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รายงานประจำปี 2557 Annual Report 2014



“**Your Total Quality**
ทุกขั้นตอนคุณภาพเพื่อคุณ”

บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน)
Surapon Foods Public Company Limited

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Financial Highlight

Unit : Million Baht

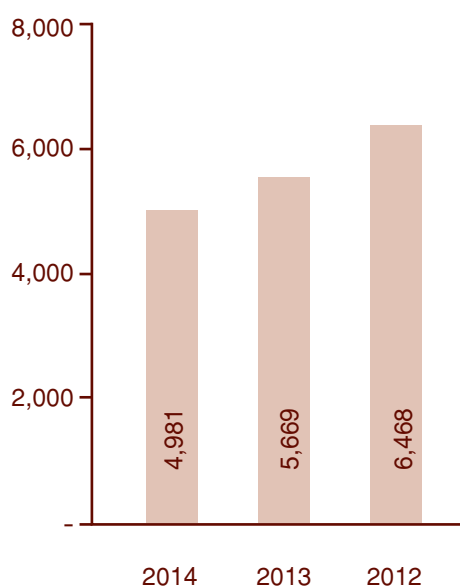
	2014	2013	2012
Total Assets	3,046.41	2,929.05	3,110.44
Total Liabilities	912.59	945.04	870.12
Total Equity	2,133.82	1,984.01	2,240.32
Revenue from Sales	4,980.90	5,668.85	6,468.28
Total Revenue	5,183.28	5,843.04	6,648.15
Gross Profit	539.92	312.45	838.71
Total Profit (Loss)	329.50	95.74	514.26
Profit (Loss) Attributable to Owners of the Company	172.30	(7.62)	293.08

Financial Ratio

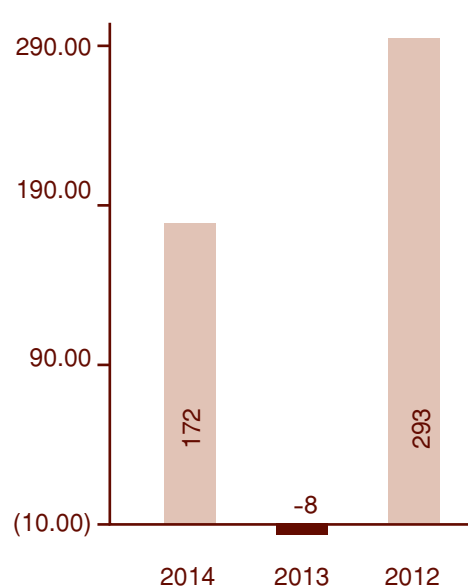
Net Profit Margin (%)	6.36	1.64	7.74
Return on Equity (%)	16.00	4.53	24.38
Return on Asset (%)	11.03	3.17	16.68
Net Profit (Loss) per Share (%)	0.64	(0.03)	1.09
Book Value per Share (%)	7.90	7.35	8.30

Remark: The above figures 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 2014, the overall frozen shrimp industry still struggles to recover from the Early Mortality Syndrome which broke out and hit the overall shrimp output since 2011. The shrimp raw material harvested in Thailand was reduced by sixteen percent in 2014 when compared to 2013. The average shrimp price level was never recovered from the period before the outbreak.

As a result, the overall value of Thai exported frozen shrimp decreased six percent on year over year basis. The Company is also affected from this industry crisis. The Company had to be very careful in balancing customers' orders to match with the current supply situation in regards to both quantity of supply and price of shrimp raw material. In addition, the Company had to develop new value-added products which rely less on shrimp as the major component of raw material; however, on the other high percentage shrimp products, the Company considered each customer with caution in order to balance capacity with performance margins. In contrast to the shrimp industry, a company in our group; namely, Surapon Nichirei Foods Co., Ltd. continues to perform strongly even though the overall sales dropped from 2013, but the overall result achieved the satisfactory performance.

We are delighted to inform our shareholders and investors that on January 16, 2015 the Company had official been certified as a member in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). This certification reflects strongly on the Company's strong will and policy to build the business around strong corporate governance values where all the stakeholders are treated equally and fairly. The Company will continuously continue to uphold anti-corruption measures which would result in stable and sustained 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, 2015.



(Mr. Kosol Chantikul)

Chairman



(Mr. Surapon Vongvadhanaroj)

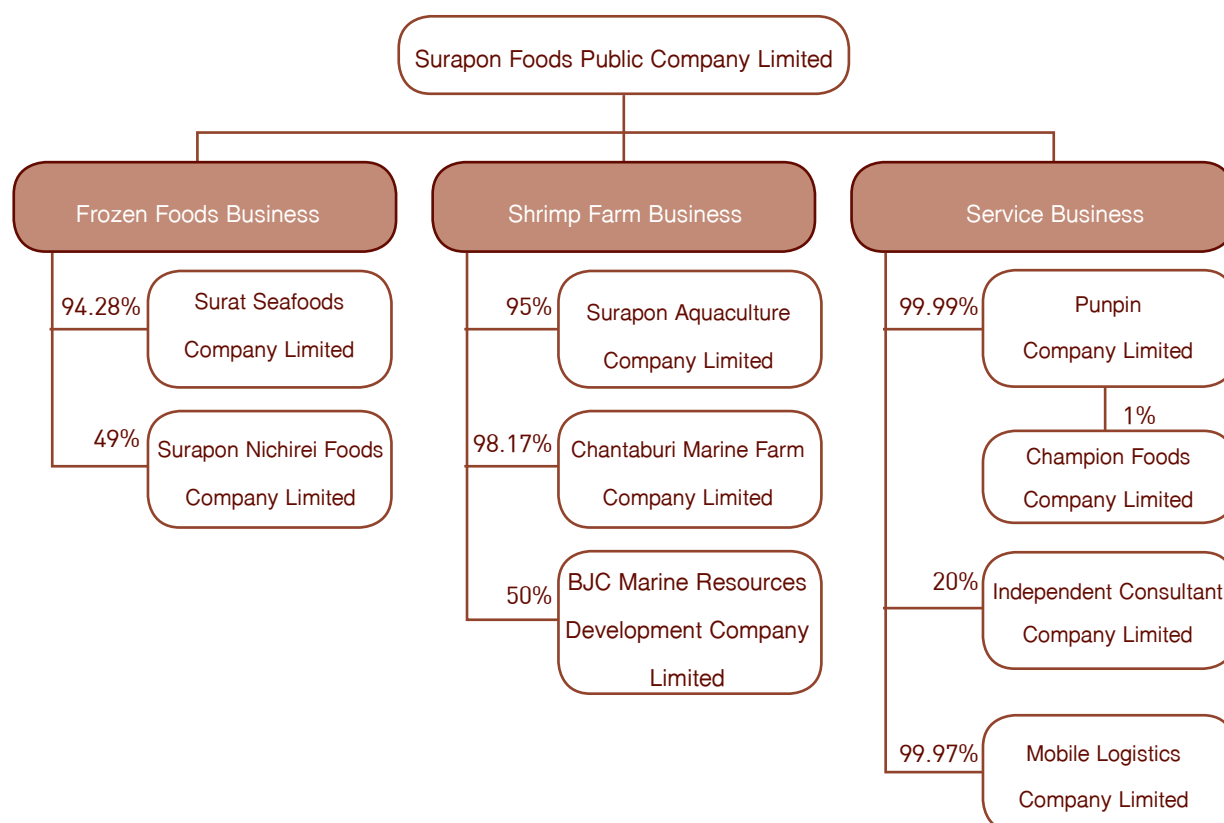
Chief Executive Officer

General Information

[Information as of December 31, 2014]

