Amount
		(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	1	270,000	270,000	270,000	270,000
At 31 December					
- ordinary shares	1	270,000	270,000	270,000	270,000
Issued and paid-up					
At 1 January					
- ordinary shares	1	269,999	269,999	269,999	269,999
At 31 December					
- ordinary shares	1	269,999	269,999	269,999	269,999

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 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.

22 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other component of equity

Revaluation surplus

The revaluation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

23 Segment information

The Group operates in a single line of business, namely the manufacturing and trading of frozen foods products, finished and semi-finished frozen foods, which is an integrated line of product. The Company's operations are carried on entirely in Thailand. Revenue and gross profit for the years ended 31 December were derived from the following markets:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Revenue				
Overseas				
Japan	4,852,163	4,265,495	1,035,830	932,670
Others	858,829	733,169	441,777	360,638
	5,710,992	4,998,664	1,477,607	1,293,308
Domestic	935,354	805,865	603,455	556,672
Eliminations	(382,258)	(323,265)	-	-
Total	6,264,088	5,481,264	2,081,062	1,849,980
Gross profit				
Overseas				
Japan	686,232	373,599	119,147	74,935
Others	97,372	45,025	51,221	28,814
	783,604	418,624	170,368	103,749
Domestic	98,970	44,053	71,224	44,765
Eliminations	27,683	31,010	-	-
Total	910,257	493,687	241,592	148,514

24 Investment income

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Dividend income	5	2,280	1,904	194,219	89,425
Rental income		9,097	9,014	7,089	7,058
Others		534	254	231	87
Total		11,911	11,172	201,539	96,570

25 Other income

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			<i>(in thousand Baht)</i>		
Income from sales of raw material scraps		53,073	28,869	2,657	2,123
Gain on sale of property, plant and equipment		2,458	909	-	-
Management, selling and marketing assistance income	5	-	-	35,246	32,623
Compensation income on exported goods		3,225	3,290	1,923	1,801
Others		19,668	13,798	6,176	7,574
Total		78,424	46,866	46,002	44,121

26 Selling expenses

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			<i>(in thousand Baht)</i>		
Freight charges		93,631	99,342	26,164	28,677
Employee benefit expenses		47,863	47,399	41,091	35,116
Advertising and sales promotion expenses		35,835	36,009	26,944	33,039
Export expenses		32,044	31,876	4,992	5,329
Technical assistance fees	5	17,265	13,545	-	-
Others	5	38,994	40,797	31,160	29,160
Total		265,632	268,968	130,351	131,321

27 Administrative expenses

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
			<i>(in thousand Baht)</i>		
Employee benefit expenses		107,925	124,959	70,932	73,379
Depreciation and amortisation		14,300	14,803	6,774	6,641
Management assistance fees	5	5,839	5,541	-	-
Others		30,801	49,591	14,399	15,385
Total		158,865	194,894	92,105	95,405

28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Management				
Salaries	27,008	29,724	27,008	26,766
Others	10,864	28,228	7,074	22,565
	37,872	57,952	34,082	49,331
Other employees				
Salaries and wages	461,909	454,991	247,731	240,768
Others	348,411	344,360	179,021	175,014
	810,320	799,351	426,752	415,782
Total	848,192	857,303	460,834	465,113

29 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(50,592)	(12,566)	(16,945)	(17,092)
Raw materials and consumables used		4,113,676	3,795,896	983,069	912,548
Employee benefit expenses	28	848,192	857,303	460,834	465,113
Depreciation		200,662	176,128	55,589	54,678
Amortisation		3,704	3,363	2,866	2,714
Others		662,687	631,315	576,512	510,231
Total cost of sale of goods, selling expenses and administrative expenses		5,778,329	5,451,439	2,061,925	1,928,192

30 Finance costs

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Finance costs:				
Financial institutions	12,734	9,041	6,709	6,019
Others	849	674	396	489
Total	13,583	9,715	7,105	6,508

31 Income tax expense

Royal Decree No. 475 B.E. 2551 dated 6 August 2008 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

The income tax expenses in the consolidated and separate statements of comprehensive income are less than the amount determined by applying the Thai corporation tax rate to the accounting profit for the year principally because:

- (a) the different treatment for accounting and taxation purposes of certain items of income and expenses, in particular, dividend income.
- (b) a portion of the Company's profit was derived from promoted activities which are not subject to tax.

