



Since 1977

บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน)

Surapon Foods Public Company Limited

รายงานประจำปี 2556 Annual Report 2013



Your Total Quality

ทุกขั้นตอนคุณภาพเพื่อคุณ



Content

1. Financial Highlight	2
2. Message from Chairman and Chief Executive Officer	3
3. General Information	4
4. Board of Directors and Executives	7
5. Business Type	16
5.1 Overall Industry and Competition	16
5.2 Structure of Revenue	18
5.3 Overall Business and Important Changes	19
6. Risk Management	20
7. Structure of Shareholders and Management	22
7.1 Structure of Shareholders	22
7.2 Structure of Management	23
7.3 Structure of Board of Directors	24
7.4 Details of Directors and Authorized Persons	27
7.5 Remuneration of Directors and Executives	28
8. Corporate Governance and Corporate Social Responsibility	29
9. Internal Control	36
10. Dividend Payment Policy	39
11. Related Transaction	39
12. Management Discussion and Analysis	40
13. Report of Audit Committee to the Shareholders	43
14. Report of the Board of Directors' Responsibilities for Financial Reporting	45
15. Audit Fee	45
16. Audit Report of Certified Public Accountant	46

Financial Highlight

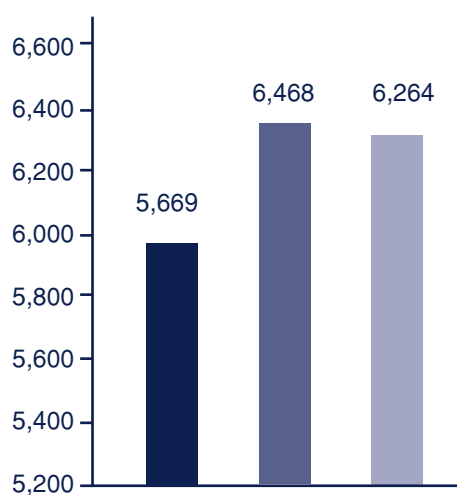
Unit : Million Baht

	2013	2012	2011
Total Assets	2,929.05	3,110.44	3,055.70
Total Liabilities	945.04	870.12	1,076.57
Total Equity	1,984.01	2,240.32	1,979.13
Revenue from Sales	5,668.85	6,468.28	6,264.09
Total Revenue	5,843.04	6,648.15	6,354.42
Gross Profit	312.45	838.71	910.26
Profit (Loss) Attributable to Owners of the Company	(7.62)	293.08	279.29
Financial Ratio			
Net Profit Margin (%)	(0.13)	4.41	4.40
Return on Equity (%)	(0.36)	13.89	14.81
Return on Asset (%)	(0.25)	9.51	9.37
Net Profit per Share (%)	(0.03)	1.09	1.03
Book Value per Share (%)	7.35	8.30	7.33

Remark: The above figure are as indicated in the Consolidated Financial Statement

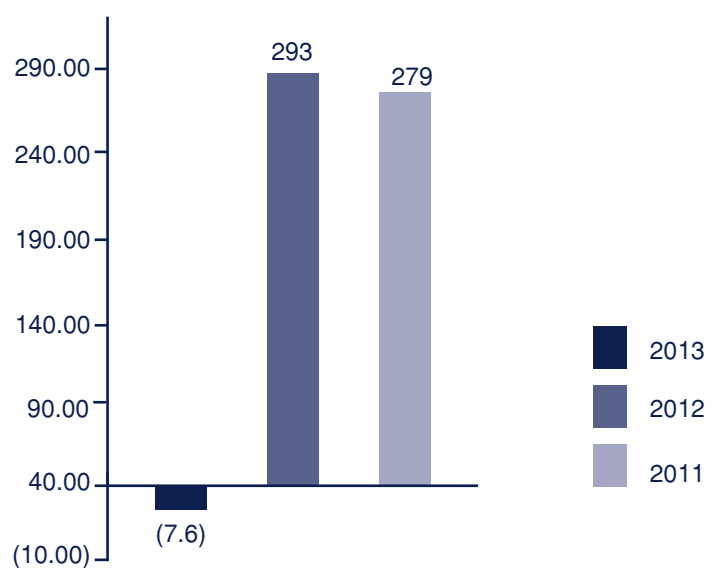
Revenue from Sales

(Million Baht)



Profit (Loss) Attributable to Owners of the Company

(Million Baht)



Message from Chairman and Chief Executive Officer

In 2013, the overall frozen seafood industry in Thailand and other major shrimp exporting countries were hard hit with the severe shortage of shrimp supply due to the Early Mortality Syndrome (EMS) crisis. The shrimp raw material supply in Thailand decreases 50% compared to 2012. Consequently, average price of shrimp raw material skyrockets by more than 100% from 2012.

As a result, Thailand's export value of frozen and processed shrimp products dropped by 49% compared to 2012. All companies in the frozen shrimp business sector along with Surapon Foods Public Company Limited were inevitably affected from EMS. Due to the continuous rise of raw material costs from this situation, the Company needs to carefully assess all the risks before accepting any customer order to avoid losses which stems from the pricing mismatch between the sales contracted price and the finished products price. In order to limit this impact on the financial performance, the Company decided to decrease the production volume while also consistently increase efficiency, reduce wastes and losses from production, as well as strict budget control.

The Company tried to develop and push sales of new products which consist of other raw materials or consist of lower shrimp raw material percentage. The sales of these newly launched products have been increasing but still cannot offset the EMS sales loss; however, the Company is determined to generate more revenue from these products in the near future. Surapon Nichirei Foods Co., Ltd, one of the subsidiaries, continued to grow modestly. Hence, the overall 2013 performance of Surapon Foods Group still poses a satisfactory performance result in this tough period of raw material price crisis.

Although there are many changes in business operations, the Company still conducts business with Good Corporate Governance, balancing the best and the fair benefits to the stakeholders. The Company also implemented anti-corruption policy and measure to ensure the sustainable business growth.

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

Bangkok on February 28, 2014



(Mr. Kosol Chantikul)
Chairman



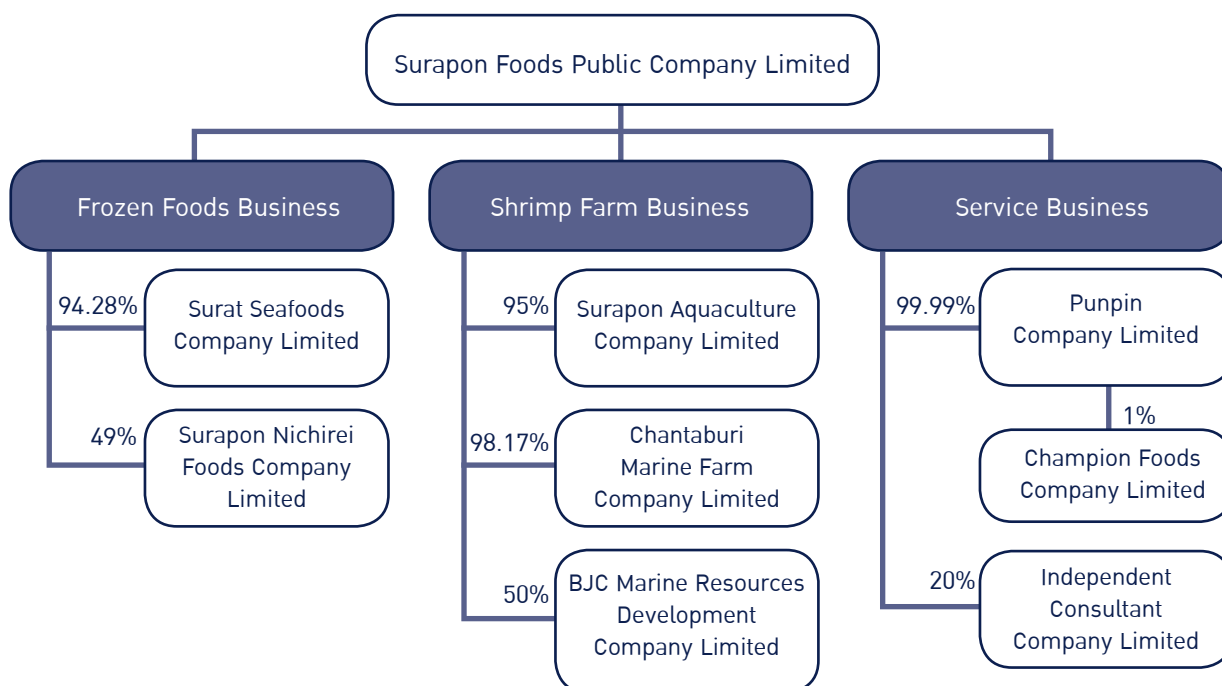
(Mr. Surapon Vongvadhanaroj)
Chief Executive Officer

General Information

(Information as of December 31, 2013)

Name	Surapon Foods Public Company Limited
Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Contact	Head Office (662) 3853038-54 Company Secretary (662) 3853038-54 ext. 561 E-mail : patt@surapon.com Investor Relation (662) 3853038-54 ext. 215 E-mail : investor@surapon.com
Company Registration Number	0107537000661
Type of Business	Manufacturer and Distributor of Frozen Foods
Stock Quote	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

Structure of Shareholding in Subsidiary Companies



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
Tel: (662) 3853038-54 Fax: (662) 3853179
Type of Business Processor and Exporter of Frozen Seafoods
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
Tel: (662) 3853038-54 Fax: (662) 3853179
Type of Business Shrimp Farm
Registered Capital 85,000,000 Baht (Shareholding by SSF = 95.00%)

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

Address 247 Moo 1 Theparak Road, Theparak Sub-district, Muang District,
Samutprakarn 10270, Thailand
Tel: (662) 3853038-54 Fax: (662) 3853179
Type of Business Shrimp Farm
Registered Capital 92,750,000 Baht (Shareholding by SSF = 98.17%)

4. Punpin Co., Ltd. (PP)

Address 247 Moo 1 Theparak Road, Theparak Sub-district, Muang District,
Samutprakarn 10270, Thailand
Tel: (662) 3853038-54 Fax: (662) 3853179
Type of Business Manufacturer and Distributor of Food Products
Registered Capital 60,000,000 Baht (Shareholding by SSF = 99.99%)

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
Tel: (662) 3855021-4 Fax: (662) 3855119

Type of Business Processor and Distributor of Frozen Foods

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
Tel: (662) 3853038-54 Fax: (662) 3853176

Type of Business Shrimp Farm

Registered Capital 100,000,000 Baht (Shareholding by SSF = 50%)

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

Address 1168/75 Lumpini Tower 26th Floor, Rama 4 Road,
Bangkok 10120, Thailand
Tel: (662) 6798184 Fax: (662) 2856428

Type of Business Insurance Broker

Registered Capital 2,000,000 Baht (Shareholding by SSF = 20%)

References

- 1. Security Registrar** Thailand Securities Depository Company Limited
Tel: (662) 2292800 Fax: (662) 6545599
- 2. Auditor** Ms. Bongkot Amsageam, CPA License No. 3684 KPMG Phoomchai Audit Co., Ltd.
Tel: (662) 6772000 Fax: (662) 6772222
- 3. Bankers** Kasikorn Bank Public Company Limited
Siam Commercial Bank Public Company Limited

Note: Investors can learn more the Company's Information from annual report form (Form 56-1)
to be publicized in www.sec.or.th and www.surapon.com.

Board of Directors and Executives

Board of Directors

(Information as of January 31, 2014)



Mr. Kosol Chantikul

Age 67 Years

Position in the Company

Independent Director and Chairman

Education

- Master Degree in Law, University of Sydney, Australia
- Master Degree in Law, Chulalongkorn University
- Bachelor Degree in Law, Thammasat University

Training on Directorship

- 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

Listed Company -No-
Limited Company

- Director, Unipalm Industry Co., Ltd.
- Legal Advisor, Team Group of Companies Co., Ltd.
- Legal Advisor, HNP Counsellors Limited

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-

Date of Directorship

March 2540



Mr. Surapon Vongvadhanaroj

Age 68 Years

Position in the Company

Authorized Director and Nomination and Remuneration Committee

Education

- Master Degree in Political Economics, Chulalongkorn University
- Bachelor Degree in Political Science, Ramkhamhaeng University

Training on Directorship

- 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

- Chairman, Surapon Nichirei Foods Co., Ltd.
- Chairman, Surat Seafoods Co., Ltd.
- Director, Surapon Aquaculture Co., Ltd.
- Director, Chantaburi Marine Farm Co., Ltd.

Other Positions

Listed Company -No-
Limited Company -No-

Dispute

-No-

Date of Directorship

December 13, 1977



Mr. Sithichai Kraisithisirin

Age 69 Years

Position in the Company

Authorized Director and Advisor

Education

- Master Degree in Business Administration, Chulalongkorn University
- Bachelor Degree in Law, Chulalongkorn University

Training on Directorship

- DCP class 5/2001 Thai Institute of Directors Association (IOD)

Position in Subsidiaries

- 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

Listed Company
• Director, Lighting and Equipment Public Company Limited
Limited Company -No-

Dispute

-No-

Date of Directorship

December 13, 1977



Mr. Chokchai Jiengwareewong

Age 69 Years

Position in the Company

Authorized Director and Chairman of Nomination and Remuneration Committee

Education

- High School, Amnuaysilpa School

Training on Directorship

- DAP class 6/2003 Thai Institute of Directors Association (IOD)

Position in Subsidiaries

- Director, Surat Seafoods Co., Ltd.
- Director, Surapon Aquaculture Co., Ltd.
- Director, Chantaburi Marine Farm Co., Ltd.

Other Positions

Listed Company -No-
Limited Company

- Director, S J Universal Co., Ltd.

Dispute

-No-

Date of Directorship

December 13, 1977



Mrs. Boonperm Jiamtiranat

Age 65 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

Listed Company

- Independent Director, Chairman of Audit Committee, Chairman of Corporate Governance Committee and Nomination and Remuneration Committee
Noble Development Public Company Limited

Limited Company

- Director, Noble Estate Co., Ltd.
- Director, Continental City Co., Ltd.
- Director, Baan Suksabuy Co., Ltd.
- Director, S&P Property Management Co., Ltd.

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.
- Has adequate expertise and experience to review creditability of the financial reports

Dispute

-No-

Date of Directorship

April 29, 1999



Mr. Pisanu Rienmahasarn

Age 65 Years

Position in the Company

Independent Director, Audit Committee and Corporate Governance Committee

Education

- 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

Listed Company

- Director, Crown Tech Advance PLC.

Limited Company -No-

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-

Date of Directorship

April 27, 2009



Mr. Paiboon Kangvonkit

Age 46 Years

Position in the Company

Director and Chairman of 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 Managing Director, Surapon Nichirei Foods Co., Ltd.

Other Positions

Listed Company -No-

Limited Company -No-

Dispute

-No-

Date of Directorship

April 8, 2010



Mr. Sathaporn Kotheeranurak

Age 57 Years

Position in the Company

Independent Director and Chairman of Audit Committee

Education

- Advanced Certificate in Accounting, Thammasat University
- Master Degree in Business Administration, Chulalongkorn University
- Bachelor Degree in Accounting, Rajamangala University of Technology

Training on Directorship

- DAP class 35/2005 Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program class 13/2013 Thai Institute of Directors Association (IOD)

Position in Subsidiaries

-No-

Other Positions

Listed Company

- Independent Director and Audit Committee, Star Sanitaryware PLC.
- Independent Director and Chairman of Audit Committee and Risk Management Committee, Kunkul Engineering PLC.
- Independent Director and Audit Committee Kaset Thai International Sugar Corporation Co., Ltd.

Limited Company

- Managing Director, DBMT Co., Ltd.
- Managing Director, Sahaporn & Co Co., Ltd.

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
- Has adequate expertise and experience to review creditability of the financial reports

Dispute

-No-

Date of Directorship

May 14, 2009



Miss Malai Wongwatroj

Age 58 Years

Position in the Company

Authorized Director, 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.

Other Positions

Listed Company -No-

Limited Company -No-

Dispute

-No-

Date of Directorship

April 8, 2010



Mr. Sorapon Vongvadhanaroj

Age 32 Years

Position in the Company

Authorized Director, Corporate Governance Committee and Risk Management Committee

Education

- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training on Directorship

- Bachelor Degree in Business Administration, Babson College, USA.
- DCP 163/2012 Thai Institute of Directors Association (IOD)

Position in Subsidiaries

- Director, Surat Seafoods Co., Ltd.
- Director, Surapon Aquaculture Co., Ltd.
- Director, Chantaburi Marine Farm Co., Ltd.
- Director, BJC Marine Resources Development Co., Ltd.

Other Positions

Listed Company -No-
Limited Company -No-

Dispute

-No-

Date of Directorship

April 4, 2012



Mr. Putaporn Ninwarangkoon

Age 61 Years

Position in the Company

Independent Director and Nomination and Remuneration Committee

Education

- Master Degree in Business Administration, University of San Francisco, USA
- Bachelor Degree in Accounting, Kasetsart University

Position in Subsidiaries

-No-

Other Positions

Listed Company
• Advisor, Sompo Japan Nipponkoa Insurance (Thailand) PLC.
Limited Company -No-

Dispute

-No-

Date of Directorship

April 4, 2013

Executives

(Information as of February 28, 2014)

1. Mr. Surapon Vongvadhanaroj

Age	68 Years
Education	<ul style="list-style-type: none"> • Master Degree in Political Economics, Chulalongkorn University • Bachelor Degree in Political Science, Ramkhamhaeng University
Position in the Company	Chief Executive Officer
Position in Subsidiaries	<ul style="list-style-type: none"> • Chairman, Surapon Nichirei Foods Co., Ltd. • Chairman, Surat Seafoods Co., Ltd. • Director, Surapon Aquaculture Co., Ltd. • Director, Chantaburi Marine Farm Co., Ltd.