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. 561 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 the Company's Group



Details of Subsidiary and Related Companies

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) 385-3179
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%

5. Mobile Logistics Co., Ltd. (MBL)

Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
Type of Business	Logistics Service Provider
Registered Capital	1,000,000 Baht
Shareholding by SSF	99.97%

6. 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%

7. 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%

8. 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. Boonsri Chotpaiboonpun, CPA License No. 3756
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, 2015)



Mr. Kosol Chantikul

Age 68 Years

Education	<ul style="list-style-type: none"> - Master Degree in Law, University of Sydney, Australia - Master Degree in Law, Chulalongkorn Univeristy - Bachelor Degree in Law, Thammasat University
Training on Directorship	<ul style="list-style-type: none"> - DCP class 18/2002 Thai Institute of Directors Association (IOD) - The Role of Chairman Program class 13/2006 Thai Institute of Directors Association (IOD)
Position in the Company	- Independent Director and Chairman
Position in Subsidiaries	- No -
Other Positions	<p><u>Listed Company</u> - No -</p> <p><u>Limited Company</u></p> <ul style="list-style-type: none"> - Director, Unipalm Industry Co., Ltd. - Director, Team Legal and Consultant 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 69 Years

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 the Company

- Authorized Director, Nomination and Remuneration Committee

Position in Subsidiaries

- Chairman, Surapon Nichirei Foods Co., Ltd.
- Chairman, Surat Seafoods Co., Ltd.
- Chairman, Mobile Logistics 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 Kraisithirir

Age 70 Years

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 the Company

- Authorized Director and Advisor

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 70 Years

Education

- High School, Amnuaysilpa School

Training on Directorship

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

Position in the Company

- Authorized Director and Chairman of Nomination and Remuneration Committee

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 66 Years

Education

- Bachelor Degree in Accounting, Chulalongkorn University

Training on Directorship

- DCP class 81/2006 Thai Institute of Directors Association (IOD)

Position in the Company

- Independent Director, Chairman of Corporate Governance Committee and
- Audit Committee

Position in Subsidiaries

- No -

Other Positions

Listed Company

Independent Director, Chairman of Audit Committee, Chairman of Corporate Governance Committee, and Director in 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 66 Years

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 the Company

- Independent Director, Audit Committee, and Corporate Governance Committee

Position in Subsidiaries

- No -

Other Positions

Listed Company

- Independent Director and Chairman of Audit Committee, 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 47 Years

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 the Company

- Director and Chairman of Risk Management Committee

Position in Subsidiaries

- Director and President, Surapon Nichirei Foods Co., Ltd.

Dispute

- No -

Date of Directorship

April 8, 2010



Mr. Sathaporn Kotheeranurak

Age 59 Years

Education

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

Training on Directorship

- DAP class 34/2005 Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program class 13/2013 Thai Institute of Directors Association (IOD)

Position in the Company

- Independent Director and Chairman of Audit Committee

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 59 Years

Education

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

Training on Directorship

- DCP class 135/2010 Thai Institute of Directors Association (IOD)

Position in the Company

- Authorized Director and Risk Management Committee

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 33 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.
Training on Directorship	- DCP 163/2012 Thai Institute of Directors Association (IOD)
Position in the Company	- Authorized Director, Corporate Governance Committee and Risk Management Committee
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 - Director, Mobile Logistics Co., Ltd
Other Positions	<u>Listed Company</u> - No - <u>Limited Company</u> - No -
Dispute	- No -
Date of Directorship	April 4, 2012



Mr. Putaporn Ninwarangkoon

Age 62 Years

Education	<ul style="list-style-type: none"> - Master Degree in Business Administration, University of San Francisco, USA - Bachelor Degree in Accounting, Kasetsart University
Position in the Company	- Independent Director and Nomination and Remuneration Committee
Position in Subsidiaries	- No -
Other Positions	<u>Listed Company</u> Advisor, Sompo Japan Nipponkoa Insurance (Thailand) PLC. <u>Limited Company</u> - No -
Dispute	- No -
Date of Directorship	April 4, 2013

Executives

(Information as of January 31, 2015)

1. Mr. Surapon Vongvadhanaroj	
Age	69 Years
Education	<ul style="list-style-type: none"> - Master Degree in Political Economics, Chulalongkorn University - Bachelor Degree in Political Science, Ramkamhaeng University
Position in the Company	Chief Executive Officer
Position in Subsidiaries	<ul style="list-style-type: none"> - Chairman, Surapon Nichirei Foods Co., Ltd. - Chairman, Surat Seafoods Co., Ltd. - Chairman, Mobile Logistics Co., Ltd. - Director, Surapon Aquaculture Co., Ltd. - Director, Chantaburi Marine Farm Co., Ltd.
2. Mr. Sorapon Vongvadhanaroj	
Age	33 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 and General Manager-Finance and Corporate Services
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 - Director, Mobile Logistics Co., Ltd
3. Mrs. Soranee Ung	
Age	40 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	42 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. Director, Mobile Logistics Co., Ltd

5. Mr. Thomas Ung

Age	44 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	36 Years
Education	- Master Degree in Accounting, University of Virginia, USA. - Bachelor Degree in Business Administration, Babson College, USA.
Position in the Company	Senior Manager — Finance and Corporate Services Group
Position in Subsidiaries	- Director, Punpin Co., Ltd. - Director, BJC Marine Resources Development Co., Ltd. - Director, Mobile Logistics Co., Ltd

Company Secretary**Mr. Patt Somchaikulsup**

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

(Information as of January 31, 2015)

	Name	Amount of Shareholding				Changes
		January 1, 2014	Proportion (%)	January 31, 2015	Proportion (%)	
1	Mr.Kosol Chantikul	0	-	0	-	0
	Spouse and Minor Children	0	-	0	-	0
2	Mr. Surapon Vongvadhanaroj	106,011,350	39.26	13,980,000	5.18	Decrease 92,031,350
	Spouse and Minor Children	6,957,000	2.58	6,957,000	2.58	0
3	Mr. Sithichai Kraisithisirin	32,436,000	12.01	29,436,000	10.90	Decrease 3,000,000
	Spouse and Minor Children	0	-	0	-	0
4	Mr. Chokchai Jiengwareewong	30,615,000	11.34	9,085,090	3.36	Decrease 21,529,910
	Spouse and Minor Children	174,390	0.06	9,000,000	3.33	Increase 8,825,610
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	47,588,500	17.63	Increase 46,006,000
	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