32 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company and a subsidiary (Surapon Nichirei Foods Company Limited) were granted certain privileges by the Board of Investment relating to the manufacturing of ready-to-eat frozen foods, finished and semi-finished frozen foods. The privileges granted include:

- (a) the Company and subsidiary have exemption from payment of income tax for certain operations for a period of 8 years from the date on which the income is first derived from such operation.
- (b) the subsidiary has been granted 50% reduction in the normal income tax on the net profit derived from certain operations for a period of 5 years commencing from the expiry date in (a) above.
- (c) the subsidiary has exemption from the import duty on machinery approved by the Board.
- (d) the subsidiary is allowed to deduct for double amount of transportation and utility expenses for a period of 10 years from the date on which the income is first derived from such operations.

As promoted companies, the Company and the subsidiary must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenues from promoted and non-promoted businesses were as follows:

Consolidated financial statements						
	2011			2010		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	2,034,643	3,676,349	5,710,992	1,421,237	3,577,427	4,998,664
Local sales	57,619	495,477	553,096	178,994	303,606	482,600
Total revenue	2,092,262	4,171,826	6,264,088	1,600,231	3,881,033	5,481,264

Separate financial statements						
	2011			2010		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	86,084	1,391,522	1,477,606	154,374	1,138,934	1,293,308
Local sales	71,764	531,692	603,456	180,953	375,719	556,672
Total revenue	157,848	1,923,214	2,081,062	335,327	1,514,653	1,849,980

33 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2011 and 2010 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate Financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (Basic)	279,292	42,110	252,635	80,379
Number of ordinary shares outstanding	269,999	269,999	269,999	269,999
Basic earnings per share (in Baht)	1.03	0.16	0.94	0.30

34 Dividends

At the annual general meeting of the shareholders of the Company held on 5 April 2011, the shareholders approved the appropriation of dividends of Baht 0.20 per share, amounting to Baht 54.0 million. The dividend was paid to shareholders in May 2011.

At the annual general meeting of the shareholders of the Company held on 8 April 2010, the shareholders approved the appropriation of dividends of Baht 0.56 per share, amounting to Baht 151.2 million. The dividend was paid to shareholders in May 2010.

35 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result for operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (See Note 17). Management, however, consider that the interest rate risk is not material, hence, the Group has no hedging agreements to protect against such risk.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated sales, denominated in foreign currencies, for the current and subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<i>Japanese Yen</i>					
Cash and cash equivalents	6	85	41	83	40
Trade accounts receivable	7	194,484	171,521	65,704	48,907
Trade accounts payable	18	(24,903)	(16,438)	(58)	(31)
Other current liabilities	19	(22,889)	(19,628)	-	-
Loans from financial situations	17	(387,662)	(362,991)		
Gross financial position exposure		(240,885)	(227,495)	65,729	48,916
Estimated forecast sales		486,774	385,703	49,432	175,131
Gross exposure		245,889	158,208	115,161	224,047
Currency forwards		(685,347)	(556,568)	(120,960)	(224,187)
Net exposure		(439,458)	(398,360)	(5,799)	(140)
<i>United States Dollars</i>					
Cash and cash equivalents	6	5,303	199	5,294	2
Trade accounts receivable	7	73,704	100,009	28,668	30,414
Trade accounts payable	18	-	(810)	-	-
Gross financial position exposure		79,007	99,398	33,962	30,416
Estimated forecast sales		199,315	157,304	115,450	31,983
Gross exposure		278,322	256,702	149,412	62,399
Currency forwards		(309,760)	(257,265)	(150,129)	(62,497)
Net exposure		(31,438)	(563)	(717)	(98)

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
		<i>(in thousand Baht)</i>			
<i>Euro</i>					
Trade accounts receivable	7	13,227	915	13,227	915
Gross financial position exposure		13,227	915	13,227	915
Estimated forecast sales		52,540	26,825	52,540	26,825
Gross exposure		65,767	27,740	65,767	27,740
Currency forwards		(67,424)	(27,743)	(67,424)	(27,743)
Net exposure		(1,657)	(3)	(1,657)	(3)
<i>Australian Dollars</i>					
Trade accounts receivable	7	31,345	40,897	3,699	77
Gross financial position exposure		31,345	40,897	3,699	77
Estimated forecast sales		10,655	714	-	-
Gross exposure		42,000	41,611	3,699	77
Currency forwards		(13,285)	(41,682)	-	-
Net exposure		28,715	(71)	3,699	77

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

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.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transactions. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Short-term investments, trade and other short-term accounts receivable - the carrying amounts of these financial assets approximate to their fair values due to the relative short-term maturity of these financial instruments.

Investment in shares for which there are no quoted market prices - the fair value has been estimated based on the underlying net asset value of such investments.

Bank overdrafts, short-term loans from financial institutions and trade and other short-term accounts payable - the carrying amounts of these financial liabilities approximate to their fair values due to the relative short-term maturity of these financial instruments.