2. Mr. Sorapon Vongvadhanaroj

Age	32 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	Managing Director, 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. • Director, Chantaburi Marine Farm Co., Ltd. • Director, BJC Marine Resources Development Co., Ltd.

3. Mrs. Soranee Ung

Age	39 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.
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.

4. Mr. Supakorn Ruangsin

Age	41 Years
Education	Bachelor Degree in Food Science and Technology, Suan Dusit Rajabhat University
Position in the Company	General Manager – Operations Group
Position in Subsidiaries	Director, Surat Seafoods Co., Ltd.

5. Mr. Thomas Ung

Age 43 Years
Education Bachelor Degree in Sociology, Polhems Skolan College, Sweden
Position in the Company General Manager- Export Sales Group
Position in Subsidiaries No

6. Miss Silawan Kraisithsirin

Age 35 Years
Education

- Master Degree in Accounting, University of Virginia, USA.
- Bachelor Degree in Business Administration, Babson College, USA.

Position in the Company Finance and Corporate Services Senior Manager
Position in Subsidiaries

- Director, Punpin Co., Ltd.
- Director, BJC Marine Resources Development Co., Ltd.

Company Secretary

Mr. Patt Somchaikulsup

Education

- Master Degree in Economics, Thammasat University
- Bachelor Degree in Economics, Thammasat University

Training on Company Secretary

- Company Secretary Program (CPS) class 27/2008, Thai Institute of Directors Association (IOD)
- Effective Minute Taking (EMT) class 15/2009, Thai Institute of Directors Association (IOD)
- Developing Corporate Governance Policy 2008, Thai Institute of Directors Association (IOD)
- Fundamental Practice for Corporate Secretary (FPCS 18), Thai Listed Companies Association

Report of Directors' Shareholding

Name	January 1, 2013	Proportion [%]	December 31, 2013	Proportion [%]	Changes during 2013
1. Mr. Kosol Chantikul	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
2. Mr. Surapon Vongvadhanaroj	105,441,750	39.05	106,011,350	39.26	Increase 569,600
Spouse and Minor Children	6,977,000	2.58	6,957,000	2.58	Decrease 20,000
3. Mr. Sithichai Kraisithisirin	32,436,000	12.01	32,436,000	12.01	0
Spouse and Minor Children	0	-	0	-	0
4. Mr. Chokchai Jiengwareewong	30,615,000	11.34	30,615,000	11.34	0
Spouse and Minor Children	174,390	0.06	174,390	0.06	0
5. Mrs. Boonperm Jiamtiranat	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
6. Mr. Pisanu Rienmahasarn	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
7. Mr. Sathaporn Kotheeranurak	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
8. Mr. Paiboon Kangvonkit	0	-	0	-	0
9. Miss. Malai Wongwatroj	12,000	0.01	12,000	0.01	0
10. Mr. Sorapon Vongvadhanaroj	1,582,500	0.59	1,582,500	0.59	0
Spouse and Minor Children	0	-	0	-	0
11. Mr. Putaporn Ninwarangkoon	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0

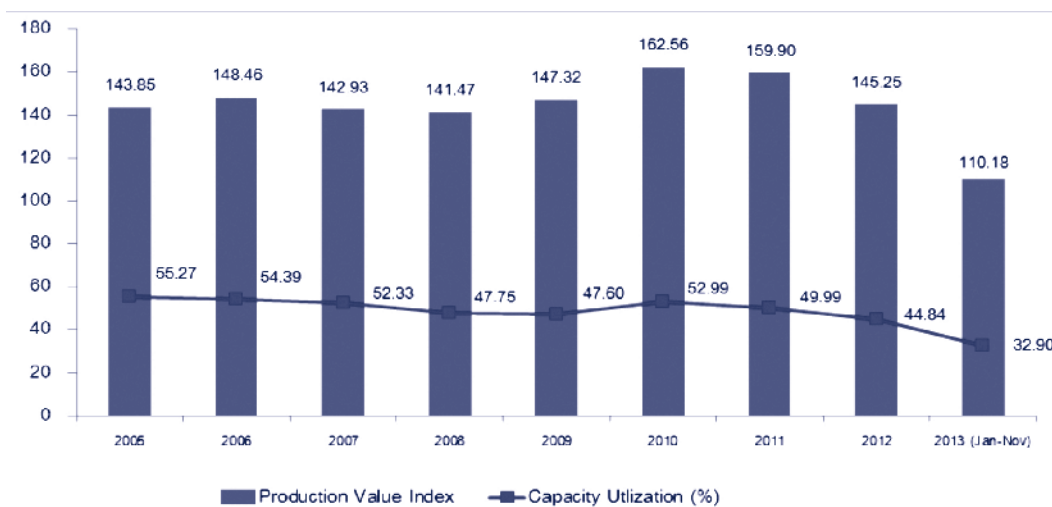
Report of Executives' Shareholding

Name	January 1, 2013	Proportion [%]	December 31, 2013	Proportion [%]	Changes during 2013
1. Mr. Surapon Vongvadhanaroj	105,441,750	39.05	106,011,350	39.26	Increase 569,600
Spouse and Minor Children	6,977,000	2.58	6,957,000	2.58	Decrease 20,000
2. Mrs. Soranee Ung	1,350,000	0.50	1,350,000	0.50	0
Spouse and Minor Children	0	-	0	-	0
3. Mr. Supakorn Ruangsri	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
4. Mr. Thomas Ung	0	-	0	-	0
Spouse and Minor Children	1,350,000	0.50	1,350,000	0.50	0
5. Mr. Sorapon Vongvadhanaroj	1,582,500	0.59	1,582,500	0.59	0
Spouse and Minor Children	0	-	0	-	0
6. Miss Silawan Kraisithisirin	1,000,000	0.37	1,000,000	0.37	0
Spouse and Minor Children	0	-	0	-	0

Overall Industry and Competition

Production Situation

Overall processed seafood production in the year 2013 significantly decreased from 2012. Due to Early Mortality Syndrome (EMS), Thailand's vannamei shrimp raw material decreased from 481,950 tons in year 2012 to 244,932 tons in year 2013 or equivalent to the decrease of 49%. Data from the Ministry of Industry indicated that index of production value of processed seafood product for the first 11 months of year 2013 was at 110.18, while the year 2012 was at 145.25. The capacity utilization rate for the first 11 months of year 2013 marked at 32.90% while year 2012 was at 44.84%



Remarks: 1. The based year is year 2000 which index is equal to 100
2. Data for the year 2013 is preliminary data for the period of Jan.-Nov.

Source: Ministry of Industry

Sales Situation

The Company's products were mainly produced from shrimp. The shrimp products 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 2013 was 28,532 million Baht, 36.71% decrease from the year 2012. USA is the Thai's largest export market, accounted for 38.84%. Other Thai main export markets are Japan and Europe, accounted for 25.19% and 11.04% respectively.

Export market of Thai Fresh/Chilled/Frozen Shrimp

Country	Value (Million Baht)			Growth (%)	Proportion (%)
	2011	2012	2013	2013	2013
USA	21,805	15,359	11,081	-27.85	38.84
Japan	11,353	11,324	7,187	-36.54	25.19
EU	7,835	5,887	3,151	-46.48	11.04
ASEAN	1,672	3,187	1,341	-36.71	4.7
Others	9,423	9,327	5,772	-38.12	20.33
Total	52,088	45,084	28,532	-36.71	100

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 2013 was 35,036 million Baht, 22.63% decrease from the year 2012. USA is the Thai's largest export market, accounted for 41.53% of total export value of processed frozen shrimp. Other Thai main export markets are Japan and Europe, accounted for 30.32% and 17.13% respectively.

Export market of Thai Processed Shrimp Products

Country	Value (Million Baht)			Growth (%)	Proportion (%)
	2011	2012	2013	2013	2013
USA	27,785	18,163	14,549	-19.90	41.53
Japan	12,510	13,071	10,624	-18.72	30.32
EU	7,829	7,495	6,002	-19.92	17.13
ASEAN	92	99	59	-40.48	0.17
Others	6,390	6,454	3,802	-41.09	10.85
Total	54,606	45,282	35,036	-22.63	100

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

In summary, Thailand's Shrimp business in 2013 showed the significant downturn which was affected by Early Mortality Syndrome (EMS) led to shortage of shrimp raw material and drastic higher price of shrimp raw materials.

Structure of Revenue

Revenue from Sales by main products group for the past 3 years

Products Group	Company	2013		2012		2011	
		Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Ready-to-eat	SSF	1,277,457	20.69	1,361,064	19.53	1,231,915	18.64
	SS	556,292	9.01	821,957	11.79	-	-
	SUNIF	3,321,768	53.80	3,339,660	47.91	3,296,984	49.89
Ready-to-cook	SSF	336,300	5.45	500,943	7.19	505,671	7.65
	SS	145,084	2.35	432,656	6.21	1,230,613	18.62
Others	SSF	436,491	7.07	346,561	4.97	343,475	5.20
	SS	100,550	1.63	167,404	2.40	-	-
Total		6,173,942	100.00	6,970,245	100.00	6,608,658	100.00

- Remarks :
- 1) The above sales figure is shown only in each company's separate financial statement
 - 2) Ready-to-eat Group such as Dimsum (Shumai, Bun, Hakao, and etc.), Sushi, Frozen cooked prawn, and etc.
 - 3) Ready-to-cook Group such as Frozen raw prawn, Breaded products, Fritter and etc.
 - 4) Others Group are mainly Trading products
 - 5) SSF = Surapon Foods PLC.
SS = Surat Seafoods Co., Ltd.
SUNIF = Surapon Nichirei Foods Co., Ltd.
 - 6) Products of Surapon Nichirei Food Co., Ltd are mainly produced from chicken raw material

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 foods 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 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 product and Ready to Eat product. Our production processes have been internationally accredited by GMP, BRC, HACCP and etc. These international standards show high level of trustworthy in safety, quality, and traceability in our products. The Company has invested and established the other subsidiary companies in various businesses such as frozen foods business under the name of Surat Seafoods Co., Ltd. and Surapon Nichirei Foods Co., Ltd. Surapon Aquaculture Co., Ltd. and Chantaburi Marine Farm Co., Ltd. as farm cultivation business. Independent Consultant Co., Ltd. as insurance business.

In year 2013, the Company and Subsidiaries have important changes as follows:

1. Early Mortality Syndrome (EMS) affect a decrease of shrimp raw material supply approximately 50% compared to last year. Price of shrimp raw material has been increasing dramatically. Therefore, the Company need to limit the production of mainly shrimp based products namely; raw shrimp and frozen cooked shrimp in order to manage the cost of production related with the selling price, the Company decreased Kabinburi Factory and Surat Seafoods Factory's production volume to handle the loss of these two factories. However, other products which are less shrimp raw material proportion such as dimsum products and chicken products continue to grow with satisfactory level.
2. The Company encouraged the development of new products which employed others raw materials in replacement of shrimp raw material. However, the volume of less shrimp proportion products still not enough to replace the volume of shrimp production which is decreasing.
3. Over 2 years, Surapon Aquaculture Co., Ltd. has tried to develop shrimp cultivation to make use of existing property and to supply shrimp raw material to our production process. But the results still not achieve the plan due to the effect of Early Mortality Syndrome.
4. On April 30, 2013. The Company reported information to SET that one of subsidiary company; namely Punpin Co., Ltd. sold Champion Foods' shares to Ringer Hut (Thailand) Co., Ltd. As a result, number of Champion Foods' shares held by Punpin Co., Ltd. decreased from 254,997 shares to 5,000 shares which is equivalent to 1% of registered and paid-up capital.
5. The Company focuses on organization development by adhering Good Corporate Governance and Anti-Corruption. The Company also announced anti-corruption policy and defined the implementation process as well as communication to all concerned parties to prevent and protect corruption in the organization.

Risk Management

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

1. Risk from Fluctuation of Foreign Exchange

Since the Company's revenue mainly comes from export, fluctuation in foreign exchange has inevitably affected the overall performance. In the beginning of the year 2013, Thai Baht strongly appreciate and affect the export 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 instruments such as forward contract, 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 Trade Laws and Regulations

Trade barriers are introduced in term of both tariff barriers and non-tariff barriers such as quota, food safety and sanitation standards as well as new food quality standards which affect to business operation. In 2013, many trade regulations are introduced such as standard of shrimp cultivation farm, the change in EU GSP criteria, the US labor unfair practices. If the company cannot adapt and comply with regulations, it will affect the company's operation.

Risk Management

Constantly monitor and closely update trade regulations and laws on the imported countries, the Company assigns the working team to follow up, analyze impacts and propose preventive and collective actions. In addition, will communicates and exchanges information with relevant organizations both public and private as well as overseas business alliances, which helps the Company can access information timely and then the Company can quickly develop as well as control the business processes to meet the regulations.

3. Risk from Fluctuation of Raw Materials

The Company's required raw materials are mainly from agriculture and fisheries which largely are varied from weather, environment, disaster, and plague in both domestic and other countries. In 2013, Early Mortality Syndrome strongly affected the quantity of shrimp supply sharply decreasing; it causes the price of shrimp raw material is rapidly increasing. This situation is significantly affected to business operation.

Risk Management

The Company has started our own shrimp cultivation farm to be able to secure our own raw materials. The Company also develops procurement function to purchase supply of raw materials from various sources both in country and abroad, and promoting research and development of new products which use other substituted raw materials. Furthermore, the Company has monitored and analyzed the situation and trend of raw materials in order to manage the stock keeping properly and effectively.

The Company also encourages collaboration with shrimp farmers in form of contract farming in order to plan the supply of shrimp raw materials timely with the reasonable prices.

4. Risk from Natural Disaster

The weather and environment are more fluctuated and unexpected in Thailand and global. Therefore, there are more chances that natural disaster will occur for examples, the epidemic, and floods. In 2013, there was the flood in Prachinburi province. Though it did not cause any damage to the Company, it indirectly impacted to the surrounding community as well as raw materials transportation.

Risk Management

The Company prepared the preventive and collective actions in order to mitigate the effect. The responsible person will closely monitor and update the situation. The Company also developed the staff's potential in term of crisis management skill. Beside, the business recovery plan is also determined.

Structure of Shareholding and Management

Structure of Shareholding

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

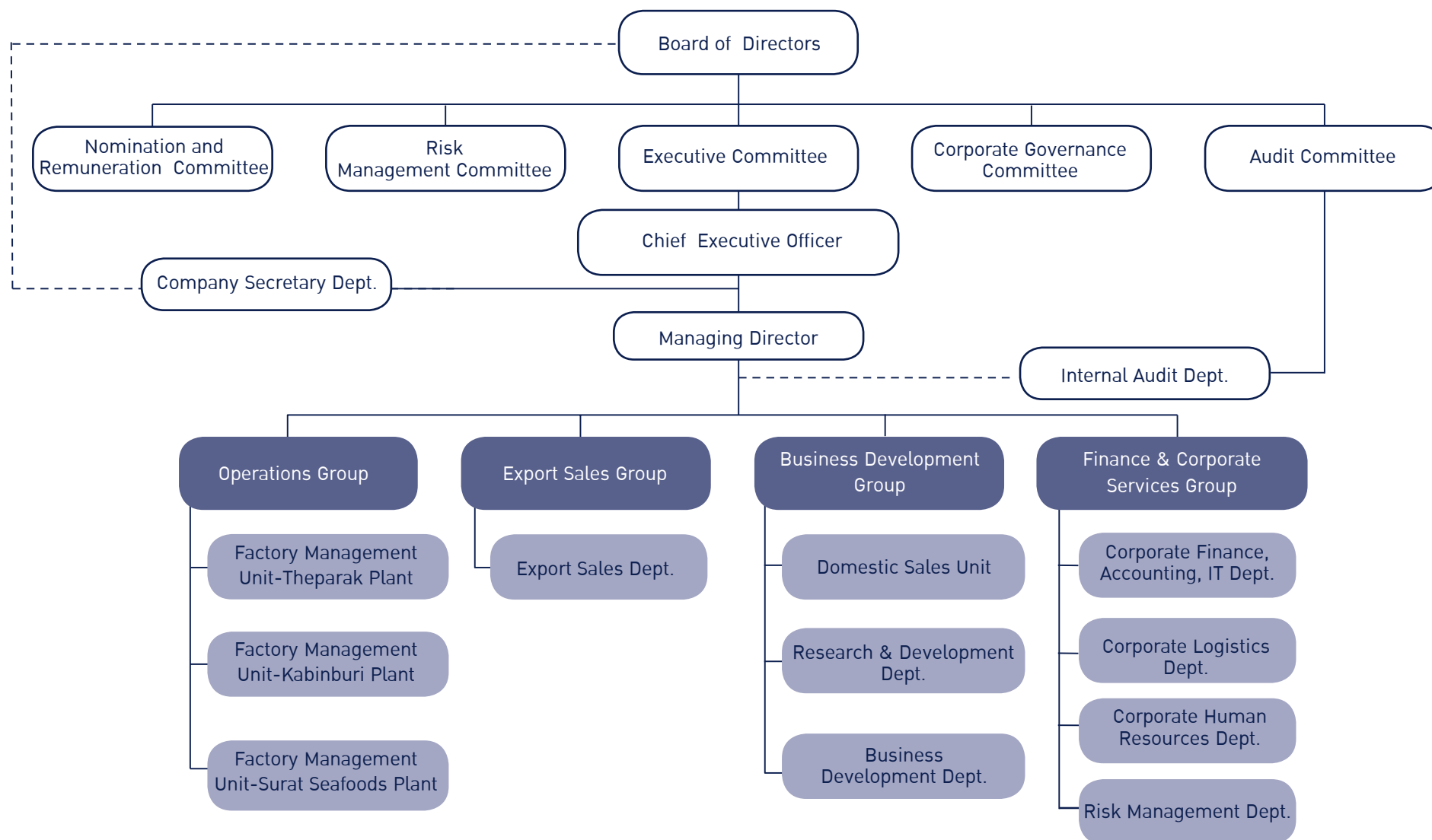
(Information as of January 31, 2014)

	Name of Shareholders	Amount of Shareholding	Proportion (%)
1.	Vongvadhanaroj Family	118,677,850	43.95
	- Mr.Surapon Vongvadhanaroj	106,011,350	39.26
	- Mrs.Sukanya Vongvadhanaroj	6,957,000	2.58
	- Mr.Sorapon Vongvadhanaroj	1,582,500	0.59
	- Mr.Sorapoom Vongvadhanaroj	1,350,000	0.50
	- Mrs.Soranee Ung	1,350,000	0.50
	- Mrs.Soraya Sorakraikitikul	1,350,000	0.50
	- Miss Malee Wongwatroj	65,000	0.02
	- Miss Malai Wongwatroj	12,000	0.01
2.	Kraisithsirin Family	35,436,000	13.12
	- Mr.Sithichai Kraisithsirin	32,436,000	12.01
	- Miss Silawan Kraisithsirin	1,000,000	0.37
	- Miss Sarin Kraisithsirin	1,000,000	0.37
	- Miss Sanrawee Kraisithsirin	1,000,000	0.37
3.	Jiengwareewong Family	34,085,090	12.62
	- Mr.Chokchai Jiengwareewong	30,615,000	11.34
	- Mrs.Janthip Jiengwareewong	174,390	0.06
	- Mrs.Areewan Pechworakul	3,295,700	1.22
4.	Mr.Aryuth Chansestikul	13,506,400	5.00
5.	Mr.Thanathip Pichetvanichchok	6,804,600	2.52
6.	Miss Woraran Taepaisithpong	5,000,000	1.85
	CREDIT SUISSE AG SINGAPORE BRANCH	5,000,000	1.85
8.	HSBC PRIVATE BANK (SUISSE) SA, HONG KONG BRANCH	3,950,720	1.46
9.	Thai NVDR Co., Ltd.	3,292,900	1.22
10.	Miss Orapun Asamongkol	3,136,200	1.16

Source: Thailand Securities Depository Co., Ltd.