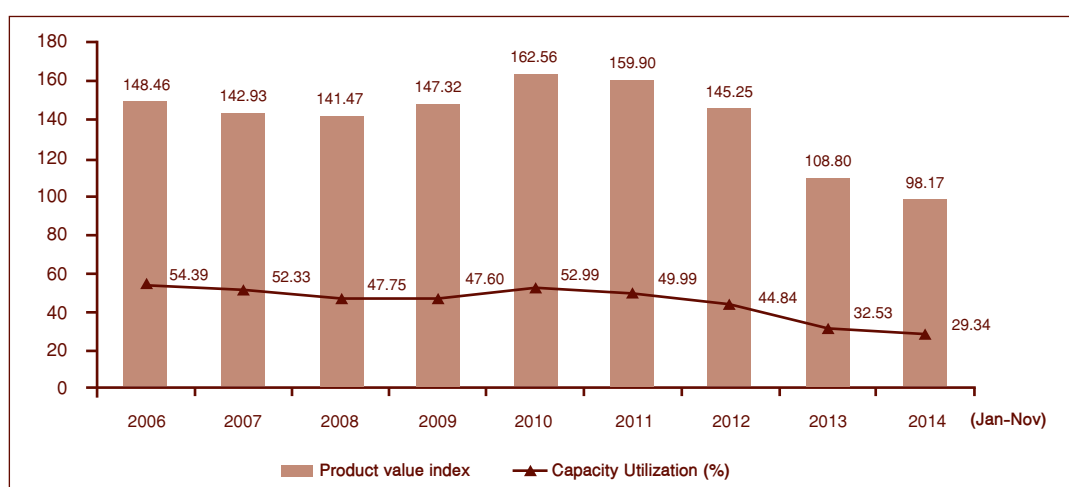
(Information as of January 31, 2015)

		Amount of Shareholding				Changes
Name		January 1, 2014	Proportion (%)	January 31, 2015	Proportion (%)	
1	Mr.Surapon Vongvadhanaroj	106,011,350	39.26	13,980,000	5.18	Decrease 92,031,350
	Spouse and Minor Children	6,957,000	2.58	6,957,000	2.58	0
2	Mrs.Soranee Ung	1,350,000	0.50	1,360,000	0.50	Increase 10,000
	Spouse and Minor Children	0	-	0	-	0
3	Mr. Supakorn Ruangsiri	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	1,360,000	0.50	Increase 10,000
5	Mr.Sorapon Vongvadhanaroj	1,582,500	0.59	47,588,500	17.63	Increase 46,006,000
	Spouse and Minor Children	0	-	0	-	0
6	Miss Silawan Kraisithsirin	1,000,000	0.37	2,000,000	0.74	Increase 1,000,000
	Spouse and Minor Children	0	-	0	-	0

Overall Industry and Competition

Production Situation

Overall processed seafood production in the year 2014 decreased from 2013. Due to Early Mortality Syndrome (EMS), Thailand's vannamei shrimp raw material decreased from 244,932 tons in year 2013 to 204,105 tons in year 2014 or equivalent to the decrease of 17%. Data from the Ministry of Industry indicated that index of production value of processed seafood product for the first 11 months of year 2014 was at 98.17, while the year 2013 was at 108.80. The capacity utilization rate for the first 11 months of year 2014 marked at 29.34% while year 2013 was at 32.53%



- Remarks :
1. The based year is year 2000 which index is equal to 100
 2. Data for the year 2014 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 2014 was 27,700 million Baht, 2.91% decrease from the year 2013. USA is the Thailand's largest export market, accounted for 36.41%. Other Thailand's main export markets are Japan and Europe, accounted for 18.74% and 14.93% respectively.

Export market of Thai Fresh/Chilled/Frozen Shrimp

Country	Value (Million Baht)			Growth (%)	Proportion (%)
	2012	2013	2014	2014	2014
USA	15,359	11,081	10,086	-8.98	36.41
Japan	11,324	7,187	5,190	-27.79	18.74
EU	5,887	3,151	4,135	31.25	14.93
ASEAN	3,187	1,341	1,683	25.58	6.08
Others	9,327	5,772	6,606	14.45	23.85
Total	45,084	28,532	27,700	-2.91	100.00

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

Export value of Thai processed shrimp products for the year 2014 was 31,878 million Baht, 9.01% decrease from the year 2013. USA is the Thailand's largest export market, accounted for 48.04% of total export value of processed frozen shrimp. Other Thailand's main export markets are Japan and Europe, accounted for 27.86% and 11.55% respectively.

Export market of Thai Processed Shrimp Products

Country	Value (Million Baht)			Growth (%)	Proportion (%)
	2012	2013	2014	2014	2014
USA	18,163	14,549	15,315	5.27	48.04
Japan	13,071	10,624	8,880	-16.41	27.86
EU	7,495	6,002	3,683	-38.64	11.55
ASEAN	99	59	155	163.02	0.49
Others	6,454	3,802	3,845	1.13	12.06
Total	45,282	35,036	31,878	-9.01	100.00

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

In summary, Thailand's Shrimp business in the year 2014 showed the negative effect from Early Mortality Syndrome (EMS) since the year 2011, led to shortage of shrimp raw material and increase of shrimp raw materials price. The Company's production and sales in the year 2014 were dropped from the year 2013 which are in line with the overall industry situation. However, the Company has been trying harder to adjust ourselves in many ways such as less usage of shrimp raw materials, development of new product with other raw material substitution, sourcing raw material from various sources both domestic and abroad and etc.

Structure of Revenue

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

Products Group	Company	2014		2013		2012	
		Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Ready-to-eat	SSF	964,261	18.08	1,277,457	20.69	1,361,064	19.53
	SS	361,185	6.77	556,292	9.01	821,957	11.79
	SUNIF	3,172,518	59.50	3,321,768	53.80	3,339,660	47.91
Ready-to-cook	SSF	272,897	5.12	336,300	5.45	500,943	7.19
	SS	34,921	0.65	145,084	2.35	432,656	6.21
Others	SSF	501,837	9.41	436,491	7.07	346,561	4.97
	SS	24,700	0.46	100,550	1.63	167,404	2.40
Total		5,332,319	100.00	6,173,942	100.00	6,970,245	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.) Frozen food, Sushi, Frozen cooked prawn and etc.
 - 3) Ready to cook Group such as Frozen raw prawn, Breaded products 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 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 changed its name 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 together with the Corporate Social Responsibilities awareness.

The Company has invested and established the other subsidiary and related companies in various businesses such as Surat Seafoods Co., Ltd, Surapon Nichirei Foods Co., Ltd., Surapon Aquaculture Co., Ltd, Chantaburi Marine Farm Co., Ltd, Independent Consultant Co., Ltd. and Mobile Logistics Co., Ltd.

In year 2014, there are important changes as follows:

1. Early Mortality Syndrome (EMS) affects a decrease of shrimp raw material supply continuous from 2011. In 2014 a decrease of shrimp quantity approximately 17% compared to the year 2013. As a result, price of shrimp raw material has been increasing until the year 2014. Consequently, the Company's sales quantity and value in 2014 dropped from the year 2013. However, the overall performance in 2014 still posts satisfactory performance result.

2. Due to EMS, the Company and other companies in same business have unavoidably been impacted. The Company adjusted itself to conform with the shrimp raw material situation by carefully considered the customer orders, developed and promoted the other products that used less shrimp raw material and also considered the alternative raw material which had been implemented continuously since the EMS situation occurred. The aforesaid company adjustments resulted the increasing in new product sales, where the mainly shrimp based products the Company shall limit the production in order to manage the cost of production related with the selling price. For the chicken products which operated by one of the company under the Company's group namely Surapon Nichirei Co., Ltd. still expanded its business and maintained the sales turnover.