Finance lease liabilities with fixed interest rates approximate their fair values estimated from the current market interest rates available for similar lease agreements.

Long-term loans at floating rate, which are considered to be market rate - the carrying values approximate to their fair values.

The fair value of forward exchange contracts is based on their market price quoted by counterparty at the reporting date amounting to Baht 1,091.0 million for the Group and Baht 345.1 million for the Company in 2011. (2010: Baht 890.5 million for the Group and Baht 318.2 million for the Company)

36 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in million Baht)			
Capital commitment				
Building construction (a)	-	7.6	-	-
Other commitments				
Forward exchange contracts (c)	1,075.8	883.3	338.5	314.4
Total	1,075.8	890.9	338.5	314.4

(a) On 5 October 2009, a subsidiary entered into a construction agreement for its factory building amounting to Baht 217.2 million. Amounts were payable by installments as specified in the agreement. As at 31 December 2010, the subsidiary had remaining commitment to Baht 7.6 million of which the settlement was made in January 2011.

(b) As at 31 December 2011, the Group had outstanding forward exchange contracts covering periods less than one year as follows:

	Consolidated financial statements		Separate Financial statements	
Currencies	Amount in foreign currencies (in million)	Equivalent to Baht (in million Baht)	Amount in foreign currencies (in million)	Equivalent to Baht (in million Baht)
Japanese Yen	1,694.6	685.3	299.1	121.0
United State Dollars	9.8	309.8	4.8	150.1
Euro	1.7	67.4	1.7	67.4
Australian Dollars	0.4	13.3	-	-
Total		1,075.8		338.5

As at 31 December 2010, the Group had outstanding forward exchange contracts as follows:

Currencies	Consolidated financial statements		Separate Financial statements	
	Amount in foreign currencies (in million)	Equivalent to Baht (in million Baht)	Amount in foreign currencies (in million)	Equivalent to Baht (in million Baht)
Japanese Yen	1,517.4	556.6	611.2	224.2
United State Dollars	8.6	257.3	2.1	62.5
Euro	0.7	27.7	0.7	27.7
Australian Dollars	1.4	41.7	-	-
Total		883.3		314.4

37 Contingent liabilities

As at 31 December 2011, the Group had contingent liabilities for:

- letters of guarantee issued by banks to certain government agencies and private sector for the Company and subsidiaries totalling approximately Baht 5.2 million for the Group and Baht 1.6 million for the Company.
- joint guarantee for credit facilities which financial institutions extended to certain subsidiaries totalling approximately Baht 360.1 million.

38 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 12 - Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effect from 1 January 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at 31 December 2011 will be adjusted accordingly. Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and is presently considering the potential initial impact on the consolidated and separate financial statements.

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Company's reported assets, liabilities or retained earnings.

39 Reclassification of accounts

Certain accounts in the 2010 financial statements have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new and revised TFRS as disclosed in note 3. Other significant reclassifications were as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
			(in thousand Baht)			
<i>Statement of financial position at 31 December</i>						
Other current assets	38,306	(38,306)	-	13,025	(13,025)	-
Other receivables	-	38,306	38,306	-	13,025	13,025
Other current liabilities	134,942	(134,942)	-	51,733	(51,733)	-
Other payables	-	134,942	134,942	-	51,733	51,733
		-			-	
<i>Statement of comprehensive income for the year ended 31 December</i>						
Dividend income	1,904	(1,904)	-	89,425	(89,425)	-
Other income	56,134	(9,268)	46,866	51,266	(7,145)	44,121
Investment income	-	11,172	11,172	-	96,570	96,570
Selling expenses	264,082	4,886	268,968	126,435	4,886	131,321
Administrative expenses	150,122	44,771	194,893	59,255	36,150	95,405
Directors' remuneration	49,457	(49,657)	-	41,036	(41,036)	-
		-			-	

The reclassifications have been made because it is considered that the new classification is more appropriate to the Group's business.



บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน) มุ่งมั่นในการผลิตสินค้าที่มีคุณภาพ และปลอดภัย ที่ได้รับความไว้วางใจ และความน่าเชื่อถือจากผู้บริโภคทั้งภายในประเทศ และต่างประเทศมากกว่า 30 ปี พร้อมทั้งได้ดำเนินงานภายใต้ปรัชญาที่ว่า **“Your Total Quality”** ได้แก่ การบูรณาการคุณภาพในทุกขั้นตอน เพื่อมอบสินค้าและบริการที่ดีที่สุดให้กับลูกค้าโดยทางบริษัทมีขั้นตอนการบริหารงานที่เป็นระบบและใส่ใจในทุกๆ เรื่องโดยเริ่มต้นจาก