Structure of Management

(Information as of February 24, 2014)



Structure of Board of Directors

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

1. Board of Directors

The Board has responsibilities to supervise the Company's operation to meet the Company's target and the Company's best benefit in accordance with good corporate governance framework.

As of December 31, 2013, Board of Directors consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2013
1.	Mr.Kosol Chantikul	Chairman and Independent Director	6/6
2.	Mr.Surapon Vongvadhanaroj	Director	5/6
3.	Mr.Sithichai Kraithisirin	Director	6/6
4.	Mr.Chokchai Jiengwareewong	Director	6/6
5.	Mrs.Boonperm Jiamtiranat	Independent Director	6/6
6.	Mr.Pisanu Rienmahasarn	Independent Director	6/6
7.	Mr.Sathaporn Kotheeranurak	Independent Director	6/6
8.	Mr.Paiboon Kangvonkit	Director	6/6
9.	Miss Malai Wongwatroj	Director	6/6
10.	Mr.Sorapon Vongvadhanaroj	Director	6/6
11.	Mr.Putaporn Ninwarangkoon ^{1/}	Independent Director	5/5
12.	Mr.Adul Amatavivadhana ^{2/}	Independent Director	1/1

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

Remarks: ^{1/}Mr.Putaporn Ninwarangkoon was appointed to be the Director according to AGM no.36/2013 on April 4, 2013

^{2/}Mr.Adul Amatavivadhana retired by rotation according to AGM no.36/2013 on April 4, 2013

2. Audit Committee

Audit Committee's responsibilities are to review the Company's operations to be in line with the Company's policy, laws, and regulations. In addition, Audit 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.

As of December 31, 2013, Audit Committee consists of three Independent Directors as follow:

Name - Surname		Position	No. of the meeting attended in 2013
1.	Mr.Sathaporn Kotheeranurak	Chairman	5/5
2.	Mrs.Boonperm Jiamtiranat	Director	5/5
3.	Mr.Pisanu Rienmahasarn	Director	5/5

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

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

3. Corporate Governance Committee

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

As of December 31, 2013, Corporate Governance Committee consists of the following persons:

Name - Surname			Position	No. of the meeting attended in 2013
1.	Mrs.Boonperm	Jamtiranat	Chairman	4/4
2.	Mr.Sorapon	Vongvadhanaroj	Director	4/4
3.	Mr.Pisanu	Rienmahasarn ^{1/}	Director	3/3
4.	Mr.Adul	Amatavivadhana ^{1/}	Director	1/1

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

Remark: ^{1/} Mr.Pisanu Rienmahasarn, in place of Mr.Adul Amatavivadhana according to the resolution of Board of Directors' meeting no.2/2013 on May 14, 2013

4. Nomination and Remuneration Committee

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 propose the compensation of the Directors and Chief Executive Officer.

As of December 31, 2013, Nomination and Remuneration Committee consists of the following persons:

Name - Surname			Position	No. of the meeting attended in 2013
1.	Mr.Chokchai	Jiengwareewong	Chairman	3/3
2.	Mr.Surapon	Vongvadhanaroj	Director	3/3
3.	Mr.Putaporn	Ninwarangkoon ^{1/}	Director	1/1
4.	Mr.Adul	Amatavivadhana ^{1/}	Director	1/1

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

Remark: ^{1/} Mr.Putaporn Ninwarangkoon, in place of Mr.Adul Amatavivadhana according to the resolution of Board of Directors' meeting no.2/2013 on May 14, 2013

5. Executive Committee

Executive Committee is responsible for supervising the Company's operations to achieve the Company's vision, target, and policy.

As of December 31, 2013, 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 Ruangsin	Director
6.	Mr.Thomas Ung	Director
7.	Mr.Cherdsak Charoenmongkonsuk	Director
8.	Mr.Montai Chulatitta	Director
9.	Mrs.Soranee Ung	Director
10.	Miss Silawan Kraisithsirin	Director
11.	Mr.Sorapon Vongvadhanaroj	Director
12.	Mr.Jittakorn Chairach	Director

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

Remark: There was 17 times meeting throughout the year 2013

6. Risk Management Committee

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

As of December 31, 2013, Risk Management Committee consists of the following persons:

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

Thereby, Mrs.Ajaree Phaireepairit carries out duties as Secretary of Risk Management Committee

Remark: There was 4 times meeting throughout the year 2013

Details of Directors and Authorized Persons

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

Remuneration of Directors and Executives

1. Directors' Remuneration

The Annual General Meeting of Shareholders No.36/2013 had passed the resolution to approve the Directors' remuneration totally not exceed than Baht 4,490,000.

The actual amount of payment is Baht 4,392,000.

Name of Directors			Board of Directors		Audit Committee		Corporate Governance	Nomination	Total (Baht)
			Retaining Fee	Meeting Allowance	Retaining Fee	Meeting Allowance	Meeting Allowance	Meeting Allowance	
1	Mr.Kosol	Chantikul	960,000	120,000	-	-	-	-	1,080,000
2	Mr.Surapon	Vongvadhanaroj	180,000	75,000	-	-	-	10,000	265,000
3	Mr.Sithichai	Krasithisirin	180,000	90,000	-	-	-	-	270,000
4	Mr.Chokchai	Jiengwareewong	180,000	90,000	-	-	-	20,000	290,000
5	Mr.Sathaporn	Kotheeranurak	180,000	90,000	180,000	50,000	-	-	500,000
6	Mrs.Boonperm	Jiamteeranat	180,000	90,000	120,000	25,000	40,000	-	455,000
7	Mr.Pisanu	Rienmahasarn	180,000	90,000	120,000	25,000	15,000	-	430,000
8	Mr.Paiboon	Kangvonkit	180,000	90,000	-	-	-	-	270,000
9	Miss Malai	Wongwatroj	180,000	90,000	-	-	-	-	270,000
10	Mr.Sorapon	Vongvadhanaroj	180,000	90,000	-	-	20,000	-	290,000
11	Mr.Putaporn	Ninwarangkoon ^{1/}	120,000	75,000	-	-	-	5,000	200,000
12	Mr.Adul	Amatavivadhana ^{1/}	47,000	15,000	-	-	5,000	5,000	72,000
Total			2,747,000	1,005,000	420,000	100,000	80,000	40,000	4,392,000

Remark: ^{1/}Mr.Putaporn Ninwarangkoon was appointed to be the Director in replacement of Mr.Adul Amatavivadhana according to AGM no.36/2013 on April 4, 2013

2. Executives' Remuneration

Remuneration	2013		2012	
	No. of Person	Total (Baht)	No. of Person	Total (Baht)
Salary	5	29,651,400	5	27,924,000
Bonus	5	3,529,475	5	4,482,281
Other remunerations	5	305,190	5	313,968
Total	5	33,486,065	5	32,720,249

Remarks: 1) Annual bonus payment will be paid in Janaury of next year

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

Corporate Governance and Corporate Social Responsibility

Corporate Governance

Surapon Foods Public Company Limited has always put a strong emphasis on the good corporate governance in taking care of all Stakeholders' interest. The Company issued the 1st version of Corporate Governance Policy on August 2005 then the Board of Directors improved the Policy substituting the former policy for 9 times in total. The latest version of the Policy is approved according to the Board meeting no.6/2013 on December 18, 2013. Currently Corporate Governance Policy consists of 7 sections. The Company publicizes the Policy through the Company's website. The implementation according to the Policy in the year 2013 can be summarized as the followings:

1. The Board of Directors

1.1 The Board of Directors consists of experts with knowledge, skill, and experience to operate in total of 11 persons, 3 persons are Executive Directors, 3 persons are non Executive Directors, 5 persons are Independent Directors. Number of Independent Director is in line with the regulations 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 the Company's website. 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 2013, 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 number of shares with voting right. Independent Directors must follow the qualifications of Independent Director as specified in the notification of all relevant regulatory organizations. Currently, there was no Independent Director hold any share of the Company and no Independent Directors have any related business transactions or provide any services 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 other listed companies more than 5 companies except the Board considers that the nominated person possesses knowledge, capability, working experience that would help the Company. Term of the Board, at every AGM, 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 years term in the office from either the appointed date or the Board's resolution which can be re-appointed after the term in the office is completed. In 2013, there was no Director post in the other listed companies more than 5 companies. Directors and CEO need to inform in the Board meeting about posting in other companies.

1.5 The Board meeting must be held with the specific agenda distributed in advance and might have related documents to allow enough time for due consideration. In 2013 the Board Committees had meeting in total of 6 times. Every Board member has attended the Board meeting more than 80% of total times of the Board meeting. Quorum in the Board meeting must not less than two-third of total Board members. The Company Secretary will send the agenda and meeting documents to every director 7 days prior to the meeting date except any urgent and/or confidential documents and submitted the Board's minutes of meeting for consideration within 7 days after meeting date. Evaluation of the meeting has set up in every meeting which follows 10 issues of the criteria of IOD. Average score of the Board meeting evaluation in 2013 is 92.82 out of 100.

1.6 The Board has established the specific committees with responsibility for specific matters for 5 sub committees. The Board has also set up the sub-committee charter as a guideline to convene the meeting effectively. In 2013, Audit Committee held the meeting 5 times, Nomination and Remuneration Committee 3 times, Corporate Governance Committee 4 times, Risk Management Committee 4 times, and Executive committee 17 times.

1.7 The Board carefully considered the conflict of interest and related transaction. Directors and executives must report about their possible related transactions and related persons. The Company also publicizes the conflict of interest policy in the Company's website.

1.8 The Board has formulated Code of Ethics in writing to be the guideline of practice for all directors, executive, and staffs.

1.9 The Board participated in consideration of vision, mission, annual business plan, and business goals. In addition, the Management shall submit the summary of quarterly performance to the Board. In 2013, the Management presented the annual business plan of year 2014 and the Board approved the business plan at the Board meeting no. 6/2013 on December 18, 2013.

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. Shareholders have 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 2013, The Company paid dividend at the rate of Baht 0.52 per share or equivalent to 61.10% of net profit after tax of separate financial statement which is in line with the Company's dividend policy.

2.2 The Board emphasizes on decision making of significant matters and disclosure information for shareholders, investors and public. In 2013, The Company has managed to support the rights of shareholder as follows:

- 1) To disclose the resolution of the Board's meeting no.1/2013 on February 22, 2013 Re: Convening the AGM on April 4, 2013 at Srinakarin room, Dusit Princess Hotel. The disclosure of information includes agenda and important details through SET website.
- 2) 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; documents and annual report to all shareholders and all regulatory organizations. 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 as well as notified the shareholders through SET website. 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 and receptions. In AGM 2013, Chairman of the Board presided Chairman of AGM meeting. All Board members, CEO, Executives, auditor and legal advisor attended the meeting. The chronology of the meeting agenda is same as specified in the AGM notice. No additional agenda is considered in the meeting.
- 5) *Before starting the meeting:* Chairman informed the number of attendant and introduced the Board, the Management, Auditor, Legal Advisor, Company Secretary. Company Secretary explained the process of voting, counting, and declaring voting result. The Company used the IT system for counting the vote for 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. 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 organizations within 14 days after the meeting date and posted on the Company's website.
- 8) The Company has a policy to disclose significant information/events to shareholders through SET website which are accurate and adequate due to the schedule follow the requirement of regulatory organizations.
- 9) The Board meeting no.2/2013 on May14, 2013 approved the policy to facilitate shareholders to attend the Shareholders' meeting and also publicizes the policy through company's website.

2.3 The Company announced the Shareholders to propose the AGM agenda during September 30 to December 31, 2013.

3. 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 to be the guidelines for the Directors, Executives and staffs.

3.2 The Company defines CSR policy and publicizes details of the policy through the Company's website.

3.3 The Company's Code of Ethic consists of ethical guidelines for all staffs which are relating to all stakeholders. Code of ethics' manual had been distributed and communicated to all staffs.

3.4 The Board set up the channel which shareholders and all stakeholders can suggest their concerns/suggestions to the Company by sending to Chairman of the Audit Committee through whistle-blowing@surapon.com. In addition, the Company also publicizes the whistle blowing policy through the Company's website.

3.5 The Company already signed to join in the Private Sector Collective Action Coalition against Corruption. In addition, the Board approved Anti-corruption policy and other supporting 3 policies to prevent and protect corruption in the organization. All anti-corruption policies are publicized in the Company's website.

4. Information Disclosure and Transparency

4.1 The Board has a policy to disclose information both finance and non-finance concerning business and operation which is accurate, complete and timely. This distribution of information covers various communication channels such as Information Report (56-1), Annual Report (56-2), the Company's website, and 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 as well as keeping confidentiality of important information. The disclosure of information will comply with requirements of the regulatory organizations. The Company has assigned Investor Relation function to communicate the information to shareholders and investors.

4.3 The Board monitor closely to internal information usage to encourage Good Corporate Governance. The Board approved the Internal Information Usage Controlling Policy. The main objective is to prevent the use of internal information for private interest. The Company also informed to the Directors, Executives and stakeholders and also publicizes the policy through the Company's website. In 2013, there is no case of usage of non-disclosed internal information for private interest. Furthermore, Directors and Executives have to disclose their stock trading transaction in the Board meeting. All Executives and employees who involve with the Company's important information must sign in the confidentiality agreements.

4.4 The Company realizes an importance on conflict of interest and related transaction. The consideration will be done carefully and fairly. In addition, the Directors and Management must report their possible related transactions and related persons.

4.5 Directors' remuneration is considered according to the Company's remuneration of Directors and Executives policy by considering responsibilities, size and type of business, market, and competitors with the appropriate level and able to motivate and keep those qualified Directors.

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 internal audit system. The Company assigned Internal Audit Department to be responsible for auditing all important activities to be in line with the Company's policy and Power of Authority. Internal Audit Department directly report to Audit Committee. The Audit Committee has the authority to approve the nomination or dismissal of the head of Internal Audit Department.

5.2 The Board set up the Internal Audit and Internal Control Policy to be the guideline for operations. The Company employs the follow-up process to make sure the important activities have set the effective internal control system. The Board arranged an evaluation report for adequacy and suitability of the Internal Control system by followed the SEC notification. The Company disclosed the Board's opinion about adequacy and suitability of Internal Control system in the information report (56-1) and annual report (56-2).

5.3 The Company pays attention to an efficiency of risk management system. The Board established the Risk Management Committee in the order to evaluate and monitor overall risk management system. Moreover, risk management policy and risk management handbook is set up to be guidelines for all departments' implementation.

5.4 The Company participated in the Corporate Governance Development Project for Listed Companies in 2013 arranged by SET and TRIS to evaluate and develop the efficiency of good corporate governance in 4 modules; Good Corporate Governance and Board Practices, Risk Management, Internal Audit, and Internal Control.

6. Development of the Directors and Executives

6.1 The Board encourages and facilitates training for the Directors by providing the Board's handbook, organizing the training and site visit to the Company and Subsidiaries, open opportunity to exchange and share opinion with the Executives.

6.2 The Board encourages the Board's development by support the Directors to attend the training program. In 2013, the Directors attended the trainings/seminars as follow:-

- 1) Mr.Surapon Vongvadhanaroj participated in the 2nd National Director Conference 2013: Board Leadership Evolution on June 2013 held by IOD.
- 2) Mr.Sathaporn Kotheeranurak participated in the Advanced Audit Committee Program (AACP) class of 13/2013 held by IOD and participated in CG Forum seminar 3/2013 of "Conflict of Interest: Fighting abusive RPT" held by SEC and SET.
- 3) Mr.Paiboon Kangvonkit participated in Steps toward Systematic Risk Management held by SET.
- 4) Mr.Surapon Vongvadhanaroj participated in seminar of Private and Government sector future cooperation to anti-corruption on August 2013 held by IOD.