3. On November 10, 2014, the Company reported information to SET regarding the establishment of new subsidiaries namely Mobile Logistics Co., Ltd to support the sales service, logistics, distribution, and warehouse.

4. On January 16, 2015, the Company was certified by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Council to be the member of private sector against anti-corruption. This certification are the affirmation of the strong commitment that the Company aware and highly emphasize in the Corporate Governance, the equality treatment among shareholders and stakeholders and lastly the endeavor to carry on the anti-corruption.

Risk Factors

The Company realizes both internal and external business risks which may affect to the Company's operation either directly or indirectly. 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 year 2014, Thai Baht tended to strongly appreciate.

Risk Management

Closely monitoring the exchange rate is exercised. A clear policy has been put to take care and protect against the risk arisen in any interval via various instruments suitable for each period such as forward contract, direct hedge, and foreign exchange option. Furthermore, the Company tries to diversify sales in several currencies fit for each customer group in every region. In addition, the Company had no a speculation policy.

2. Risk from Trade Laws, Regulations and Quality Control

Trading partners develop and generate more trade barriers both tariff barriers and non-tariff barriers such as the remove of EU GSP, the USA labor unfair practices, food safety and sanitation standards that may affect to business operation if the company fail to comply with regulations or unable to keep constantly control.

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. Meanwhile the Company 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 can quickly prevent as well as control the business processes to meet the situations. In addition, the Company has a strictly quality control procedure. The international food standard has been applied such as GMP, HACCP, ISO22000, BRC and ISO17025 to make confident that the Company's production process has been controlled and assured by the high standard.

3. Risk from Fluctuation of Raw Materials

The Company's required raw materials are mainly from agriculture and fisheries which are varied from weather, environment, disaster, and plague in both domestic and other countries. In 2014, Shrimp cultivation faced the Early Mortality Syndrome (EMS) which strongly affected the sharp decreasing in shrimp supply; caused the rapidly increasing in price. 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.

4. Risk from Natural Disaster and Plague

The weather and environment are more rapid changed and unexpected in Thailand and global. As a result, there are more chances that natural disaster will occur. In 2014, there was the flood in some provinces. Though it did not cause any damage to the Company. The plague situation was also had more chance to occur.

Risk Management

The Company prepared the preventive and collective actions in order to mitigate the effect when the natural disaster and plague happen. The responsible persons will closely monitor, update the situation, implementation plan and also put the recovery plan. The Company also developed the staff's potential in term of crisis management skill.

5. Risk from Human Resources Management

Human Resources are deemed to be the key factors in carrying on the Company's operations. The Company realizes that human resources development is the worthiest organizational mission. By that reason, the Company has adopted various management systems to control the risk in human resources management such as the lack of human capital, the retirement and the resignation of significant position.

Risk Management

The Company has planned to reduce the risk and cope with the situation occur in order to make the Company's achievements. The Company has a continuous policy on the development such as the Succession Plan, Career Development, Talent Engagement, Talent Acquisition, Job Rotation, Training and Development, Corporate Communications and other internal happy workplace activities to make the better relationship among the employees.