1. การวิจัย และพัฒนาสินค้า R&D

บริษัทฯ มุ่งมั่นใส่ใจในการลงทุนด้านงานวิจัยเพื่อพัฒนาผลิตภัณฑ์ อย่างต่อเนื่อง เพื่อให้ผลิตภัณฑ์มีความทันสมัย ปลอดภัยและ พัฒนาสินค้าให้เป็นไปตามความต้องการของผู้บริโภค โดยสอดคล้องกับกฎระเบียบ และมาตรฐานการผลิตที่มีความแตกต่างสำหรับลูกค้าแต่ละรายทั่วโลก รวมถึงมีการดำเนินการวิจัยอย่างเป็นมิตรกับสิ่งแวดล้อม

2. การคัดสรรวัตถุดิบ

ทางบริษัทได้ให้ความสำคัญกับขบวนการคัดเลือกวัตถุดิบเป็นอย่างมาก เพราะเราใส่ใจและตระหนักในเรื่องของความปลอดภัยของอาหาร ตั้งแต่กระบวนการคัดเลือกวัตถุดิบจากแหล่งที่มีมาตรฐานรับรอง โดยหน่วยงานราชการที่น่าเชื่อถือและมีคุณภาพ โดยผ่านขั้นตอนการตรวจสอบอย่างเข้มงวดภายใต้มาตรฐานการผลิตอาหารอีกทั้งกระบวนการตรวจสอบวัตถุดิบ ณ โรงงานก่อนรับเข้าสู่สายการผลิตของโรงงาน

3. การผลิตสินค้า

ผลิตภัณฑ์ของเราจะถูกผลิตโดยขั้นตอนการผลิตที่มีประสิทธิภาพ และมีความทันสมัย ภายใต้การควบคุมคุณภาพ และระบบการผลิตอาหารให้ปลอดภัยที่มีการตรวจสอบอย่างเข้มงวดตามมาตรฐาน Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practice (GMP) และมาตรฐาน ISO 22000 และระบบการทวนสอบผลิตภัณฑ์ที่สามารถทวนสอบกลับได้ถึงแหล่งที่มาของวัตถุดิบ ส่วนผสม บรรจุภัณฑ์ ซึ่งเราเน้นเรื่องความปลอดภัย และคุณภาพที่สม่ำเสมอของอาหาร



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4. ระบบ Logistics

เพื่อที่จะส่งมอบสินค้าคุณภาพถึงมือผู้บริโภค เราจึงใช้ระบบการจัดเก็บสินค้า และการขนส่งที่ทันสมัย ซึ่งสามารถควบคุมอุณหภูมิสำหรับผลิตภัณฑ์อาหารแช่เยือกแข็งให้อยู่ในระดับที่ต่ำกว่า - 18 องศาเซลเซียส โดยเราเน้นการส่งมอบสินค้า รวดเร็ว ปลอดภัย และมีคุณภาพ แก่ผู้บริโภค เพื่อสร้างความพึงพอใจสูงสุด

5. ทีมงานที่มีความเชี่ยวชาญ

มีทีมงานที่มีความเชี่ยวชาญในด้านต่างๆ ไม่ว่าจะเป็น ทีมงานบริการลูกค้า และทีมฝ่ายขายที่สามารถให้คำปรึกษาเกี่ยวกับสินค้าที่เหมาะสมกับความต้องการของลูกค้าแต่ละราย ประกอบกับผู้บริหารที่มีวิสัยทัศน์ที่กว้างไกลและทันสมัยของบริษัท จึงให้ความสำคัญกับการพัฒนาบุคลากรเป็นอย่างมาก เพื่อสร้างทีมงานที่สามารถให้บริการที่ประทับใจอย่างยั่งยืน

6. CSR

เพื่อเป็นการแสดงเจตนารมณ์ในการเป็นผู้ประกอบการที่ตระหนักถึงความสำคัญของการอยู่ร่วมกันได้ของการดำเนินธุรกิจ และการเป็นอยู่ที่ดีของสิ่งแวดล้อมทั้งในด้านสังคม และสิ่งแวดล้อมตามธรรมชาติ บริษัทมีการจัดโครงการต่างๆ มากมาย เพื่อส่งเสริมสังคม ความเป็นอยู่ของชุมชน และการอนุรักษ์สิ่งแวดล้อมตามธรรมชาติ เพื่อให้องค์กรได้เติบโตไปพร้อมกับสังคม และธรรมชาติอย่างยั่งยืน หรือที่เรียกว่า Corporate Social Responsibility (CSR)





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บริษัท สุรพล푸드 จำกัด (มหาชน)

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