6.3 The Board conducts annual performance evaluation both whole group and individual. The Company applies the guidelines proposed by SET for whole group evaluation. The result of the whole group performance evaluation is 89.95 with good level, whereas individual performance evaluation in average of 87.00. They also have an annual performance evaluation of the Board's meeting and all sub-committees, There will be discussion of the evaluation results to improve the Directors' performance. The evaluation of CEO performance will be evaluated by the evaluation committee appointed by the Board of Directors. All evaluation committee member are Independent Directors.

6.4 The Board has emphasis on well preparation of human resources development from general manager to top management positions which will be an important person who drive the business. The successor will be considered from the business operation, knowledge, performance, experience and potential. The Board had assigned the Nomination and Remuneration Committee considers and plan for succession of CEO and assigns CEO to define plan for succession of general manager.

6.5 The Company assigned Corporate Human Resources Department and Human Resources Department of every business units to take responsibility to manage human resources development and management to serve the business goal. The Company supports staffs for knowledge development, potential, and career development.

7. The Policy to Support Good Corporate Governance

The Board had established policies to be guidelines and in order to strengthen good corporate governance.

The Board will review the policies in regularly. The Board approved and agreed to implement the policies 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 Business Ethics.
6. Policy of Internal Information Usage Control.
7. Policy of Corporate Social Responsibility.
8. Policy of Prevention of Conflict of Interest.
9. Policy of Facilitating the Shareholders to attend Shareholders' Meeting.
10. Policy of Whistle Blowing.
11. Policy of Anti-Corruption.
12. Criteria for shareholders to propose AGM agenda.

All the above policies are already provided on the Directors handbook and publicized on the Company's website.

The Company's Corporate Governance Assessment Score in 2013, evaluated by IOD is equivalent to "very good" level.

Corporate Social Responsibility

The Company aware and concern of social, environment, and stakeholders. The Board's meeting no.3/2011 approved CSR policy as well as implementation guideline to all concerned stakeholders as follow:-

1. Policy and Guidelines of implementation on safety and sanitation in workplace.
2. Policy and Guidelines for implementation on employee's remuneration and welfare.
3. Policy and Guidelines for implementation on employees' knowledge development.
4. Policy and Guidelines for implementation on Human Rights.
5. Policy and Guidelines of implementation on customers.
6. Policy and Guidelines of implementation on competitors.
7. Policy and Guidelines of implementation on partners.
8. Policy and Guidelines of implementation on creditors.
9. Policy and Guidelines of implementation on intellectual property and copyright.
10. Policy and Guidelines of implementation on Anti-Corruption and Bribery.
11. Policy and Guideline of implementation on contribution to social and community.
12. Policy and Guidelines for implementation on effective resources usage and environmental management.

The Company also publicizes details of all above policies and guidelines through the Company's website.

Moreover, The Company realizes an importance of anti-corruption. On June 27, 2011, The Company signed to participate in the Private Sector Collective Action Coalition against Corruption. The Board also approved policies related to anti-corruption prevention as follows:-

- 1) Anti-Corruption Policy.
- 2) Political Contribution Policy.
- 3) Charity and Sponsorship Policy.
- 4) Human Resource Management Policy to support anti-corruption.
- 5) Whistle Blowing Policy.

The Company also set up implementation procedure and communicate to all staffs. The Company set up evaluation and monitoring system in order to prevent anti-corruption in the organization.

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 by employing the proposed evaluation form of Securities and Exchange Commission. The Board of Directors viewed that the Company's internal control system fits with today's operation and the external auditor did not find any significant weakness. In addition, the management has provided best support to develop and improve the internal control system continuously by using internal control guidelines under standard of The Committee of Sponsoring Organization of the Treadway Commission (COSO).

1. Organizational Control and Environment

The Company puts great emphasis on organization structure and good environment which is the essential foundation of the effective internal control system.

- Define clear business policies, objectives and directions in order to monitor and constantly review.
- Define the suitable organization structure to 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.
- Communicate the Corporate Governance Policy, Internal Information Usage Policy, Conflict of Interest Policy, Anti-corruption Policy, Whistle-blowing Policy as well as Business Code of Ethics, and monitor the implementation result.
- Establish the clear policy and working procedure in writing as well as set up clear job description, working manual, rules and regulations, announcement, and power of authority in each level.

2. Risk Management

The Company aware the risk factors both internal and external that can affect the 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 employees' awareness on important of risk management that affect our business goals. Besides, the Company monitors event risk and report to risk management committee in order to ensure that event risk might not affect in negative results to business operation.

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 authority 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) person with the authority (2) recorder of accounting and information, and (3) person 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 of significant level transaction, the Audit Committee will review first then will be sent to the Board for approval and disclose the transaction in the annual report. Any related transaction is considered to make the best benefit to the Company.
- To support every department to establish their own operating manual for work in writing.
- To establish working groups to follow laws, regulations and accepted impact study. The impact study report shall submit to Risk Management Committee to consider appropriateness of risk management measures.

4. Information and Communication

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

- To arrange the adequacy of data to support the management for decision making. In the Board's meeting, the Company will send invitation letter along with full set of meeting documents to the Board for consideration 7 days before meeting.
- 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 regulations.
- 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 through the Company's website.

5. Monitoring

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

- 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 Auditor 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 meeting to supervise and monitor the overall operation to comply with the Corporate Governance Policy.
- The Risk Management Committee convenes the meeting to supervise and monitor the overall operation to comply with the Risk Management policy.
- The Nomination and Remuneration Committee convenes the meeting to consider the nomination of the Director and CEO including determination of Directors' remuneration for Shareholder's approval. The Committee is also responsible for assessing CEO's performance and fixing 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 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 audit result 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.

Dividend Payment Policy

The Board of Directors' meeting no. 4/2006 on July 14, 2006 had passed the resolution to add a sub-section 2.1.6 regarding the dividend payment policy in the Corporate Governance Policy in Section 2 (Shareholders' rights and the equal treatment). The Board of Directors' meeting no.8/2009 on December 17, 2009 has passed the resolution to adjust some wordings to make it clearer. The Company's dividend payment 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 may have related transaction with related person and/or juristic person. The Company, however, carefully makes decision of the related transaction by concerning the Company's best benefits and to be in line with the laws and regulations. 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 Directors and/or Executives, the involved Directors will not vote for this transaction.

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 requirements of SET and Capital Market Supervisory Board as well as Generally-accepted Accounting Standard. The related transaction has been also disclosed in note of the financial statement as specified in the annual report for the year ended December 31, 2013.

Management Discussion and Analysis

Overall Performance in 2013

In 2013, Surapon Foods Public Company Limited and its subsidiaries' total revenues were 5,669 Million Baht, a decrease of 799 Million Baht or 12.4% when compare to the year 2012. The cost of sale of goods as percentage of sales were 94.5%, an increase from 87.0% in the year 2012.

The consolidated profit for the year 2013 was 96 Million Baht, a decrease of 418 Million Baht or 81.4% from the year 2012. The loss attributable to owners of the Company was 8 Million Baht. The major factor affecting the performance of the Company and its subsidiaries was the shortage in supplies of shrimp, which is the main raw material, due to the impact from Early Mortality Syndrome (EMS). This caused a significant increase in cost of sale of goods and reduction in sales as the customers' demand decrease as the price rises.

Revenue

The Company and its subsidiaries posted total revenue of 5,843 Million Baht, a decrease of 805 Million Baht or 12.1% from the year 2012. The decrease was due largely from the decrease in revenue from sale of goods of 799 Million Baht.

Expenses

The Company and its subsidiaries' total expenses were 5,761 Million Baht, a decrease of 310 Million Baht or 5.1% from the year 2012. The major factors are as follows:

- Cost of sale of goods decreased by 273 Million Baht or 4.9% from the year 2012 due to decrease in sales revenue. The cost of sale of goods as percentage of sales was 94.5% in 2013, an increase from 87.0% in the year 2012. The major factor is the shortage in shrimp raw material from EMS, which resulted in significant increase in costs.
- Selling and administrative expenses decreased by 35 Million Baht or 8.1% from the year 2012. The major decrease was the export related expenses, which is the direct result from the decrease in sales revenue.
- Finance costs decreased by 2 Million Baht or 20.1% from the year 2012. This is due largely to the interest rates decrease in 2013 and the better management of liquidity, while the loans amount increased.

Profitability

The Company and its subsidiaries' loss attributable to owners of the Company was 8 Million Baht, a decrease from profit of 293 Million Baht in 2012, or a decrease of 102.6% from the year 2012. The gross profit margin was 5.5%, a decrease from 13.0% in 2012.

The return on equity (ROE) was (0.4)%, a decrease from 13.9% from the year 2012.

Financial Position

Assets

The Company and its subsidiaries' total assets as at 31 December 2013 were 2,929 Million Baht, a decrease of 181 Million Baht or 5.8% from the previous year. The major changes in assets were as follows:

- Trade accounts receivable as at 31 December 2013 was 283 Million Baht, a decrease of 87 Million Baht from the previous year. The accounts receivable not yet due was 256 Million Baht and overdue over 90 days was 0.05 Million Baht. The allowance for doubtful accounts was 0.3 Million Baht. The allowance is assessed by the management based on analysis of payment histories and expectations of customer payments as at the financial statement date. The average collection period in 2013 was 36 days.
- Inventories as at 31 December 2013 were 456 Million Baht, a decrease of 97 Million Baht from the previous year. The finished goods and work in progress inventories decreased by 63 Million Baht due to the shortage of raw materials and 10% decrease in production. The allowance for decline in value of inventories was 3 Million Baht, a decrease of 8 Million Baht from the previous year. The allowance is assessed and deemed as appropriate and sufficient by the management. The inventory turnover in 2013 was 41 days.
- Property, plant and equipment as at 31 December 2013 was 1,546 Million Baht, a decrease of 9 Million Baht from the previous year. The change was due mainly from purchase of property, plant and equipment of 254 Million Baht, depreciation of 206 Million Baht, and sales of property, plant and equipment of 57 Million Baht
- Deferred tax assets as at 31 December 2013 was 24 Million Baht, an increase of 18 Million Baht from the previous year. The Company and its subsidiaries adopted TAS 12 Income Taxes as issued by the Federation of Accounting Professions. The 2013 financial statements were prepared in accordance with this rule as noted in note 3 of the notes to the financial statements.

Liabilities

The Company and its subsidiaries' total liabilities as at 31 December 2013 were 945 Million Baht, an increase of 75 Million Baht or 8.6% from the previous year. The major changes in liabilities were as follows:

- Short-term loans from financial institutions as at 31 December 2013 were 291 Million Baht, an increase of 106 Million Baht from the previous year. This is due to the subsidiaries' needs of cash for working capital and improvements of production lines.
- Trade accounts payable as at 31 December 2013 were 167 Million Baht, a decrease of 36 Million Baht from the previous year. The average payment period in 2013 was 18 days
- Long-term loans from financial institutions (including the current portion of long-term loans from financial institutions) as at 31 December 2013 were 118 Million Baht, an increase of 40 Million Baht from the previous year. This is due to the subsidiaries' increase in loans from foreign financial institutions to be used for investment to increase production capacity.
- Finance lease liabilities (including the current portion of finance lease liabilities) as at 31 December 2013 were 72 Million Baht, an increase of 28 Million Baht from the previous year. The finance lease was used for production machines and equipment.
- Deferred tax liabilities as at 31 December 2013 were 49 Million Baht, a decrease of 15 Million Baht from the previous year. The Company and its subsidiaries adopted TAS 12 Income Taxes as issued by the Federation of Accounting Professions. The 2013 financial statements were prepared in accordance with this rule as noted in note 3 of the notes to the financial statements.

Equity

The Company and its subsidiaries' total equity as at 31 December 2013 were 1,984 Million Baht, a decrease of 256 Million Baht or 11.4% from the previous year. The decrease was due largely to dividends paid to owners of the Company amount 140 Million Baht, decrease in non-controlling interests of 111 Million Baht, and loss attributable to owners of the Company of 8 Million Baht.

Liquidity

The Company and its subsidiaries' cash and cash equivalents decreased by 152 Million Baht from the previous year. The cash provided by operating activities were 401 Million Baht. The cash used in investing activities were 324 Million Baht, mainly from purchase of property, plant and equipment of 188 Million Baht and purchase of current investments of 186 Million Baht. The sales of property, plant and equipment and net cash inflow on disposal of subsidiaries were 49 Million Baht. The cash used in financing activities were 229 Million Baht, mainly from dividends paid of 347 Million Baht and repayment of long-term loans and finance lease payments of 65 Million Baht. The increase in short-term and long-term loans from financial institutions were 190 Million Baht.

The Company and its subsidiaries' current ratio as at 31 December 2013 was 1.8, a decrease from 2.1 the previous year. The debt to equity ratio was 0.5, an increase from 0.4 the previous year. The major factors were the increase in the subsidiaries' short-term and long-term loans with financial institutions to be used as working capital and to improve production lines and facilities to increase production capacities. The increase in raw materials price also resulted in increase in cost of sales of goods and decrease in net profit.

Changes in Accounting Policies

From 1 January 2013, the principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. The effects of the change are recognized retrospectively in the financial statements as noted in note 3 of the notes to the financial statements. The impact of the change on the financial statements is as follows:

Unit: Thousand Baht

	Consolidated Financial Statements		
	31 December 2013	31 December 2012	1 January 2012
Increase in deferred tax assets	24,324	6,799	8,335
(Increase) in deferred tax liabilities	(48,840)	(63,387)	(47,265)
(Decrease) in total equity	(24,516)	(56,588)	(38,930)

Conclusion

In 2013, the Company and its subsidiaries posted profit for the year of 96 Million Baht. The loss attributable to owners of the Company was 8 Million Baht. The major factor affecting the decrease in profit was the shortage in supplies of shrimp, which is the main raw material, due to the impact from Early Mortality Syndrome (EMS). The management of the Company and its subsidiaries is monitoring the raw material situations closely and will continue to manage all the operating activities effectively.

Report of Audit Committee to the Shareholders

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.

In 2013, there were five meetings of the Audit Committee, four times joint-meeting with the external auditor, internal audit unit, and the management team, one time annual meeting, one time meeting with the external auditor without the management. The Audit Committee attended all 3 persons for all the meetings. The Audit Committee's performance can be summarized as follow:

1. Financial Statement Review and Audit

There were meetings with the external auditor, the management, and internal auditor to consider financial statement, accounting policy, changes in 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. The Audit committee considered and viewed that financial statement as at December 31, 2013 is correct and adequate according to the Generally-accepted Accounting Principles. Certified Auditor has operated and shown independent opinion on the Financial Statement.

2. Internal Control System Review

To consider efficiency and effectiveness of internal control system through quarterly internal audit report. 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 internal control system.

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

Operation review to ensure compliance with relevant business laws and regulations through the quarterly report from laws and regulations monitoring working committee, submitted to the Risk Management Committee. Besides, Internal Audit unit 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 2013, there was no related transaction that might cause conflict of interest. The Audit Committee had opinion that relate and conflict of interest transactions review have a process as transparency, equitable and for overall benefit of the Company. The disclosure of information was accurate and adequate.

5. Internal Audit System Review

The Audit Committee considered independence, scope of work, duty and responsibility of Internal Audit unit, reviewed the results of the internal auditor's self-assessment, approved improvement plans to improve internal audit's performance and also evaluated performance of Internal Auditor unit and head of Internal Audit including considering the appropriateness of head of Internal Audit's qualification. The Audit Committee viewed that the Company's Internal Audit System is independent, sufficient, and efficient. The Company's Internal Audit system was set to be in line with the business target as well as professional standard.

6. Risk Management System Review

To follow up an efficiency of risk management system by considering the Risk Management Committee's minutes of meeting. The Audit Committee viewed that risk management system is appropriate and suitable.

7. Selection of the Company's auditor and consideration of the auditing fee for the year 2013

To select the Company's auditor, The Audit Committee considered the reliability, working 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 to appoint KPMG Phoomchai Audit Ltd. to be the Company's auditor for the year 2013.

8. Annual Performance Assessment of Audit Committee for the year 2013

To ensure that the Committee performance is completely done as specified in the charter of Audit Committee and complied with guideline from SET. The Audit Committee's overall assessment result is equivalent to very good level.

In conclusion, Audit Committee viewed that the Board of Directors and the Executives have strong commitment with their duties and responsibilities to try to achieve the Company's goals by concerning good corporate governance principle. The Company's internal control system and risk management system are appropriate and sufficient.



Mr.Sathaporn Kotheeranurak
Chairman of Audit Committee



Mrs.Boonperm Jiamtiranat
Member of Audit Committee



Mr.Pisanu Rienmahasarn
Member of 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 to provide effective oversight of finances and the internal control system to ensure that accounting records are accurate, complete and timely. 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 views that the internal control system of the Company presents accurately as well as transparent. The Board creates confidence on financial statements as at December 31, 2013.



(Mr. Kosol Chantikul)
Chairman



(Mr. Surapon Vongvadhanaroj)
Chief Executive Officer

Audit Fee

The Company's Certified Auditor in 2013 named Miss Bongkot Amsageam CPA No. 3684 of KPMG Phoomchai Audit Ltd. The actual payment of audit fee in 2013 is as follows:-

Auditor's Remuneration	Amount (Baht)
Audit Fee	
- Audit Fee for Surapon Foods PLC.	1,120,000
- Audit Fee for the Subsidiaries (6 companies)	1,494,000
Non Audit Fee	0

Audit Report of Certified Public Accountant

To the Shareholders of Surapon Foods Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Surapon Foods Public Company Limited and its subsidiaries (the “Group”) and of Surapon Foods Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2012 after making the adjustments described in note 3.