Structure of Shareholding and Management

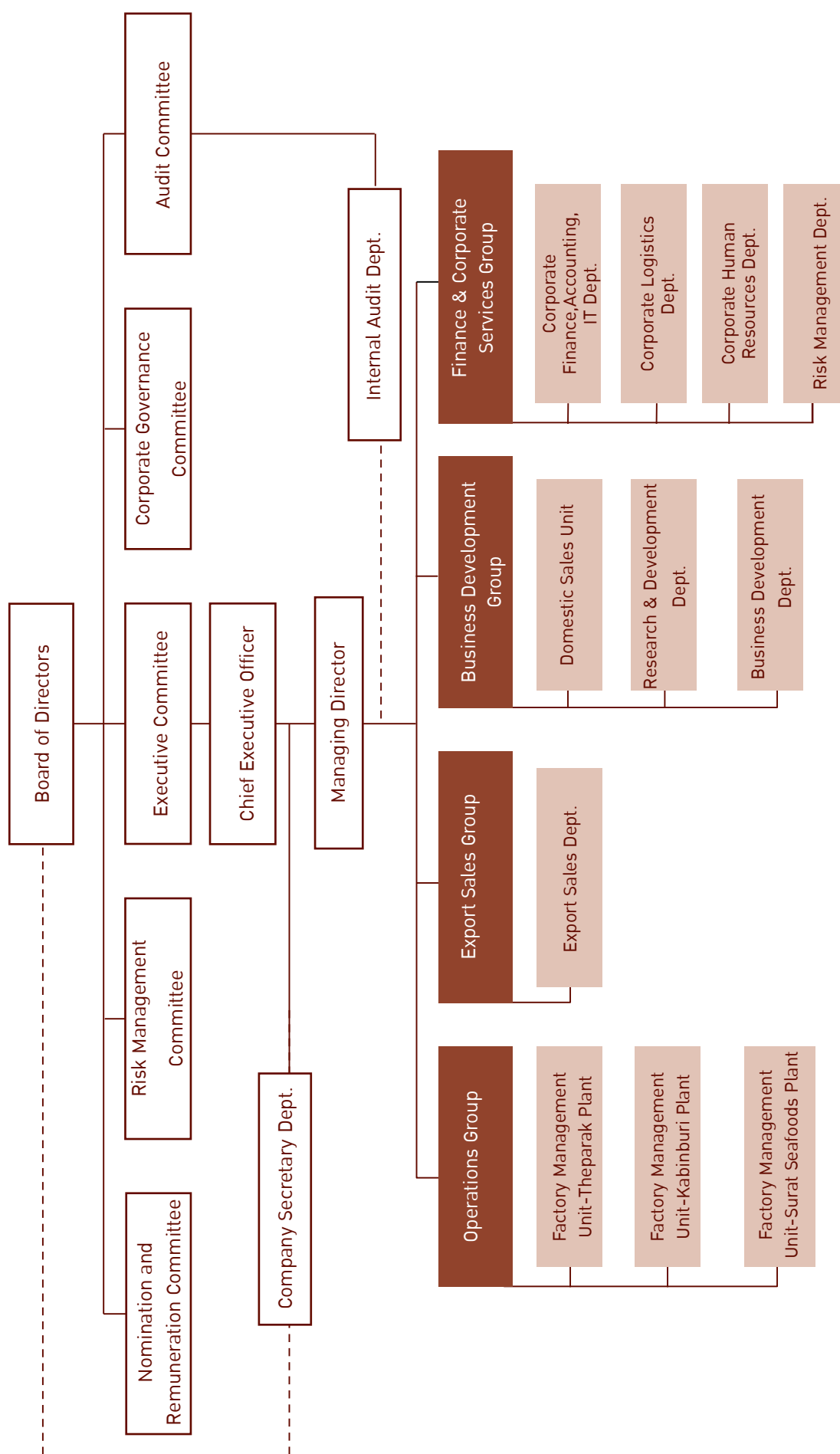
Structure of Shareholding

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

Name of Shareholders	Amount of Shareholding	Proportion (%)
1. Vongvadhanaroj Family	118,600,850	43.93
- Mr.Sorapon Vongvadhanaroj	47,588,500	17.63
- Mr.Sorapoom Vongvadhanaroj	47,355,350	17.54
- Mr.Surapon Vongvadhanaroj	13,980,000	5.18
- Mrs.Sukanya Vongvadhanaroj	6,957,000	2.58
- Mrs.Soranee Ung	1,360,000	0.50
- Mrs.Soraya Sorakraikitikul	1,360,000	0.50
2. Kraisithsirin Family	35,436,000	13.12
- Mr.Sithichai Kraisithsirin	29,436,000	10.90
- Miss Sarin Kraisithsirin	2,000,000	0.74
- Miss Silawan Kraisithsirin	2,000,000	0.74
- Miss Sanravee Kraisithsirin	2,000,000	0.74
3. Jiengwareewong Family	34,085,090	12.64
- Mr.Chokchai Jiengwareewong	9,085,090	3.36
- Mrs.Janthip Jiengwareewong	9,000,000	3.33
- Mrs.Supissara Pechvorakul	8,000,000	2.96
- Miss Pusanisa Jiengwareewong	8,000,000	2.96
4. Mr.Aryuth Chansestikul	13,558,400	5.02
5. Mr.Thanathip Pichetvanichchok	7,536,000	2.79
6. CREDIT SUISSE AG SINGAPORE BRANCH	5,000,000	1.85
7. Miss Woraran Taepaisithpong	5,000,000	1.85
8. Thai NVDR Co., Ltd.	4,409,600	1.63
9. Miss Orapun Asamongkol	3,253,000	1.20
10. Mrs. Nipaporn Siripong	2,410,100	0.89

Source: Thailand Securities Depository Co., Ltd. (Information as of February 13, 2015)

Structure of Management



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, 2014, Board of Directors consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2014
1. Mr.Kosol	Chantikul	Chairman and Independent Director	6/6
2. Mr.Surapon	Vongvadhanaroj	Director	6/6
3. Mr.Sithichai	Kraisithisirin	Director	6/6
4. Mr.Chokchai	Jiengwareewong	Director	5/6
5. Mrs.Boonperm	Jiamtiranat	Independent Director	6/6
6. Mr.Pisanu	Rienmahasarn	Independent Director	5/6
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	Independent Director	6/6

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

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, 2014, Audit Committee consists of three Independent Directors as follow:

Name - Surname		Position	No. of the meeting attended in 2014
1. Mr.Sathaporn	Kotheeranurak	Chairman	8/8
2. Mrs.Boonperm	Jiamtiranat	Director	8/8
3. Mr.Pisanu	Rienmahasarn	Director	8/8

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, 2014, Corporate Governance Committee consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2014
1. Mrs.Boonperm	Jiamtiranat	Chairman	4/4
2. Mr.Sorapon	Vongvadhanaroj	Director	4/4
3. Mr.Pisanu	Rienmahasarn	Director	4/4
Thereby, Mr.Patt Somchaikulsup carries out duties as Secretary of Corporate Governance Committee			

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, 2014, Nomination and Remuneration Committee consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2014
1. Mr.Chokchai	Jiengwareewong	Chairman	4/4
2. Mr.Surapon	Vongvadhanaroj	Director	4/4
3. Mr.Putaporn	Ninwarangkoon	Director	4/4
Thereby, Mr.Patt Somchaikulsup carries out duties as Secretary of Nomination and Remuneration Committee			

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, 2014, 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.Pai boon	Kangvonkit	Director
5. Mr.Supakorn	Ruangsin	Director
6. Mr.Thomas	Ung	Director
7. Mr.Cherdsak	Charoenmongkonsuk	Director

Name - Surname		Position
8. Mr.Montai	Chulatitta	Director
9. Mrs.Soranee	Ung	Director
10. Miss Silawan	Kraisithsirin	Director
11. Mr.Sorapon	Vongvadhanaroj	Director
12. Mr.Jittakorn	Chairach	Director
13. MissYardphon	Comnungnat	Director

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

Remark: There was 12 times meeting throughout the year 2014

6. Risk Management Committee

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

As of December 31, 2014, 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 2014

Details of Directors and Authorized Persons

Name and Surname	SSF	Company					
		SS	SUNIF	PP	SAC	CHAMF	MBL
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	/, //,X	/, //			/, //	/, //	/, //
Mr. Putaporn Ninwarangkoon	/						
Mr. Chatuporn Watcharanat		/, //,X				/, //	
Mr. Supakorn Ruangsiri		/, //					/, //
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
MBL	=	Mobile Logistics Company Limited

Remuneration of Directors and Executives

1. Directors' Remuneration

The Annual General Meeting of Shareholders No.37/2014 had passed the resolution to approve the Directors' remuneration totally not exceed than Baht 4,490,000. The actual amount of payment is Baht 4,430,000.

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	Meeting Allowance		
1	Mr.Kosol	960,000	120,000	-	-	-	-	-	-	1,080,000
2	Mr.Surapon	180,000	90,000	-	-	-	-	-	10,000	280,000
3	Mr.Sithichai	180,000	90,000	-	-	-	-	-	-	270,000
4	Mr.Chokchai	180,000	75,000	-	-	-	-	-	20,000	275,000
5	Mr.Putaporn	180,000	90,000	-	-	-	-	-	10,000	280,000
6	Mr.Sathaporn	180,000	90,000	180,000	80,000	-	-	-	-	530,000
7	Mrs.Boonperm	180,000	90,000	120,000	40,000	30,000	-	-	-	460,000
8	Mr.Pisanu	180,000	75,000	120,000	40,000	15,000	-	-	-	430,000
9	Mr.Paiboon	180,000	90,000	-	-	-	-	-	-	270,000
10	Miss Malai	180,000	90,000	-	-	-	-	-	-	270,000
11	Mr.Sorapon	180,000	90,000	-	-	15,000	-	-	-	285,000
Total		2,760,000	990,000	420,000	160,000	60,000	40,000	40,000	40,000	4,430,000

2. Executives' Remuneration

Remuneration	2014		2013	
	No. of Person	Total (Baht)	No. of Person	Total (Baht)
Salary	5	29,651,400	5	29,651,400
Bonus	5	8,648,325	5	3,529,475
Other remunerations	5	327,034	5	305,190
Total	5	38,626,759	5	33,486,065

Remarks: 1. Annual bonus payment will be paid in January of next year

2. Other remunerations such as gasoline, telephone, per-diem 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 to take 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 continuously totaling for 9 times. 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 complying to the Policy in the year 2014 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 the business totaling 11 persons, 3 persons are Executive Directors, 3 persons are non-Executive Directors, and 5 persons are Independent Directors. The number of Independent Director is in line with the SEC regulation specified that "The Board shall consist of Independent Director at least one-third and not less than 3 persons".

1.2 The director nomination process will follow the Nomination of Director Policy and will be considered by the Nomination and Remuneration Committee prior to propose to Board of Directors and Shareholders for consideration. The nomination process of director shall conform to the Nomination Policy which the Company publicizes on the website. To consider the nominated director, the Board of Directors examine the qualifications, skills, experiences which are necessary to the Company along with Nomination Policy. 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 2014, 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 holds the Company's share not more than 1% of the total number of shares with voting right. Independent Directors must also carry the qualifications of Independent Director as specified in the relevant regulatory organizations. Currently, none of Independent Director holds any share of the Company and also has any related business transactions or provides any services to the Company, subsidiaries, major shareholders or controlling person. Moreover there are no Independent Directors or Management been the employee or been the partner of the Company's auditor.

1.4 Directors shall not inaugurate in other listed companies more than 5 companies. Term of the Board, according to the Company's Articles of Association, 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 re-appointed. 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 2014, there was no Director who inaugurates in the other listed companies more than 5 companies. However, directors and CEO must inform in the Board meeting about theirs posting in other companies.

1.5 The Board meeting must be held with the specific agenda distributed in advance. In 2014 there are 6 Board of Directors Meetings where all directors attended the meeting regularly more than 80% of total times of the meeting. Quorum of 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 and submit minutes of the meeting to the Board for consideration within 7 days after meeting date. Evaluation of the meeting has been set up in every meeting which follows the criteria of IOD. Average score of the Board meeting evaluation in 2014 is 93.91 from 100.

1.6 The Board has established the specific committees reach up to 5 sub-committees with responsibility for specific matters in order to support and supervise the Board duties. The Board has also set up the sub-committee charter as a guideline for the scope of responsibilities of each sub-committee. In 2014, Audit Committee held the meeting 8 times, Nomination and Remuneration Committee 4 times, Corporate Governance Committee 4 times, Risk Management Committee 4 times, and Executive committee 12 times.

1.7 The Board carefully considered the conflict of interest and related transaction complied with the conflict of interest policy. Directors and executives must report about their possible related transactions to the company. In addition, the Company also publicizes the conflict of interest policy on the Company's website.

1.8 The Board has formulated the business code of conduct manual for being the guideline practice for all directors, executive, and staffs. The business code of conduct is formed from Corporate Governance policy and acknowledge by the employee. The business code of conduct had been reviewed regularly to keep it suitable and the Company always conveys the good understanding on the business code of conduct to all employees.

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 monthly performance report to all directors, quarterly performance report shall be proposed to the Board meeting. In 2014, the Management presented the annual business plan of year 2015 and the Board had the resolution to approve the business plan at the Board meeting no. 6/2014 on December 16, 2014.

2. Shareholders Right 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 issues. Shareholders have equal right on profit sharing. The Company has a policy to pay the dividend approximately 60% of net profit after tax from separate financial statement, except when investment or cash flow is needed - the Board may propose the shareholder's meeting to pay the dividend as appropriate. In 2014, The Company paid dividend at the rate of Baht 0.35 per share or equivalent to 63.26% of net profit after tax of separate financial statement which is under the Company's dividend policy.

2.2 The Board emphasizes on decision making of any significant matters and disclosure information for shareholders, investors and public. In 2014, The Company has managed to support the rights of shareholder including the facilitation for the shareholders as follows:

- 1) To disclose via SET website regarding the resolution of the Board's meeting no.1/2014 on February 21, 2014 Re: Convening the AGM included agenda and important details. The disclosure of information had been done within the day of which the Board had a resolution to convene the AGM,
- 2) The Company has a great emphasis on organizing the AGM by complying with the laws and regulations. The Company recognizes that all information, are disclosed accurately, completely, transparently on a timely basis.
- 3) Before the AGM date: the Company sent out the notice of AGM, supporting 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 prior to the meeting date. Shareholder, thus, would have enough time for consideration.
- 4) On AGM date: the Company provides 2 hours registration prior to convening the meeting as well as arranged proper facilities and receptions. Chairman of the Board presided Chairman of AGM meeting. All Board members, CEO, Executives, Chairman of each sub-committee, Auditor and Legal advisor attended the meeting. The chronology of the meeting agenda ran respectively as specified in the AGM notice. No additional agenda was considered in the meeting.
- 5) Before starting the meeting: Chairman informed the number of attendant, quorum of the meeting 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 computerized 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: Chairman allowed Shareholders inquire and express their opinions and recommendations. Company Secretary would record all important questions and answers in the minutes.
- 7) After finished the meeting: the Company disclosed the meeting resolutions through SET website on the same date of the AGM. The completed minutes of the meeting was submitted to the regulatory organizations and also posted on the Company's website within 14 days after the meeting date.
- 8) The Company has a policy to disclose significant information/events to shareholders through SET website which are accurate and adequate in a timely manner and on a regular basis according to the requirement of regulatory organizations.

2.3 The Company's website has been used for facilitating shareholders to reach the Company where the shareholders would like to propose an agenda for AGM during September 30, 2014 to December 31, 2014 but no proposal found.

3. Stakeholders Right

3.1 The Board recognizes with due care to the rights of all stakeholders. The Board monitors and supervises the management ensuring that the Company has responsibility for all stakeholders. Furthermore the Company established CSR policy, Business code of conduct to be the manual guidelines for the Directors, Executives and staffs. The Company prepared the progress summary report regarding the implementation under CSR policy and also CSR report. Both of report had been publicized through the Company's website.

3.2 The Company's Code of conduct consists of ethical guidelines for all staffs which are relating to all stakeholders. Code of conduct manual had been distributed and communicated to all staffs. Moreover for the annual performance evaluation of each employee, the business ethic was set as one of the criteria either.

3.2 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 via whistle-blowing@surapon.com. In addition, the Company also publicizes the whistle blowing policy through the Company's website. The management shall summarize the suggestions received and report to the Audit Committee at every end of quarter.

4. Information Disclosure and Transparency

4.1 The Board ensures that all important information relevant to the Company both finance and non-finance concerning business and operation are 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 for 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 such as SET and SEC. 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 2014, 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 base on the normal business issue together complied with the conflict of interest policy. The processes in considering the related transaction or the significant transaction shall be passed the Audit Committee opinion and approved by the Board of Directors. 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, capacity and type of business, and other companies in same business with the appropriate, competitive level in order to motivate and keep those qualified Directors.

5. Internal Control and Risk Management

5.1 The Board supports and encourages all staffs to realize the 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 work independently and directly report to Audit Committee. 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 that 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 and Risk Management Department in order to assess and put the overall risk management system. Moreover, risk management policy and risk management handbook which were publicized on the Company's website is set up to be guidelines for all departments' implementation.

6. Development of the Directors and Executives

6.1 The Board encourages and facilitates training for the Directors to enhance the efficiency and potentiality of the Board by providing the Board's handbook, BOD practices manual, organizing the training and site visit to the Company and its subsidiaries, furnish the opportunity to exchange and share opinion with the Executives.

6.2 The Board encourages the director's development by supporting them to attend the training program. In 2014, the directors attended the trainings/seminars as follows:-

1. Mr.Chokchai Jiengwareewong participated in the seminar: Challenges in nominating the Independent Committee on November 12, 2014 organized by IOD.
2. Mrs.Boonperm Jiamtiranat participated in the seminar: Challenges Facing Audit Committees on Listed Companies' Sustainable Development on February 19, 2014 organized by SEC.
3. Mr.Sorapon Vongvadhanaroj participated in CEO CG Talk: Sustainability Growth by the Corporate Governance Principle on June 26, 2014 organized by SET.
4. Miss Malai Wongwatroj participated in CG Forum 3/2014: Challenging as Expectations for Board Engagement on Strategic Risk Management Oversight on August 26, 2014 organized by SET and the seminar on "The Evolving Role of Directors in Corporate Governance" on November 6, 2014 organized 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 93.47 with good level, whereas individual performance evaluation in average of 92.45. There will be the discussion of the evaluation results to improve the Directors' performance.