(Bongkot Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2014

Statement of financial position

Surapon Foods Public Company Limited and its Subsidiaries

		Consolidated financial statements		
Assets	Note	31 December 2013	31 December 2012 (Restated) (in Baht)	1 January 2012 (Restated)
Current assets				
Cash and cash equivalents	6	268,721,516	420,953,535	379,414,460
Current investments	7	188,559,040	-	-
Trade accounts receivable	5, 8	283,143,063	370,496,094	388,180,472
Other receivables	5, 9	23,133,334	54,178,470	38,757,934
Inventories	10	455,721,824	553,092,655	492,152,418
Total current assets		1,219,278,777	1,398,720,754	1,298,505,284
Non-current assets				
Investments in associates	11	23,413,739	23,367,974	26,762,550
Other long-term investments	13	-	-	56,417,657
Investment properties	14	93,031,591	93,070,641	123,760,732
Property, plant and equipment	15	1,546,374,977	1,555,451,732	1,509,919,223
Intangible assets	16	14,273,026	17,738,072	15,279,136
Deferred tax assets	17	24,323,940	6,798,709	8,334,481
Other non-current assets	18	8,356,856	15,295,292	16,726,197
Total non-current assets		1,709,774,129	1,711,722,420	1,757,199,976
Total assets		2,929,052,906	3,110,443,174	3,055,705,260

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

Statement of financial position

Surapon Foods Public Company Limited and its Subsidiaries

		Consolidated financial statements		
		31 December 2013	31 December 2012 (Restated) (in Baht)	1 January 2012 (Restated)
Liabilities and equity	<i>Note</i>			
Current liabilities				
Bank overdrafts and short-term				
loans from financial institutions	19	291,123,410	185,163,651	236,823,300
Trade accounts payable	5, 20	167,134,457	202,649,020	208,636,669
Other payables	5, 21	154,524,935	184,715,320	189,020,159
Current portion of long-term loans				
from financial institutions	19	31,694,175	54,538,800	137,537,560
Current portion of finance lease liabilities	19	18,349,716	10,987,176	4,310,975
Income tax payable		11,116,991	36,467,674	42,951,118
Total current liabilities		673,943,684	674,521,641	819,279,781
Non-current liabilities				
Long-term loans from financial institutions	19	86,062,525	22,996,000	96,521,780
Finance lease liabilities	19	53,800,452	32,688,239	8,434,002
Deferred tax liabilities	17	48,840,459	63,386,930	47,265,096
Employee benefit obligations	22	82,391,454	76,529,845	105,070,418
Total non-current liabilities		271,094,890	195,601,014	257,291,296
Total liabilities		945,038,574	870,122,655	1,076,571,077
Equity				
Share capital	23			
Authorised share capital		270,000,000	270,000,000	270,000,000
Issued and paid-up share capital		269,999,000	269,999,000	269,999,000
Additional paid-in capital	23			
Premium on ordinary shares		270,000,000	270,000,000	270,000,000
Retained earnings				
Appropriated				
Legal reserve	24	27,000,000	27,000,000	27,000,000
Unappropriated		760,547,045	908,567,541	743,353,043
Other components of equity		254,481,963	252,058,393	232,753,890
Equity attributable to owners of the Company		1,582,028,008	1,727,624,934	1,543,105,933
Non-controlling interests		401,986,324	512,695,585	436,028,250
Total equity		1,984,014,332	2,240,320,519	1,979,134,183
Total liabilities and equity		2,929,052,906	3,110,443,174	3,055,705,260

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

Statement of financial position

Surapon Foods Public Company Limited and its Subsidiaries

Assets	Note	Separate financial statements		
		31 December 2013	31 December 2012 (Restated) (in Baht)	1 January 2012 (Restated)
Current assets				
Cash and cash equivalents	6	34,661,915	185,221,382	88,954,252
Current investments	7	188,548,815	-	-
Trade accounts receivable	5, 8	196,681,018	210,937,345	190,659,669
Other receivables	5, 9	5,521,800	39,798,231	12,910,997
Inventories	10	206,858,376	238,570,475	241,168,275
Total current assets		632,271,924	674,527,433	533,693,193
Non-current assets				
Investments in associates	11	17,550,000	17,550,000	17,550,000
Investments in subsidiaries	12	233,423,735	244,090,735	276,549,585
Other long-term investments	13	-	-	56,417,657
Investment properties	14	5,000,000	5,000,000	5,000,000
Property, plant and equipment	15	513,637,267	523,555,616	531,166,913
Intangible assets	16	8,696,506	11,232,881	11,250,431
Other non-current assets	18	4,136,401	4,662,122	7,916,137
Total non-current assets		782,443,909	806,091,354	905,850,723
Total assets		1,414,715,833	1,480,618,787	1,439,543,916

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

Statement of financial position

Surapon Foods Public Company Limited and its Subsidiaries

		Separate financial statements		
		31 December 2013	31 December 2012 (Restated) (in Baht)	1 January 2012 (Restated)
Liabilities and equity	<i>Note</i>			
Current liabilities				
Trade accounts payable	5, 20	83,432,329	110,197,455	105,357,739
Other payables	5, 21	65,440,511	86,057,276	78,466,905
Current portion of long-term loans				
from financial institutions	19	6,000,000	6,000,000	30,312,000
Current portion of finance lease liabilities	19	1,310,861	1,331,474	2,004,929
Income tax payable		-	11,551,359	8,635,366
Total current liabilities		156,183,701	215,137,564	224,776,939
Non-current liabilities				
Long-term loans from financial institutions	19	9,000,000	15,000,000	42,909,000
Finance lease liabilities	19	722,962	1,049,399	2,593,050
Deferred tax liabilities	17	20,574,524	35,532,917	28,577,655
Employee benefit obligations	22	41,548,997	38,615,078	57,371,147
Total non-current liabilities		71,846,483	90,197,394	131,450,852
Total liabilities		228,030,184	305,334,958	356,227,791
Equity				
Share capital	23			
Authorised share capital		270,000,000	270,000,000	270,000,000
Issued and paid-up share capital		269,999,000	269,999,000	269,999,000
Additional paid-in capital	23			
Premium on ordinary shares		270,000,000	270,000,000	270,000,000
Retained earnings				
Appropriated				
Legal reserve	24	27,000,000	27,000,000	27,000,000
Unappropriated		449,710,954	440,732,525	348,764,821
Other components of equity		169,975,695	167,552,304	167,552,304
Total equity		1,186,685,649	1,175,283,829	1,083,316,125
Total liabilities and equity		1,414,715,833	1,480,618,787	1,439,543,916

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

Statement of comprehensive income

Surapon Foods Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)					
Revenues					
Revenue from sale of goods	5, 25, 34	5,668,854,934	6,468,284,585	2,050,248,038	2,208,568,768
Net foreign exchange gain		100,314,926	98,409,666	25,870,786	28,908,546
Investment income	5, 26	14,917,734	14,371,799	210,643,858	197,818,267
Other income	5, 27	58,952,722	67,088,207	40,937,558	53,059,371
Total revenues		5,843,040,316	6,648,154,257	2,327,700,240	2,488,354,952
Expenses					
Cost of sale of goods	5	5,356,404,500	5,629,570,708	1,962,786,916	1,987,692,468
Selling expenses	5, 28	241,498,597	272,570,227	124,911,222	136,954,817
Administrative expenses	5, 29	155,031,624	159,117,385	104,946,349	120,284,566
Finance costs	5, 32	7,872,546	9,850,224	1,297,672	3,381,179
Total expenses		5,760,807,267	6,071,108,544	2,193,942,159	2,248,313,030
Share of profit (loss) of associates	5, 11	845,765	(2,394,576)	-	-
Profit before income tax expense		83,078,814	574,651,137	133,758,081	240,041,922
Income tax benefit (expense)	33	12,658,675	(60,393,718)	15,619,828	(12,870,814)
Profit for the year		95,737,489	514,257,419	149,377,909	227,171,108
Other comprehensive income					
Fair value changes in available-for-sale investments		2,423,570	-	2,423,391	-
Revaluation of property		-	35,883,965	-	-
Defined benefit plan actuarial gains	22	-	31,141,858	-	18,696,026
Other comprehensive income for the year, net of income tax		2,423,570	67,025,823	2,423,391	18,696,026
Total comprehensive income for the year		98,161,059	581,283,242	151,801,300	245,867,134
Profit (loss) attributable to:					
Owners of the Company		(7,621,016)	293,084,182	149,377,909	227,171,108
Non-controlling interests		103,358,505	221,173,237	-	-
Profit for the year		95,737,489	514,257,419	149,377,909	227,171,108
Total comprehensive income (loss) attributable to:					
Owners of the Company		(5,197,446)	338,418,431	151,801,300	245,867,134
Non-controlling interests		103,358,505	242,864,811	-	-
Total comprehensive income for the year		98,161,059	581,283,242	151,801,300	245,867,134
Basic earnings (loss) per share	35	(0.03)	1.09	0.55	0.84

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

Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

Consolidated financial statements

Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated	Revaluation surplus	Fair value changes in available-for-sale investments	Total other components of equity			
					(in Baht)					
Year ended 31 December 2012										
Balance at 1 January 2012 - as reported	269,999,000	270,000,000	27,000,000	717,277,896	288,309,092	-	288,309,092	1,572,585,988	445,478,810	2,018,064,798
Impact of changes in accounting policies	3	-	-	26,075,147	(55,555,202)	-	(55,555,202)	(29,480,055)	(9,450,560)	(38,930,615)
Balance at 1 January 2012 - as restated	269,999,000	270,000,000	27,000,000	743,353,043	232,753,890	-	232,753,890	1,543,105,933	436,028,250	1,979,134,183
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Dividends to owners of the Company	36	-	-	(153,899,430)	-	-	-	(153,899,430)	-	(153,899,430)
Total distributions to owners of the Company		-	-	(153,899,430)	-	-	-	(153,899,430)	-	(153,899,430)
<i>Changes in ownership interests in subsidiaries</i>										
Disposal of shares of subsidiary to non-controlling interests		-	-	-	-	-	-	-	2,018,750	2,018,750
Dividends of subsidiary to non-controlling interests		-	-	-	-	-	-	-	(168,216,226)	(168,216,226)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	(166,197,476)	(166,197,476)
Total transactions with owners, recorded directly in equity		-	-	(153,899,430)	-	-	-	(153,899,430)	(166,197,476)	(320,096,906)
Comprehensive income for the year										
Profit		-	-	293,084,182	-	-	-	293,084,182	221,173,237	514,257,419
Other comprehensive income		-	-	26,029,746	19,304,503	-	19,304,503	45,334,249	21,691,574	67,025,823
Total comprehensive income for the year		-	-	319,113,928	19,304,503	-	19,304,503	338,418,431	242,864,811	581,283,242
Balance at 31 December 2012	269,999,000	270,000,000	27,000,000	908,567,541	252,058,393	-	252,058,393	1,727,624,934	512,695,585	2,240,320,519

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

Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

Consolidated financial statements

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Revaluation surplus	Fair value changes in available-for-sale investments	Total other components of equity			
(in Baht)											
Year ended 31 December 2013											
Balance at 1 January 2013 - as reported		269,999,000	270,000,000	27,000,000	891,015,421	312,387,746	-	312,387,746	1,770,402,167	526,506,573	2,296,908,740
Impact of changes in accounting policies	3	-	-	-	17,552,120	(60,329,353)	-	(60,329,353)	(42,777,233)	(13,810,988)	(56,588,221)
Balance at 1 January 2013 - as restated		269,999,000	270,000,000	27,000,000	908,567,541	252,058,393	-	252,058,393	1,727,624,934	512,695,585	2,240,320,519
Transactions with owners, recorded directly in equity											
Distributions to owners of the Company											
Dividends to owners of the Company	36	-	-	-	(140,399,480)	-	-	-	(140,399,480)	-	(140,399,480)
Total distributions to owners of the Company		-	-	-	(140,399,480)	-	-	-	(140,399,480)	-	(140,399,480)
Changes in ownership interests in subsidiaries											
Disposal of shares of subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(7,497,516)	(7,497,516)
Dividends of subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(206,570,250)	(206,570,250)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	(214,067,766)	(214,067,766)
Total transactions with owners, recorded directly in equity		-	-	-	(140,399,480)	-	-	-	(140,399,480)	(214,067,766)	(354,467,246)
Comprehensive income for the year											
Profit (loss)		-	-	-	(7,621,016)	-	-	-	(7,621,016)	103,358,505	95,737,489
Other comprehensive income		-	-	-	-	-	2,423,570	2,423,570	2,423,570	-	2,423,570
Total comprehensive income for the year		-	-	-	(7,621,016)	-	2,423,570	2,423,570	(5,197,446)	103,358,505	98,161,059
Balance at 31 December 2013		269,999,000	270,000,000	27,000,000	760,547,045	252,058,393	2,423,570	254,481,963	1,582,028,008	401,986,324	1,984,014,332

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

Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

Separate financial statements								
			Retained earnings		Other Components of equity			
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus	Fair value changes in available-for-sale investments	Total other components of equity	Total equity
Note								
				(in Baht)				
Year ended 31 December 2012								
Balance at 1 January 2012 - as reported	269,999,000	270,000,000	27,000,000	335,454,400	209,440,380	-	209,440,380	1,111,893,780
Impact of changes in accounting policies	3	-	-	13,310,421	(41,888,076)	-	(41,888,076)	(28,577,655)
Balance at 1 January 2012 - as restated	269,999,000	270,000,000	27,000,000	348,764,821	167,552,304	-	167,552,304	1,083,316,125
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	36	-	-	(153,899,430)	-	-	-	(153,899,430)
Total distributions to owners of the Company		-	-	(153,899,430)	-	-	-	(153,899,430)
Total transactions with owners, recorded directly in equity		-	-	(153,899,430)	-	-	-	(153,899,430)
Comprehensive income for the year								
Profit		-	-	227,171,108	-	-	-	227,171,108
Other comprehensive income		-	-	18,696,026	-	-	-	18,696,026
Total comprehensive income for the year		-	-	245,867,134	-	-	-	245,867,134
Balance at 31 December 2012								
	269,999,000	270,000,000	27,000,000	440,732,525	167,552,304	-	167,552,304	1,175,283,829

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

Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

Separate financial statements								
			Retained earnings		Other Components of equity			
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus	Fair value changes in available-for-sale investments	Total other components of equity	Total equity
				(in Baht)				
Year ended 31 December 2013								
Balance at 1 January 2013 - as reported	269,999,000	270,000,000	27,000,000	434,377,365	209,440,380	-	209,440,380	1,210,816,745
Impact of changes in accounting policies	3	-	-	6,355,160	(41,888,076)	-	(41,888,076)	(35,532,916)
Balance at 1 January 2013 -as restated	269,999,000	270,000,000	27,000,000	440,732,525	167,552,304	-	167,552,304	1,175,283,829
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	36	-	-	(140,399,480)	-	-	-	(140,399,480)
Total distributions to owners of the Company		-	-	(140,399,480)	-	-	-	(140,399,480)
Total transactions with owners, recorded directly in equity		-	-	(140,399,480)	-	-	-	(140,399,480)
Comprehensive income for the year								
Profit		-	-	149,377,909	-	-	-	149,377,909
Other comprehensive income		-	-	-	-	2,423,391	2,423,391	2,423,391
Total comprehensive income for the year		-	-	149,377,909	-	2,423,391	2,423,391	151,801,300
Balance at 31 December 2013								
	269,999,000	270,000,000	27,000,000	449,710,954	167,552,304	2,423,391	169,975,695	1,186,685,649

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

Statement of cash flows

Surapon Foods Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
Note	2013	2012	2013	2012
		(Restated)		(Restated)
	(in Baht)			
Cash flows from operating activities				
Profit for the year	95,737,489	514,257,419	149,377,909	227,171,108
Adjustments for				
Depreciation	206,372,276	203,578,544	54,534,361	56,343,227
Amortisation of intangible assets	4,089,990	4,135,065	3,158,556	3,075,992
Dividend income	-	-	(199,229,750)	(184,783,775)
Employee benefits	11,650,962	10,325,357	5,072,989	4,268,593
Finance costs	7,872,546	9,850,224	1,297,672	3,381,179
Reversal of doubtful debt expense	(20,600)	(100,360)	(20,600)	(100,360)
Allowance for impairment losses				
of investments (reversal)	-	(2,000)	10,667,000	30,438,100
Allowance for decline in value				
of inventories (reversal)	(7,682,037)	3,289,866	(3,181,171)	(117,963)
Unrealised loss (gain) on exchange	5,346,568	103,514,214	2,533,030	(6,227,644)
Loss (gain) on disposal and written-off				
property, plant and and equipment	2,381,795	(1,276,154)	745,721	715,111
Loss on disposal of other long-term investments	6	-	-	-
Loss on disposal of intangible assets	132,545	-	2	-
Written-off withholding tax	1,403,932	-	1,292,382	-
Gain on disposal of investments in subsidiary				
and other long-term investments	-	(841,593)	-	(841,593)
Share of loss (profit) of associates	(845,765)	2,394,576	-	-
Income tax expense (benefit)	(12,658,675)	60,393,718	(15,619,828)	12,870,814
	313,781,032	909,518,876	10,628,273	146,192,789
Changes in operating assets and liabilities				
Trade accounts receivable	88,002,746	12,675,228	14,363,131	(22,067,010)
Inventories	104,161,245	(64,230,103)	34,893,270	2,715,763
Other receivables	29,642,510	(2,298,223)	34,297,031	4,800,228
Other non-current assets	(3,013,976)	(6,088,474)	(1,167,840)	272,904
Trade accounts payable	(34,760,334)	(5,480,836)	(27,011,785)	4,839,716
Other payables	(46,133,985)	(24,420,070)	(28,193,556)	1,157,560
Employee benefit obligations paid	(5,787,203)	(965,492)	(2,139,070)	-
Cash generated from operating activities	445,892,035	818,710,906	35,669,454	137,911,950
Income taxes paid	(45,369,602)	(62,627,589)	(11,495,772)	(5,006,658)
Net cash provided by operating activities	400,522,433	756,083,317	24,173,682	132,905,292