6.4 The sub-committees are also had an annual performance evaluation in order to improve the committee performance. For the evaluation of CEO performance will be evaluated by the evaluation committee appointed by the Board of Directors. All CEO evaluation committee members are Independent Directors

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

6.6 The Company assigned Corporate Human Resources Department and Human Resources Department of every business unit to take responsibility to manage human resources development. The major goals are to supports staffs for knowledge development, potential, and career development including the appropriate remuneration benefit calculated based on the KPIs and the Company's overall operation both short term and long term.

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 regularly reviews the policies. 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. According to IOD report, the Company attained the 2014 Corporate Governance Assessment Score equivalent to "very good" level and also placed in the group of Top Quartile Listed Company with the market capitalization between 1,000-2,999 million Baht.

Anti-Corruption

The Company realizes an importance of anti-corruption. The Board approved policies related to anti-corruption protection and 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 which included the channel and countermeasure controls

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

The Company had set up the implementation procedure concern to the anti-corruption practices along with the well communication to all staffs for keep in mind and follows the procedure. Moreover the Company had put the risk assessment on anti-corruption occurrence covering the audit system, the follow up control in order that all the business activities are not involve to the corruption. The company built up the organizational culture to keep realizes the anti-corruption practices by performed such activities:

1. On June - August 2014, the Company arranged the Anti-Corruption Day activity at Head office and all business units including its subsidiaries. On that day there are many activities which are mainly to communicate the anti-corruption policy to all employees along with the creating of the employee participation in the anti-corruption affairs.

2. The Company arranged in house training course regarding the Corporate Governance knowledge, internal control policy, risk management and anti-corruption policy.

3. The signing ratification to express the collaboration between the management and employee to follow the anti-corruption policy.

4. Many public relation had been use to campaign the anti-corruption such as theme song, webcast, billboard, slogan and etc.

5. The Company submitted the official letter to suppliers and partners informing the anti-corruption policy and ask for cooperation to follow the Company's policy.

6. The Board of Directors appointed the anti-corruption monitoring committee to be responsible for anti-corruption duties.

On June 27, 2011, The Company signed to participate in the Private Sector Collective Action Coalition against Corruption (CAC). On January 16, 2015, the Company was certified by CAC Council to be the member of private sector against anti-corruption.

Corporate Social Responsibility

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

1. Policy and Guidelines of implementation on safety and sanitation in workplace
2. Policy and Guidelines of implementation on employee's remuneration and welfare.
3. Policy and Guidelines of implementation on employees' knowledge development.
4. Policy and Guidelines of 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 Guidelines of implementation on contribution to social and community
12. Policy and Guidelines of implementation on effective resources usage and environmental management

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

Internal Control and Risk Management

The Company is highly aware of the importance on internal control. We put emphasized on internal control and risk management, to cover all activities, sufficiently and appropriate for Company's operation. Board of Directors has arranged the annual assessment program to evaluate the adequacy and suitability of Internal Control system. In 2014, the Audit Committee employed the assessment form (December 2013 revision) as proposed by the Office of Securities and Exchange Commission and proposed to the Board of Directors for consideration.

At the Board of Director Meeting No.6/2014 comprising 5 independent directors together with all members of the Audit Committee has anonymous resolved that the Company's internal control system is sufficient and effect with the current business operation. The Company arranged and appointed the sufficient and proficient staffs to monitor, control and sustain the internal control system. The control system procedures are ensuring that there are no use of resources and assets by virtual of inside Company's concerned person. The control systems closely monitored the connected transaction between the related parties ensuring it's transparent. Moreover the Board of Directors gives precedence to the auditor opinion given in the Auditor Report which reveals no significant weaknesses in the Company's internal control. 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) and Enterprise Risk Management applied to the Company's operations aimed the efficiency and effectiveness to all stakeholders in order to make sure the Company's internal control system is operating properly. The internal control system assessment can be summarized as follows;

1. Environment Control

The Company has a suitable organization structure and good environment which is beneficial for the effective internal control system and objective evaluation. The Company has a strong commitment to operate its business honestly and ethically. The organization structure, line of command and power of authority have been set to comply with the job function and key responsibilities. The human resources functions are also focused on conserving the high potential employees. The Company keep emphasize to all employees regarding the disadvantage and corruption risk through various communication activities in order to promote awareness of anti-corruption as a part of corporate culture. Besides, the Company has set up and implemented the whistle-blowing and complaint channels.

2. Risk Assessment

The Company established the efficient internal control and risk management. The Company appointed the Risk Management Committee to monitor, consider and define the risk management measures. The Risk Management Committee has duties to assess the corporate risks: strategic risk, financial risk, operation risk, disaster risk, compliance risk and corruption risk. There will be continuous monitoring, assessing and reporting the risk factor management to the Management. Risk Management Department shall monitor the results of risk management according to the Company's risk management manual. Internal Audit Department shall continuously audit the implementation of risk management.

3. Activities Control

The Company has designed the internal control system which is suitable for working environment and business operation in order to mitigate risk to acceptable level. The scope of work and segregation of authorities have been clearly determined. Working instruction and manual guide have been generated in order to ensure that the approval of transaction shall be considered by concerning the best benefits of the Company.

4. Information and Communication

The Company set up various communication channels both internal and external. All concerned parties can access to accurate, updated and adequate information for their activities control.

5. Activities Monitoring

The Company generates the monitoring system to ensure that the internal control in all operation activities is efficient and effective as well as to achieve the business target. If there is an issue concerned to the defective of internal control systems, the channel to inform such issue has been created. Such issues are directly reported to the responsible person. The Company has a proper reporting method to ensure that the performance under the internal control has been reported continuously to the Management and the Board of Directors.

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' 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. Disclosure of related transaction shall comply with the laws and regulations as well as Generally-accepted Accounting Standard.

In 2014, the Company reported the related transaction to SET to the Board of Directors' meeting has passed the resolution to approve the related transaction in rental contract with Mrs.Soraya Sorakraikitikul. The Company extended the room rental at the Central City Bangna Tower 1, no. 589/131 Bangna-Trad road, Bangna district, Bangkok, around 333 square meters. The rental is 2 years contract from November 1, 2014 to October 31, 2016. As the Company need the workplace for the staffs in sales, marketing and business development functions. Moreover, it helps the transportation - convenient and flexible to conduct business with our customers.

Mrs.Soraya Sorakraikitikul is daughter of the major shareholder; Mr. Surapon Vongvadhanaroj. Mrs. Soraya Sorakraikitikul is also the Company's shareholder and executives.

The Company had extended the rental contract with the same monthly rental rate at 100,000 Baht for the total of 2,400,000 Baht. Value of this transaction in comparison with the net tangible asset as of March 31, 2014 showed that its size was 0.16%, which was considered to be a medium-size connected transaction as specified in the Notification of SET.