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

Statement of cash flows

Surapon Foods Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)					
Cash flows from investing activities					
Dividends received		800,000	1,000,000	199,229,750	161,213,650
Purchase of current investments		(185,529,576)	-	(185,519,576)	-
Purchase of property, plant and equipment		(187,722,185)	(146,650,030)	(39,980,209)	(43,822,348)
Sales of property, plant and equipment		41,468,950	40,007,515	1,102,150	820,248
Net cash inflow on disposal of subsidiaries		7,608,251	-	-	-
Sale of investment in subsidiary		-	2,278,000	-	2,278,000
Sales of other long-term investments		-	57,002,000	-	57,002,000
Purchase of intangible assets		(614,933)	(5,785,304)	(178,360)	(2,611,046)
Net cash provided by (used in) investing activities		(323,989,493)	(52,147,819)	(25,346,245)	174,880,504
Cash flows from financing activities					
Finance costs paid		(6,821,641)	(10,805,920)	(1,299,665)	(3,393,307)
Dividends paid to owners of the Company		(140,399,480)	(153,899,430)	(140,399,480)	(153,899,430)
Dividends paid to non-controlling interests		(206,570,250)	(166,786,350)	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		101,252,349	(176,949,285)	-	-
Finance lease payments		(17,862,187)	(10,097,575)	(1,687,759)	(2,004,929)
Proceed from long-term loans from financial institutions		89,035,000	10,000,000	-	-
Repayment of long-term loans from financial institutions		(47,398,750)	(153,857,863)	(6,000,000)	(52,221,000)
Net cash used in financing activities		(228,764,959)	(662,396,423)	(149,386,904)	(211,518,666)
Net increase (decrease) in cash and cash equivalents		(152,232,019)	41,539,075	(150,559,467)	96,267,130
Cash and cash equivalents at 1 January	6	420,953,535	379,414,460	185,221,382	88,954,252
Cash and cash equivalents at 31 December	6	268,721,516	420,953,535	34,661,915	185,221,382

Non-cash transactions:

During the year 2013, the Group acquired property, plant and equipment at total cost of Baht 254.0 million (2012: Baht 212.3 million) of which Baht 187.7 million was made by cash payment (2012: Baht 146.7 million), Baht 52.4 million was made by finance lease agreements (2012: Baht 45.4 million), and Baht 13.9 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2013 (2012: Baht 20.2 million).

During the year 2013, the Company acquired plant and equipment at total cost of Baht 46.5 million (2012: Baht 50.2 million) of which Baht 40.0 million was made by cash payment (2012: Baht 43.8 million), Baht 1.3 million was made by finance lease agreements (2012: -nil-), and Baht 5.2 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2013 (2012: Baht 6.4 million).

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

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Change in accounting policy
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Other investments
8	Trade accounts receivable
9	Other receivables
10	Inventories
11	Investments in associates
12	Investments in subsidiaries
13	Other long-term investments
14	Investment properties
15	Property, plant and equipment
16	Intangible assets
17	Deferred tax
18	Other non-current assets
19	Interest-bearing liabilities
20	Trade accounts payable
21	Other payables
22	Employee benefit obligations
23	Share capital
24	Reserves
25	Segment information
26	Investment income
27	Other income
28	Selling expenses
29	Administrative expenses
30	Employee benefit expenses
31	Expenses by nature
32	Finance costs
33	Income tax expense
34	Promotional privileges
35	Basic earnings per share
36	Dividends
37	Financial instruments
38	Commitments with non-related parties
39	Contingent liabilities
40	Thai Financial Reporting Standards (TFRS) not yet adopted

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 21 February 2014.

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 activities of the Company and its subsidiaries are the manufacturing and distribution of seafood, finished and semi-finished frozen foods. Details of the Company’s direct subsidiaries as at 31 December 2013 and 2012 are given in note 12.

Moreover, the Company has also jointly invested through Punpin Co.,Ltd. (Indirect subsidiary) the details of which is as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 December 2013	31 December 2012
<i>Indirect subsidiary</i>				
Champion Foods Company Limited	Japanese restaurant	Thailand	1	51

At the annual general meeting of the shareholders of Punpin Co., Ltd. (a subsidiary) held on 30 April 2013 the shareholders approved to sell the investment in shares of Champion Foods Co., Ltd. (indirect subsidiary) total of 249,997 shares at Baht 35.43 per share, amounting to Baht 8.9 million. Following this sale, the Company no longer has the power, directly or indirectly, to govern the financial and operating policies, consequently, such company is no longer further the indirect subsidiary of the Company.

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”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

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 had issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 40.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material item in the statements of financial position:

- Land is measured at fair value
- Available-for-sale financial assets are measured at fair value

(c) Functional and Presentation currency

The financial statements are presented and presented in Thai Baht, which is the Group's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(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 14	Fair value of investment properties
Note 15	Measurement of land
Note 17	Current and deferred tax
Note 22	Measurement of defined benefit obligations
Note 37	Valuation of financial instruments

(a) Overview

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

(b) Accounting for income tax

The Group adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	Consolidated			Separate		
	financial statements			financial statements		
<i>Statement of financial position as at</i>	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
	<i>(in thousand Baht)</i>					
Increase in deferred tax assets	24,324	6,799	8,335	22,065	8,075	13,386
(Increase) in deferred tax liabilities	(48,840)	(63,387)	(47,265)	(42,639)	(43,608)	(41,963)
(Decrease) in revaluation surplus	(60,329)	(60,329)	(55,555)	(41,888)	(41,888)	(41,888)
(Decrease) in fair value changes in available-for-sale investments	(606)	-	-	(606)	-	-
Increase in retained earnings	49,493	17,552	26,075	21,920	6,355	13,311
(Decrease) in shareholders' equity	(11,442)	(42,777)	(29,480)	(20,574)	(35,533)	(28,577)
(Decrease) in non-controlling interests	(13,074)	(13,811)	(9,450)	-	-	-
(Decrease) in total equity	(24,516)	(56,588)	(38,930)	(20,574)	(35,533)	(28,577)

<i>Statement of comprehensive income for the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Increase (decrease) in income tax expense	(32,678)	1,927	(15,565)	2,627
Decrease in other comprehensive income	(606)	(15,731)	(606)	(4,329)
Decrease in total comprehensive income for the year	(33,284)	(13,804)	(16,171)	(1,702)
Increase (decrease) in basic earnings per share <i>(in Baht)</i>	0.12	(0.01)	0.06	(0.01)

c) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21(revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21(revised 2009) 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(revised 2009) 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(revised 2009). Foreign currencies are defined by TAS 21(revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21(revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

(d) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group's financial statements.

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 (equity-accounted investees)

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 of equity accounted investees, 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 equity accounted investee, the Group's carrying amount of the interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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 the functional currency (Baht) at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency 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 the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on retranslation are generally recognized in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognized in other comprehensive income.

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss)

(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 equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

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 "Revaluation surplus" 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 based on the cost of the asset, or other amount substituted for cost, less its residual value.

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

Amortisation

Leasehold right is charged to profit or loss on a straight-line basis over the term of lease period 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.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

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

Dividend income

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

Interest income

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

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, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets at fair value through profit or loss and

loss on impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(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

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

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

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

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

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

In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals

for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

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

(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.

(w) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

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

Relationships with subsidiaries and associates are described in notes 1, 11 and 12. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
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.
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.
Ringer Hut Co., Ltd.	Japan	Shareholding in indirect subsidiary

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
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 with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(in thousand Baht)		
Subsidiaries				
Sale of goods	-	-	100,111	208,604
Dividend income	-	-	198,430	183,784
Management, selling and marketing assistance income	-	-	31,427	40,974
Purchases of raw materials and goods	-	-	456,449	357,903
Associates				
Dividend income	800	1,000	800	1,000
Shares of profits (loss) of associates	846	(2,395)	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	40,143	38,935	37,878	36,960
Post-employment benefits	169	125	169	125
Total key management personnel compensation	40,312	39,060	38,047	37,085
Other related parties				
Sale of goods	3,500,470	3,566,333	192,956	227,088
Purchase of raw materials and goods	90,695	175,221	-	-
Technical assistance fee	16,608	16,632	-	-
Management assistance fee	4,776	5,885	-	-
Marketing support fee	-	1,057	-	-

In March 2013, a subsidiary (Surapon Nichirei Foods Company Limited) declared the payment of dividends. Such dividend was paid to the Company of Baht 198.4 million (2012: Baht 160.2 million) and non-controlling interests of Baht 206.6 million (2012: Baht 166.8 million) in March and September 2013, respectively.

In December 2012, a subsidiary (Surat Seafoods Company Limited) declared the payment of dividends. Such dividend was paid to the Company of Baht 23.6 million and non-controlling interests of Baht 1.4 million in March 2013.

As at 31 December 2013, 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 totaling Baht 38.9 million (2012: Baht 38.9 million).

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	1,096	10,824
Punpin Company Limited	-	-	-	551
Champion Foods Company Limited	-	-	-	198
Other related parties				
Nichirei Foods Inc.	94,456	100,063	13,538	5,089
Nichirei Australia Pty, Ltd.	11,976	8,691	11,976	8,691
Nichirei Food America Inc.	-	2,709	-	2,709
Total	106,432	111,463	26,610	28,062
<i>Other receivables from related parties</i>				
Subsidiaries				
Surat Seafoods Company Limited	-	-	128	24,414
Surapon Nichirei Foods Company Limited	-	-	563	638
Punpin Company Limited	-	-	-	16
Champion Foods Company Limited	-	-	-	163
Other related party				
Ringer Hut Co., Ltd.	-	500	-	-
Total	-	500	691	25,231

<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	21,137	22,661
Surapon Nichirei Foods Company Limited	-	-	2,105	540
Surapon Aquaculture Company Limited	-	-	460	-
Other related parties				
Nichirei Foods Inc.	12,313	8,510	-	-
GFPT Nichirei (Thailand) Company Limited	-	1,583	-	-
Ringer Hut Co., Ltd.	-	60	-	60
Total	12,313	10,153	23,702	23,261

<i>Other payables to related parties</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	-	22
Punpin Company Limited	-	-	-	53
Other related party				
Nichirei Foods Inc.	21,518	22,195	-	-
Total	21,518	22,195	-	75

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.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Cash on hand	239	325	100	100
Cash at banks - current accounts	86,892	43,831	3,318	1,245
Cash at banks - savings accounts	50,887	246,105	31,244	183,876
Highly liquid short-term investments	130,703	130,693	-	-
Total	268,721	420,954	34,662	185,221

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Thai Baht (THB)	262,242	420,776	28,186	185,050
United States Dollars (USD)	6,466	146	6,465	141
Japanese Yen (JPY)	13	32	11	30
Total	268,721	420,954	34,662	185,221

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Current investments				
Equity securities available for sale	188,559	-	188,549	-
Total	188,559	-	188,549	-

Other investments of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

Movements during the years ended 31 December of marketable equity securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Current investments				
Available-for-sale securities				
At 1 January	-	-	-	-
Purchases during the year	310,010	-	310,000	-
Sales during the year	(124,480)	-	(124,480)	-
Valuation adjustment	3,029	-	3,029	-
At 31 December	188,559	-	188,549	-

8 Trade accounts receivable

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
		(in thousand Baht)			
Related parties	5	106,432	111,463	26,610	28,062
Other parties		177,011	259,333	170,371	183,175
		283,443	370,796	196,981	211,237
Less allowance for doubtful accounts		(300)	(300)	(300)	(300)
Net		283,143	370,496	196,681	210,937
Doubtful debts expenses for the year		-	-	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	106,432	53,583	26,601	27,604
Overdue:				
Less than 30 days	-	57,880	9	446
Over 30 days to 60 days	-	-	-	12
Over 60 days to 90 days	-	-	-	-
Over 90 days	-	-	-	-
	106,432	111,463	26,610	28,062
Less allowance for doubtful accounts	-	-	-	-
Net	106,432	111,463	26,610	28,062
Other parties				
Within credit terms	150,026	220,572	143,390	157,340
Overdue:				
Less than 30 days	26,585	34,480	26,581	25,205
Over 30 days to 60 days	280	4,049	280	398
Over 60 days to 90 days	67	123	67	123
Over 90 days	53	109	53	109
	177,011	259,333	170,371	183,175
Less allowance for doubtful accounts	(300)	(300)	(300)	(300)
Net	176,711	259,033	170,071	182,875
Total	283,143	370,496	196,681	210,937

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	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	84,057	78,554	85,148	89,060
Japanese Yen (JPY)	151,431	159,216	70,513	68,289
United States Dollars (USD)	47,655	87,491	41,020	34,172
Australian Dollars	-	25,819	-	-
Euro	-	19,416	-	19,416
Total	283,143	370,496	196,681	210,937

9 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Dividend receivable	5	-	-	-	23,570
Value added tax receivable		11,027	23,545	564	833
Other accounts receivable, net	5	6,873	9,159	1,349	878
Prepaid expenses		1,681	3,164	1,033	2,442
Accrued income		722	2,480	496	752
Others		2,830	15,830	2,080	11,323
Total		23,133	54,178	5,522	39,798
Reversal of doubtful debts expense for the year		(21)	(100)	(21)	(100)

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Finished goods	220,613	244,727	81,298	111,863
Work in progress	66,149	104,619	43,259	43,111
Raw materials	131,376	124,545	68,992	72,218
Packing materials and supplies	38,343	47,167	13,704	14,975
Goods in transit	2,108	42,584	5	66
Total	458,589	563,642	207,258	242,233
Less allowance for decline in value of inventories	(2,867)	(10,549)	(400)	(3,663)
Net	455,722	553,093	206,858	238,570

11 Investments in associates

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			<i>(in thousand Baht)</i>		
At 1 January		23,368	26,763	17,550	17,550
Share of net profit (loss) of investments					
- equity method	5	846	(2,395)	-	-
Dividend income	5	(800)	(1,000)	-	-
At 31 December		23,414	23,368	17,550	17,550

Investments in associates as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements																	
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost	Equity method		Impairment		At equity - net		Dividend income				
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
			2013		2012		2013		2012		2013		2012		2013		2012	
			(%)										(in thousand Baht)					
Associates																		
BJC Marine Resources Development Company Limited	Assets lessor and culturing prawn	Thailand	50	50	94,400	94,400	50,950	50,950	19,200	18,729	-	-	19,200	18,729	-	-		
Independent Consultant Company Limited	Insurance consulting	Thailand	20	20	2,000	2,000	400	400	4,214	4,639	-	-	4,214	4,639	800	1,000		
Total							51,350	51,350	23,414	23,368	-	-	23,414	23,368	800	1,000		

	Separate financial statements													
	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
			(%)											

None of the Group's equity-accounted investees are publicly listed and consequently do not have published price quotations.

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 (in thousand Baht)	Total revenues	Net profit
2013						
BJC Marine Resources Development Company Limited	31 December	50	23,765	761	1,327	942
Independent Consultant Company Limited	31 December	20	126,022	104,949	19,667	1,108
Total			149,787	105,710	20,994	2,050
2012						
BJC Marine Resources Development Company Limited	31 December	50	22,697	635	1,377	1,143
Independent Consultant Company Limited	31 December	20	136,961	113,000	30,460	4,546
Total			159,658	113,635	31,837	5,689

12 Investments in subsidiaries

	Separate financial statements	
	2013	2012
	(in thousand Baht)	
At 1 January	244,091	276,550
Acquisitions	-	-
Allowance for impairment	(10,667)	(21,662)
Disposals	-	(10,797)
At 31 December	233,424	244,091

On 16 January 2012, the Company entered into the sale of shares agreement for Surapon Aquaculture Company Limited, the Company's subsidiary, total of 170,000 shares at the percentage of shareholding of 5% of the registered authorized capital, amounting to Baht 2.3 million.

Investments in subsidiaries as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended were as follows:

		Separate financial statements											
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		(%)						(in thousand Baht)					
Subsidiaries													
Punpin Company Limited	Distribution of finished and semi-finished frozen food	100	100	30,150	30,150	30,150	30,150	(18,692)	(15,025)	11,458	15,125	-	-
Surapon Aquaculture Company Limited	Assets lessor and culturing prawn	95	95	82,786	82,786	199,526	199,526	(184,637)	(177,637)	14,889	21,889	-	-
Chantaburi Marine Farm Company Limited	Assets lessor	100	100	79,590	79,590	281,807	281,807	(203,000)	(203,000)	78,807	78,807	-	-
Surat Seafoods Company Limited	Frozen seafoods exporter	94	94	40,000	40,000	79,205	79,205	-	-	79,205	79,205	-	23,570
Surapon Nichirei Foods Company Limited	Frozen foods exporter	49	49	100,000	100,000	49,065	49,065	-	-	49,065	49,065	198,430	160,214
Total						639,753	639,753	(406,329)	(395,662)	233,424	244,091	198,430	183,784

All subsidiaries are incorporated in Thailand.

13 Other long-term investments

Other long-term investments as at 31 December 2013 and 2012, 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		Impairment		At cost - net		Dividend income	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		(%)						(in thousand Baht)					
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	98	98	(98)	(98)	-	-	-	-
Total						16,098	16,098	(16,098)	(16,098)	-	-	-	-

14 Investment properties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	220,944	322,061	5,000	5,000
Additions	-	-	-	-
Transfer to property, plant and equipment	-	(101,117)	-	-
At 31 December	220,944	220,944	5,000	5,000
Depreciation and impairment losses				
At 1 January	127,873	198,300	-	-
Depreciation charge for the year	39	48	-	-
Transfer to property, plant and equipment	-	(70,475)	-	-
At 31 December	127,912	127,873	-	-
Net book value				
At 1 January 2012		123,761		5,000
At 31 December 2012 and at 1 January 2013	93,071	93,071	5,000	5,000
At 31 December 2013	93,032		5,000	

Investment properties were revalued as at 31 December 2013 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 110.6 million (2012: Baht 110.6 million) for the consolidated financial statements and Baht 5.3 million (2012: 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 2 years. These agreements are effective until terminated by either party by giving advance written notice as prescribed in the agreement.

During 2012, the agreement of property, plant and equipment for lease of a subsidiary expired. This subsidiary transferred the investment properties which had cost amounting to Baht 101.1 million and accumulated depreciation amounting to Baht 70.5 million to property, plant and equipment since the Group intends to use such assets for its own operation.

15 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
	(in thousand Baht)									
Revaluation										
At 1 January 2012	409,836	-	-	-	-	-	-	-	-	409,836
Additions	40,738	-	-	-	-	-	-	-	-	40,738
Transfer from investment properties	33,608	-	-	-	-	-	-	-	-	33,608
At 31 December 2012 and 1 January 2013	484,182	-	-	-	-	-	-	-	-	484,182
At 31 December 2013	484,182	-	-	-	-	-	-	-	-	484,182
Cost										
At 1 January 2012	58,594	566,367	210,650	-	1,645,885	214,281	47,800	193,969	10,686	2,948,232
Additions	-	2,346	1,533	400	71,710	4,268	3,199	6,951	121,846	212,253
Transfers	-	17,771	1,026	-	84,753	7,615	1,285	10,083	(122,533)	-
Transfers from investment properties	238	11,717	-	23,458	13,557	21,830	443	378	5	71,626
Disposals	-	(2,437)	(1,710)	-	(87,560)	(941)	(4,986)	(7,431)	(583)	(105,648)
At 31 December 2012 and 1 January 2013	58,832	595,764	211,499	23,858	1,728,345	247,053	47,741	203,950	9,421	3,126,463
Additions	110	2,829	631	-	69,364	2,038	9,368	5,764	163,941	254,045
Transfers	-	6,844	1,655	-	126,216	22,483	-	1,257	(158,528)	(73)
Disposals	(8)	(17,050)	(2,132)	-	(69,274)	(3,565)	(3,589)	(18,306)	-	(113,924)
At 31 December 2013	58,934	588,387	211,653	23,858	1,854,651	268,009	53,520	192,665	14,834	3,266,511

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 2012	25,022	311,875	138,169	-	1,074,865	123,065	28,628	146,525	-	1,848,149
Depreciation charge for the year	2,381	28,170	7,601	71	129,092	10,843	7,029	18,345	-	203,532
Transfers from investment properties	-	11,717	-	23,454	12,916	21,681	351	356	-	70,475
Disposals	-	(2,436)	(1,709)	-	(50,446)	(920)	(4,934)	(6,518)	-	(66,963)
At 31 December 2012										
and 1 January 2013	27,403	349,326	144,061	23,525	1,166,427	154,669	31,074	158,708	-	2,055,193
Depreciation charge for the year	2,367	27,378	7,620	79	135,518	11,231	8,054	14,086	-	206,333
Disposals	(8)	(8,096)	(1,849)	-	(32,262)	(2,505)	(3,096)	(9,392)	-	(57,208)
At 31 December 2013	29,762	368,608	149,832	23,604	1,269,683	163,395	36,032	163,402	-	2,204,318
Net book value										
At 1 January 2012										
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
At 31 December 2012 and 1 January 2013										
Owned assets	515,611	244,289	67,438	333	528,238	92,384	11,924	42,509	9,421	1,512,147
Assets under finance leases	-	2,149	-	-	33,680	-	4,743	2,733	-	43,305
	515,611	246,438	67,438	333	561,918	92,384	16,667	45,242	9,421	1,555,452
At 31 December 2013										
Owned assets	515,354	219,779	5,339	254	583,644	104,614	6,987	28,689	14,834	1,477,494
Assets under finance leases	-	-	56,482	-	1,324	-	10,501	574	-	68,881
	513,354	219,779	61,821	254	584,968	104,614	17,488	29,263	14,834	1,546,375

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
	<i>(in thousand Baht)</i>								
Revaluation									
At 1 January 2012	250,360	-	-	-	-	-	-	-	250,360
Additions	-	-	-	-	-	-	-	-	-
At 31 December 2012 and 1 January 2013	250,360	-	-	-	-	-	-	-	250,360
Additions	-	-	-	-	-	-	-	-	-
At 31 December 2013	250,360	-	-	-	-	-	-	-	250,360
Cost									
At 1 January 2012	11,400	211,425	109,146	471,539	65,571	11,995	54,720	4,203	939,999
Additions	-	829	578	14,308	466	51	2,762	31,227	50,221
Transfers	-	5,196	114	21,913	1,898	1,286	2,518	(32,925)	-
Disposals	-	(2,193)	(495)	(15,057)	(62)	(976)	(4,228)	-	(23,011)
At 31 December 2012 and 1 January 2013	11,400	215,257	109,343	492,703	67,873	12,356	55,772	2,505	967,209
Additions	110	1,982	480	12,510	487	1,135	4,456	25,303	46,463
Transfers	-	3,906	67	12,681	293	-	481	(17,428)	-
Disposals	(8)	(6,463)	(646)	(13,341)	(600)	(624)	(1,944)	-	(23,626)
At 31 December 2013	11,502	214,682	109,244	504,553	68,053	12,867	58,765	10,380	990,046

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)								
Accumulated depreciation									
Cost									
At 1 January 2012	7,641	139,879	76,853	336,003	45,054	7,970	45,792	-	659,192
Depreciation charge for the year	516	11,119	3,292	32,257	3,478	1,420	4,261	-	56,343
Transfer	-	-	-	-	-	-	-	-	-
Disposals	-	(2,192)	(495)	(13,635)	(60)	(976)	(4,164)	-	(21,522)
At 31 December 2012 and 1 January 2013	8,157	148,806	79,650	354,625	48,472	8,414	45,889	-	694,013
Depreciation charge for the year	504	10,606	3,302	30,698	3,183	1,564	4,678	-	54,535
Transfer	-	-	-	-	-	-	-	-	-
Disposals	(8)	(6,238)	(646)	(12,206)	(600)	(165)	(1,916)	-	(21,779)
At 31 December 2013	8,653	153,174	82,306	373,117	51,055	9,813	48,651	-	726,769
Net book value									
At 1 January 2012									
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
At 31 December 2012 and 1 January 2013									
Owned assets	253,603	66,451	29,693	136,521	19,401	2,533	9,883	2,505	520,590
Assets under finance leases	-	-	-	1,557	-	1,409	-	-	2,966
	253,603	66,451	29,693	138,078	19,401	3,942	9,883	2,505	523,556
At 31 December 2013									
Owned assets	253,209	61,508	26,938	130,112	16,998	1,516	10,114	10,380	510,775
Assets under finance leases	-	-	-	1,324	-	1,538	-	-	2,862
	253,209	61,508	26,938	131,436	16,998	3,054	10,114	10,380	513,637

The land stated at appraised value is detailed as follows:

Company	Latest appraised year	Revaluation method	Consolidated financial statements		Separate financial statements	
			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	2012	Market value method	188,214	43,765	-	-
Surapon Aquaculture Company Limited	2011	Market value method	33,608	29,491	-	-
			484,182	115,722	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 dated 3 to 23 February 2011 and 19 December 2012.

The gross carrying amount of fully depreciated plant and equipment that was still in use as at 31 December 2013 amounted to Baht 1,396.7 million for the Group and Baht 456.6 million for the Company (2012: Baht 1,335.1 million for the Group and Baht 436.4 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 19).

16 Intangible assets

	Consolidated financial statements		
	Computer software	Computer software under installation	Total
<i>(in thousand Baht)</i>			
Cost			
At 1 January 2012	29,259	-	29,259
Additions	5,785	-	5,785
At 31 December 2012 and 1 January 2013	35,044	-	35,044
Additions	615	-	615
Disposals	(705)	-	(705)
At 31 December 2013	34,954	-	34,954
Accumulated amortization			
At 1 January 2012	13,980	-	13,980
Amortization charge for the year	3,326	-	3,326
At 31 December 2012 and 1 January 2013	17,306	-	17,306
Amortization charge for the year	3,507	-	3,507
Disposals	(132)	-	(132)
At 31 December 2013	20,681	-	20,681
Net book value			
At 1 January 2012	15,279	-	15,279
At 31 December 2012 and 1 January 2013	17,738	-	17,738
At 31 December 2013	14,273	-	14,273

	Separate financial statements
	Computer software
	<i>(in thousand Baht)</i>
<i>Cost</i>	
At 1 January 2012	24,136
Additions	2,611
At 31 December 2012 and 1 January 2013	26,747
Additions	179
At 31 December 2013	26,926
<i>Accumulated amortization</i>	
At 1 January 2012	12,886
Amortization charge for the year	2,628
At 31 December 2012 and 1 January 2013	15,514
Amortization charge for the year	2,715
At 31 December 2013	18,229
<i>Net book value</i>	
At 1 January 2012	11,250
At 31 December 2012 and 1 January 2013	11,233
At 31 December 2013	8,697

17 Deferred tax

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

	Consolidated financial statements					
	31 December 2013	Assets 31 December 2012	1 January 2012	31 December 2013	Liabilities 31 December 2012	1 January 2012
	<i>(in million Baht)</i>					
Total	53,133	22,136	29,441	(77,649)	(78,724)	(68,371)
Set off of tax	(28,809)	(15,337)	(21,106)	28,809	15,337	21,106
Net deferred tax assets (liabilities)	24,324	6,799	8,335	(48,840)	(63,387)	(47,265)
	Separate financial statements					
	31 December 2013	Assets 31 December 2012	1 January 2012	31 December 2013	Liabilities 31 December 2012	1 January 2012
	<i>(in million Baht)</i>					
Total	22,065	8,075	13,386	(42,639)	(43,608)	(41,963)
Set off of tax	(22,065)	(8,075)	(13,386)	22,065	8,075	13,386
Net deferred tax assets (liabilities)	-	-	-	(20,574)	(35,533)	(28,577)

Movements in total deferred tax assets and liabilities during the year ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		
	(Charged) / Credited to:		At 31 December 2013
	At 1 January 2013	Profit or loss Other comprehensive income	
		(in thousand Baht)	
<i>Deferred tax assets</i>			
Trade accounts receivable (allowance for doubtful accounts)	60	-	60
Other receivables (allowance for doubtful accounts)	67	(4)	63
Inventories (allowance for decline in value)	1,886	(1,518)	368
Property, plant and equipment (allowance for impairment)	4,883	-	4,883
Employee benefit obligations	13,286	889	14,175
Unrealised loss on derivative	338	333	671
Loss carry forward	1,616	31,297	32,913
Total	22,136	30,997	53,133
<i>Deferred tax liabilities</i>			
Available-for-sale investments (valuation adjustment)	-	-	(606)
Property, plant and equipment (depreciation gap)	(191)	(30)	(221)
Property, plant and equipment (revaluation)	(76,822)	-	(76,822)
Unrealised gain on derivative	(1,711)	1,711	-
Total	(78,724)	1,681	(77,649)
Net	(56,588)	32,678	(24,516)

Consolidated financial statements			
	(Charged) / Credited to:		
	At 1 January 2012	Profit or loss Other comprehensive income	At 31 December 2012
		<i>(in thousand Baht)</i>	
<i>Deferred tax assets</i>			
Trade accounts receivable <i>(allowance for doubtful accounts)</i>	60	-	60
Other receivables <i>(allowance for doubtful accounts)</i>	86	(19)	67
Inventories <i>(allowance for decline in value)</i>	1,390	496	1,886
Property, plant and equipment <i>(allowance for impairment)</i>	4,883	-	4,883
Unrealised loss on derivative	1,203	(865)	338
Employee benefit obligations	18,570	1,475	13,286
Loss carry forward	3,249	(1,633)	1,616
Total	29,441	(546)	22,136
<i>Deferred tax liabilities</i>			
Property, plant and equipment <i>(depreciation gap)</i>	(112)	(79)	(191)
Property, plant and equipment <i>(revaluation)</i>	(67,850)	-	(76,822)
Unrealised gain on derivative	(409)	(1,302)	(1,711)
Total	(68,371)	(1,381)	(78,724)
Net	(38,930)	(1,927)	(56,588)

	Separate financial statements		
	(Charged) / Credited to:		At 31 December 2013
	At 1 January 2013	Profit or loss Other comprehensive income	
		(in thousand Baht)	
Deferred tax assets			
Trade accounts receivable (allowance for doubtful accounts)	60	-	60
Other receivables (allowance for doubtful accounts)	67	(4)	63
Inventories (allowance for decline in value)	688	(613)	75
Employee benefit obligations	7,260	551	7,811
Unrealised loss on derivative	-	479	479
Loss carry forward	-	13,577	13,577
Total	8,075	13,990	22,065
Deferred tax liabilities			
Available-for-sale investments (valuation adjustment)	-	-	(606)
Property, plant and equipment (depreciation gap)	(117)	(28)	(145)
Property, plant and equipment (revaluation)	(41,888)	-	(41,888)
Unrealised gain on derivative	(1,603)	1,603	-
Total	(43,608)	1,575	(42,639)
Net	(35,533)	15,565	(20,574)

	Separate financial statements		
	(Charged) / Credited to:		At 31 December 2012
	At 1 January 2012	Profit or loss Other comprehensive income (in thousand Baht)	
Deferred tax assets			
Trade accounts receivable (allowance for doubtful accounts)	60	-	60
Other receivables (allowance for doubtful accounts)	86	(19)	67
Inventories (allowance for decline in value)	711	(23)	688
Employee benefit obligations	10,786	803	7,260
Unrealised loss on derivative	530	(530)	-
Loss carry forward	1,213	(1,213)	-
Total	13,386	(982)	8,075
Deferred tax liabilities			
Property, plant and equipment (depreciation gap)	(75)	(42)	(117)
Property, plant and equipment (revaluation)	(41,888)	-	(41,888)
Unrealised profit on derivative	-	(1,603)	(1,603)
Total	(41,963)	(1,645)	(43,608)
Net	(28,577)	(2,627)	(35,533)

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(in thousand Baht)		
Leasehold rights, net	2,249	2,479	2,249	2,479
Deferred charges	1,908	5,312	277	516
Restricted fixed deposits at financial institution	2,000	2,000	-	-
Refundable deposits and others	2,200	5,504	1,610	1,667
Total	8,357	15,295	4,136	4,662

(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. The 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 a subsidiary with a local financial institution of Baht 2.0 million (2012: Baht 2.0 million), which has been pledged as collateral for bank guarantees issued by the said financial institution.

19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Current				
Bank overdrafts unsecured	-	-	-	-
Short-term loans from financial institutions unsecured	291,123	185,164	-	-
Bank overdrafts and short-term loans from financial institutions	291,123	185,164		-
Current portion of long-term loans from financial institutions unsecured	31,694	54,539	6,000	6,000
	31,694	54,539	6,000	6,000
Current portion of finance lease liabilities	18,350	10,987	1,311	1,331
	341,167	250,690	7,311	7,331
Non-current				
Long-term loans from financial institutions unsecured	86,063	22,996	9,000	15,000
	86,063	22,996	9,000	15,000
Finance lease liabilities	53,800	32,688	723	1,049
	139,863	55,684	9,723	16,049
Total	481,030	306,374	17,034	23,380

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	
	2013	2012	2013	2012
	(in thousand Baht)			
Within one year	322,817	239,703	6,000	6,000
After one year but within five years	86,063	22,996	9,000	15,000
Total	408,880	262,699	15,000	21,000

As at 31 December 2013, promissory notes bore interest at rates ranging from 0.87% to 2.90% per annum. (2012: promissory notes bore interest at rates ranging from 0.83% to 3.89% per annum).

Long-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(in thousand Baht)		
Local financial institutions	22,996	31,000	15,000	21,000
Foreign financial institutions	94,761	46,535	-	-
	117,757	77,535	15,000	21,000
Less Current portion	(31,694)	(54,539)	(6,000)	(6,000)
Net	86,063	22,996	9,000	15,000

Long-term loans from financial institutions

Local financial institutions

The Company entered into 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% per annum and are repayable in monthly installments until 2016. The outstanding loan balance as at 31 December 2013 amounted to Baht 15 million (2012: Baht 21 million).

A subsidiary entered into loan agreement with a local financial institution for Baht 10 million for a period of five years. The interest rate is MLR minus 1.5% per annum for the first year, MLR minus 1.25% per annum for the second year and MLR minus 1.0% per annum thereafter. The loan is repayable monthly at Baht 0.17 million for each installment, commencing from January 2013 up to December 2017. The outstanding loan balance as at 31 December 2013 amounted to Baht 8 million (2012: Baht 10 million).

Foreign financial institutions

A subsidiary entered into loan agreements with a foreign financial institution for JPY 250 million and JPY 270 million for a period of three years. The interest rates were fixed at 1.5% per annum for the first year and six months and at 1.6% per annum thereafter. The loans were 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. These loans were fully paid in 2013. (as at 31 December 2012: the outstanding loan balances amounted to Baht 46.5 million)

In April 2013, a subsidiary entered into loan agreements with a financial institution for JPY 100 million for a period of three years. The interest rates are fixed at 1.1% per annum for the first year and six months and at 1.2% per annum thereafter. The loans are repayable every six months at JPY 25 million for each installment, commencing from October 2014 up to April 2016. The outstanding loan balance as at 31 December 2013 amounted to Baht 31.6 million.

In May 2013, a subsidiary entered into second loan agreements with a financial institution for JPY 200 million for a period of three years. The interest rates are fixed at 1.2% per annum for the first year and six months and at 1.3% per annum thereafter. The loans are repayable every six months at JPY 50 million for each installment, commencing from November 2014 up to May 2016. The outstanding loan balance as at 31 December 2013 amounted to Baht 63.2 million.

As at 31 December 2013, unutilised credit facilities totalled Baht 1,685.1 million and U.S. Dollars 12.2 million for the Group and Baht 1,157.5 million for the Company (2012: Baht 1,771.2 million, and U.S. Dollars 12.7 million for the Group and Baht 1,155.2 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, no additional mortgages of land and buildings (See Note 15), 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					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	21,206	(2,856)	18,350	12,829	(1,842)	10,987
After one year but within five years	57,529	(3,729)	53,800	35,235	(2,547)	32,688
Total	78,735	(6,585)	72,150	48,064	(4,389)	43,675

	Separate financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,415	(104)	1,311	1,500	(169)	1,331
After one year but within five years	789	(66)	723	1,092	(43)	1,049
Total	2,204	(170)	2,034	2,592	(212)	2,380

As at 31 December 2013 and 2012, the Company and subsidiaries 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 2018, and bear interest at rates ranging from 2.18% to 14.84% per annum in 2013 (2012: ranging from 2.29% to 13.38% per annum). Most of the agreements are repayable in 36 installments and 60 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	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Thai Baht (THB)	105,146	133,675	17,034	23,380
United States Dollars (USD)	-	878	-	-
Japanese Yen (JPY)	375,884	171,821	-	-
Total	481,030	306,374	17,034	23,380

20 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
			<i>(in thousand Baht)</i>		
Related parties	5	12,313	10,153	23,702	23,261
Other parties		154,821	192,496	59,730	86,936
Total		167,134	202,649	83,432	110,197

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Thai Baht (THB)	142,527	192,482	72,820	110,197
Japanese Yen (JPY)	13,033	8,510	27	-
United States Dollars (USD)	11,574	1,657	10,585	-
Total	167,134	202,649	83,432	110,197

21 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
			<i>(in thousand Baht)</i>		
Accrued operating expenses		29,013	35,474	11,915	11,409
Other payables		34,500	48,177	23,743	30,473
Accrued wage and bonus expenses		53,041	64,646	22,947	34,863
Other payables to related parties	5	21,518	22,195	-	75
Others		16,453	14,223	6,836	9,237
Total		154,525	184,715	65,441	86,057

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	145,415	178,101	63,359	86,057
Japanese Yen (JPY)	5,118	6,614	-	-
Jap United States Dollars (USD)	3,992	-	2,082	-
Total	154,525	184,715	65,441	86,057

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Statement of financial position</i>				
Statement of financial position obligations for:				
Employee benefit				
Post-employment	77,587	73,470	39,434	36,903
Other long-term	4,805	3,060	2,115	1,712
Total	82,392	76,530	41,549	38,615

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>For the year ended 31 December</i>				
Statement of comprehensive income				
Recognised in profit or loss:				
Employee benefits	11,650	10,325	5,073	4,269
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	-	37,900	-	23,025

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	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Defined benefit obligation at 1 January	76,530	105,070	38,615	57,371
Benefits paid	(5,788)	(965)	(2,139)	-
Current service cost and interest	11,650	10,325	5,073	4,269
Actuarial gains in other Comprehensive income	-	(37,900)	-	(23,025)
Defined benefit obligation at 31 December	82,392	76,530	41,549	38,615

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Transitional obligation recognised	-	1,357	-	-
Current service costs	8,180	6,148	3,349	2,850
Interest on obligation	3,470	2,820	1,724	1,419
Total	11,650	10,325	5,073	4,269

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Cost of sales	9,530	7,737	3,988	3,220
Selling expenses	269	249	167	159
Administrative expenses	1,851	2,339	918	890
Total	11,650	10,325	5,073	4,269

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in thousand Baht)</i>		
Included in retained earnings:				
At 1 January	37,900	-	23,025	-
Recognised during the year	-	37,900	-	23,025
At 31 December	37,900	37,900	23,025	23,025

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		<i>(in percentage)</i>		
Discount rate	4.13 - 4.47	4.13 - 4.47	4.13 - 4.18	4.13 - 4.18
Salary increment rate	3.38 - 7.06	3.38 - 7.06	4.26 - 7.06	4.26 - 7.06

Assumptions regarding future mortality are based on published statistics and Thai Mortality tables 2008 (TMO08).

23 Share capital

	Par value per share (in Baht)	2013		2012	
		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.

24 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.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

25 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. As a result, management considers that the Group operates in a single line of business. Hence, all of revenue, operating profit and assets as reflected in these financial statement were derived from of frozen foods products, finished and semi-finished frozen foods.

26 Investment income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Dividend income	5	-	-	199,230	184,784
Rental income		11,860	9,367	10,197	11,200
Others		3,058	5,005	1,217	1,834
Total		14,918	14,372	210,644	197,818

27 Other income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Income from sales of raw material scraps		43,629	46,287	1,476	1,891
Management, selling and marketing assistance income	5	46	-	31,594	40,974
Compensation income on exported goods		2,066	3,276	1,615	1,786
Others		13,212	17,525	6,253	8,408
Total		58,953	67,088	40,938	53,059

28 Selling expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Freight charges		79,730	90,095	21,595	24,074
Employee benefit expenses		49,355	53,148	43,093	46,956
Advertising and sales promotion expenses		17,481	28,074	17,432	23,110
Export expenses		32,546	35,696	4,619	4,515
Technical assistance fees	5	16,608	17,690	-	-
Others	5	45,779	47,867	38,172	38,300
Total		241,499	272,570	124,911	136,955

29 Administrative expenses

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
		(in thousand Baht)			
Employee benefit expenses		106,395	107,396	68,096	64,916
Impairment losses on investments		-	-	10,667	30,440
Depreciation and amortisation		14,713	11,983	7,653	7,105
Management assistance fees	5	4,784	5,922	-	-
Others		29,140	33,816	18,530	17,824
Total		155,032	159,117	104,946	120,285

30 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Management				
Salaries	29,652	27,924	29,652	27,924
Others	10,660	11,136	8,395	9,161
	40,312	39,060	38,047	37,085
Other employees				
Salaries and wages	578,139	522,354	292,382	274,974
Others	306,022	361,017	111,996	154,502
	884,161	883,371	404,378	429,476
Total	924,473	922,431	442,425	466,561

31 Expenses by nature

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
		(in thousand Baht)			
Changes in inventories of finished goods and work in progress		(62,584)	40,097	(30,417)	(2,888)
Raw materials and consumables used		3,924,142	4,269,533	1,010,166	1,050,078
Employee benefit expenses	30	924,473	922,431	442,424	466,561
Depreciation		206,305	203,579	54,534	56,343
Amortisation		4,090	4,135	3,159	3,076
Others		756,509	621,483	712,778	671,762
Total cost of sale of goods, selling expenses and administrative expenses		5,752,935	6,061,258	2,192,644	2,244,932

32 Finance costs

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Finance costs:				
Financial institutions	5,155	9,127	1,089	3,064
Others	2,718	723	208	317
Total	7,873	9,850	1,297	3,381

33 Income tax benefit (expense)

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Current tax benefit (expense)				
Current year	(18,442)	(63,887)	-	(15,665)
Adjustment for prior years	(1,577)	5,421	55	5,421
	(20,019)	(58,466)	55	(10,244)
Deferred tax expense				
Movements in temporary differences	32,678	(1,927)	15,565	(2,627)
Total income tax benefit (expense)	12,659	(60,393)	15,620	(12,871)

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2013 Tax (expense) benefit	Net of tax	Before tax	2012 Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale financial assets	3,029	(606)	2,423	-	-	-
Defined benefit plan actuarial gains	-	-	-	37,900	(6,759)	31,141
Revaluation of property, plant and equipment	-	-	-	44,856	(8,972)	35,884
Total	3,029	(606)	2,423	82,756	(15,731)	67,025

	Separate financial statements					
	Before tax	2013 Tax (expense) benefit	Net of tax	Before tax	2012 Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale financial assets	3,029	(606)	2,423	-	-	-
Defined benefit plan actuarial gains	-	-	-	23,025	(4,329)	18,696
Total	3,029	(606)	2,423	23,025	(4,329)	18,696

Reconciliation of effective tax rate

Consolidated financial statements					
	2013		2012		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	
Profit before income tax expense		83,079		574,651	
Income tax using the Thai corporation tax rate	20	(16,616)	23	(132,170)	
Income not subject to tax		34,910		80,063	
Expenses not deductible for tax purposes		(3,775)		(13,398)	
Temporary differences for which no deferred tax asset was recognised		(283)		(309)	
Under (over) provided in prior years		(1,577)		5,421	
Total	(15.2)	12,659	10.5	(60,393)	

Separate financial statements					
	2013		2012		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	
Profit before income tax expense		133,758		240,042	
Income tax using the Thai corporation tax rate	20	(26,752)	23	(55,210)	
Income not subject to tax		43,881		43,693	
Expenses not deductible for tax purposes		(3,014)		(9,023)	
Temporary differences for which no deferred tax asset was recognised		1,450		2,248	
Under (over) provided in prior years		55		5,421	
Total	(11.7)	15,620	5.4	(12,871)	

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

34 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					
	2013			2012		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	1,948,328	3,120,873	5,069,201	1,922,980	3,931,208	5,854,188
Local sales	642	1,134,178	1,134,820	867	1,157,291	1,158,158
Eliminations	(212)	(534,954)	(535,166)	(449)	(543,612)	(544,061)
Total revenue	1,948,758	3,720,097	5,668,855	1,923,398	4,544,887	6,468,285

	Separate financial statements					
	2013			2012		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	64,569	1,295,108	1,359,677	51,647	1,372,390	1,424,037
Local sales	296	690,275	690,571	144	784,388	784,532
Total revenue	64,865	1,985,383	2,050,248	51,791	2,156,778	2,208,569

35 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 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		Separate	
	financial statements		Financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (Basic)	(7,621)	293,084	149,378	227,171
Number of ordinary shares outstanding	269,999	269,999	269,999	269,999
Basic earnings (loss) per share <i>(in Baht)</i>	<u>(0.03)</u>	<u>1.09</u>	<u>0.55</u>	<u>0.84</u>

36 Dividends

At the annual general meeting of the shareholders of the Company held on 4 April 2013, the shareholders approved the appropriation of dividends of Baht 0.52 per share, amounting to Baht 140.4 million. The dividend was paid to shareholders in April 2013.

At the annual general meeting of the shareholders of the Company held on 4 April 2012, the shareholders approved the appropriation of dividends of Baht 0.57 per share, amounting to Baht 153.9 million. The dividend was paid to shareholders in April 2012.

37 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 from fixed invest rate loan. The Group is primarily exposed to interest rate risk from its borrowings (See Note 19). Management, however, consider that the interest rate risk is not material hence, the Group has no hedging agreements to protect against such risk.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2013					
Current					
Loans from financial institutions	0.87 - 2.8	291,123	-	-	291,123
Non-current					
Loans from financial institutions	1.1 - 6	31,694	86,063	-	117,757
Total		322,817	86,063	-	408,880
2012					
Current					
Loans from financial institutions	0.83 - 3.89	185,164	-	-	185,164
Non-current					
Loans from financial institutions	1.6 - 6	54,539	22,996	-	77,535
Total		239,703	22,996	-	262,699
Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in million Baht)</i>					
2013					
Non-current					
Loans from financial institutions	6	6,000	9,000	-	15,000
Total		6,000	9,000	-	15,000
2012					
Non-current					
Loans from financial institutions	6	6,000	15,000	-	21,000
Total		6,000	15,000	-	21,000

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 and liabilities denominated in the following currencies:

		Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
	Note	2013	2012	2013	2012
		(in thousand Baht)			
Japanese Yen					
Cash and cash equivalents	6	13	32	11	30
Trade accounts receivable	8	151,431	159,216	70,513	68,289
Trade accounts payable	20	(13,033)	(8,510)	(27)	-
Other payables	21	(5,118)	(6,614)	-	-
Loans from financial institutions	19	(375,884)	(171,821)	-	-
Gross financial position exposure		(242,591)	(27,697)	70,497	68,319
Estimated forecast sales		181,911	161,283	-	26,028
Gross exposure		(60,680)	133,586	70,497	94,347
Currency forwards		(312,365)	(271,236)	(51,513)	(94,525)
Net exposure		(373,045)	(137,650)	18,984	(178)
United States Dollars					
Cash and cash equivalents	6	6,466	146	6,465	141
Trade accounts receivable	8	47,655	87,491	41,020	34,172
Trade accounts payable	20	(11,574)	(1,657)	(10,585)	-
Other payables	21	(3,992)	-	(2,082)	-
Loans from financial institutions	19	-	(878)	-	-
Gross financial position exposure		38,555	85,102	34,818	34,313
Estimated forecast sales		33,298	59,672	20,442	59,672
Gross exposure		71,853	144,774	55,260	93,985
Currency forwards		(81,096)	(128,126)	(61,586)	(93,955)
Net exposure		(9,243)	16,648	(6,326)	30
Euro					
Trade accounts receivable	8	-	19,416	-	19,416
Gross financial position exposure		-	19,416	-	19,416
Estimated forecast sales		-	27,890	-	27,890
Gross exposure		-	47,306	-	47,306
Currency forwards		-	(47,363)	-	(47,363)
Net exposure		-	(57)	-	(57)
Australian Dollars					
Trade accounts receivable	8	-	25,819	-	-
Gross financial position exposure		-	25,819	-	-
Estimated forecast sales		-	-	-	-
Gross exposure		-	25,819	-	-
Currency forwards		-	(13,127)	-	-
Net exposure		-	12,692	-	-

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.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity available for sales securities is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

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 393.5 million for the Group and Baht 113.1 million for the Company in 2013. (2012: Baht 468.5 million for the Group and Baht 240.8 million for the Company)

38 Commitments with non-related parties

As at 31 December 2013, the Group had outstanding forward exchange contracts covering periods less than one year 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	1,006.9	312.4	166.1	51.5
United State Dollars	2.5	81.1	1.9	61.6
Total		393.5		113.1

As at 31 December 2012, the Group had outstanding forward exchange contracts covering periods less than one year 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	772.5	271.2	269.2	94.5
United State Dollars	4.2	128.1	3.1	94.0
Euro	1.2	47.4	1.2	47.4
Australian Dollars	0.4	13.1	-	-
Total		459.8		235.9

39 Contingent liabilities

As at 31 December 2013, 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 6.5 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 382.6 million.

40 Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and revised 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 these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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



1. การวิจัย และพัฒนาสินค้า

บริษัทฯ มุ่งมั่นใส่ใจในการลงทุนด้านงานวิจัยเพื่อพัฒนาผลิตภัณฑ์ อย่างต่อเนื่อง เพื่อให้ผลิตภัณฑ์มีความทันสมัย ปลอดภัยและ พัฒนาสินค้าให้เป็นไปตามความต้องการของผู้บริโภค โดยสอดคล้องกับกฎระเบียบ และมาตรฐานการผลิตที่มีความแตกต่างสำหรับลูกค้าแต่ละรายทั่วโลก รวมถึงมีการดำเนินธุรกิจอย่างเป็นมิตรกับสิ่งแวดล้อม



2. การคัดสรรวัตถุดิบ

ทางบริษัทได้ให้ความสำคัญกับกระบวนการคัดเลือกวัตถุดิบเป็นอย่างมาก เพราะเราใส่ใจและตระหนักในเรื่องของความปลอดภัยของอาหาร ตั้งแต่กระบวนการคัดเลือกวัตถุดิบจากแหล่งที่มีมาตรฐานรับรอง โดยหน่วยงานราชการที่น่าเชื่อถือและมีคุณภาพ โดยผ่านขั้นตอนการตรวจสอบอย่างเข้มงวดภายใต้มาตรฐานการผลิตอาหารอีกทั้งกระบวนการตรวจรับวัตถุดิบ 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



4. ระบบ Logistics

เพื่อที่จะส่งมอบสินค้าคุณภาพถึงมือผู้บริโภค เราจึงใช้ระบบการจัดเก็บสินค้า และการขนส่งที่ทันสมัย ซึ่งสามารถควบคุมอุณหภูมิสำหรับผลิตภัณฑ์อาหารแช่เยือกแข็งให้อยู่ในระดับที่ต่ำกว่า - 18 องศาเซลเซียส โดยเราเน้นการส่งมอบสินค้าอร่อย ปลอดภัย และมีคุณภาพ แก่ผู้บริโภค เพื่อสร้างความพึงพอใจสูงสุด



5. ทีมงานที่มีความเชี่ยวชาญ

มีทีมงานที่มีความเชี่ยวชาญในด้านต่างๆ ไม่ว่าจะเป็นทีมงานบริการลูกค้า และทีมฝ่ายขายที่สามารถให้คำปรึกษาเกี่ยวกับสินค้าที่เหมาะสมกับความต้องการของลูกค้าแต่ละราย ประกอบกับผู้บริหารที่มีวิสัยทัศน์ที่กว้างไกลและทันสมัยของบริษัท จึงให้ความสำคัญกับการพัฒนาบุคลากรเป็นอย่างมาก เพื่อสร้างทีมงานที่สามารถให้บริการที่ประทับใจอย่างยั่งยืน

6. CSR

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



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