In addition, the related transaction has also been disclosed in note of the financial statement as specified in the annual report.

Management Discussion and Analysis

Overall Performance for the year 2014

In 2014, Surapon Foods Public Company Limited and its subsidiaries' total revenues were 4,981 Million Baht, a decrease of 688 Million Baht or 12% when compare to the year 2013. The cost of sale of goods as percentage of sales was 89%, a decrease from 94% in the year 2013.

The consolidated profit for the year 2014 was 329 Million Baht, an increase of 234 Million Baht or 244% from the year 2013. The profit attributable to owners of the Company was 172 Million Baht, an increase from loss of 8 Million Baht in the year 2013.

In the year 2014, the local frozen shrimp industry continued to experience shortage in supplies due to the impact from Early Mortality Syndrome (EMS). The supplies of shrimp continued to decrease since 2011. In 2014, the quantity of Thai Vannamei shrimp supply decreased from 2013 by approximately 17%. Due the above mentioned factors, the Company had to balance customer orders with production by focusing on profitability. In addition, the Company has developed and sold new products with less shrimp based raw materials or with other substitute raw materials. This resulted in the satisfactory performance and the performance of all business units improved when compare to the year 2013.

In 2014, other receivables increased by 18 Million Baht, which was due largely to an increase in foreign currency forward contracts amount 15 Million Baht and advance payment for imported product according to payment term amount 5 Million Baht. The forward contracts were booked in order to hedge against fluctuation risk in foreign exchange.

The Company established a subsidiary, Mobile Logistics Company Limited, to provide sales services, logistics, transportations, and storage facility.

Performance and Profitability

The analysis of Surapon Foods Public Company Limited and its subsidiaries' performance for the year 2014 and its profitability are as follows:

Revenue

The Company and its subsidiaries posted total revenue of 5,183 Million Baht, a decrease of 660 Million Baht or 11% from the year 2013. The decrease was due largely from the following factors:

- Revenue from sale of goods decreased by 688 Million Baht from the year 2013 due to the reduction of shrimp based production in order to balance with the shortage of local shrimp supplies. The revenue from ready to eat products reduced by 13% and ready to cook products reduced by 36%.
- Net foreign exchange gain increased by 27 Million Baht from the year 2013. In 2014, Thai Baht appreciated against the Japanese Yen, but the Company effectively hedge against the fluctuation with forward contracts, which resulted in foreign exchange gain.

Expenses

The Company and its subsidiaries' total expenses were 4,826 Million Baht, a decrease of 935 Million Baht or 16% from the year 2013. The major factors are as follows:

- Cost of sale of goods decreased by 915 Million Baht or 17% from the year 2013 due to decrease in production capacity of 17%. However, the cost of sale of goods as percentage of sales improved from 94% in 2013 to 89% in 2014. The improvement was from the development and sales of new products with less shrimp based raw materials or with other substitute raw materials. The Company also procured raw materials internationally and controlled production to balance with customer orders by focusing on profitability.
- Selling and administrative expenses decreased by 20 Million Baht. The major decrease was the export related expenses, which is the direct result from the decrease in sales.

Profitability

From the continuous management of production, sales, inventory control, sourcing, and product development in 2014, resulting in the profit of 329 Million Baht, an increase of 244% from 2013. The Company and its subsidiaries' profit attributable to owners of the Company was 172 Million Baht, an increase from loss of 8 Million Baht in 2013, by 180 Million Baht from the year 2013.

Profitability Ratios	2014	2013
Gross Profit Margin (%)	10.8	5.5
Net Profit (%)	6.6	1.7
EBITDA (%)	11.7	5.3
ROA (%)	12.3	3.0
ROE (%)	16.0	4.5

Financial Position

Assets

The Company and its subsidiaries' total assets as at 31 December 2014 were 3,046 Million Baht, an increase of 117 Million Baht or 4% from the previous year. The major changes in assets were as follows:

- Trade accounts receivable as at 31 December 2014 was 260 Million Baht, a decrease of 23 Million Baht from the previous year. The accounts receivable not yet due was 241 Million Baht and overdue over 90 days was 0.5 Million Baht. The overdue amount was from the domestic sales and the Company recorded the allowance for doubtful accounts of 0.7 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 2014 was 20 days, which is comparable to the collection period in 2013 of 21 days.

- Current Investments as at 31 December 2014 were 197 Million Baht. This is an investment in short term fixed income instruments, in order to manage for higher return than bank deposits. The Company expects to use the fund to invest in subsidiaries in the future.
- Other receivables as at 31 December 2014 were 41 Million Baht, an increase of 18 Million Baht. The change was due largely to the increase of foreign currency forward contracts by 15 Million Baht and advance payment for imported product according to payment term amount 5 Million Baht.
- Inventories as at 31 December 2014 were 485 Million Baht, an increase of 29 Million Baht from the previous year. The finished goods and work in progress inventories increased by 19 Million Baht and raw materials increased by 11 Million Baht. The increase in finished goods inventory was for sales in the beginning of 2015. The increase in raw material was due to imported inventory to substitute for shortage in local shrimp supply. The allowance for decline in value of inventories was 2.5 Million Baht in consolidated financial statements and 1.6 Million Baht in separate financial statements. The risks that the market price may be lower than costs from highly competitive international markets and continue rise of local raw material prices were still apparent. The allowance also included reserve for obsolete packing materials and supplies that production was expected to be cancelled. The allowance is assessed and deemed as appropriate and sufficient by the management. The inventory turnover in 2014 was 39 days, an increase from 34 days in 2013 due to the increase in imported raw materials to be used in production.
- Property, plant and equipment as at 31 December 2014 were 1,454 Million Baht, a decrease of 92 Million Baht from the previous year. The change was due mainly from depreciation of 213 Million Baht, purchase of property, plant and equipment of 188 Million Baht, and sales of property, plant and equipment of 67 Million Baht.

Liabilities

The Company and its subsidiaries' total liabilities as at 31 December 2014 were 913 Million Baht, a decrease of 32 Million Baht or 3% from the previous year. The major changes in liabilities were as follows:

- Short-term loans from financial institutions as at 31 December 2014 were 202 Million Baht, a decrease of 89 Million Baht from the previous year. In 2013, one of the subsidiaries needed cash for working capital and improvements of production lines, which were completed in 2014. Therefore, in 2014 the needs for the fund decreased which resulted in decrease in loans.
- Trade accounts payable as at 31 December 2014 were 198 Million Baht, an increase of 31 Million Baht from the previous year. The average payment period in 2014 was 15 days while 2013 was 13 days.
- Long-term loans from financial institutions (including the current portion of long-term loans from financial institutions) as at 31 December 2014 were 77 Million Baht, a decrease of 41 Million Baht from the payment of loans in accordance with loan agreements.
- Finance lease liabilities (including the current portion of finance lease liabilities) as at 31 December 2014 were 113 Million Baht, an increase of 40 Million Baht from the previous year. The finance lease was used for production machines and equipment.

Equity

The Company and its subsidiaries' total equity as at 31 December 2014 were 2,134 Million Baht, an increase of 150 Million Baht or 8% from the previous year. The increase was due largely to profit for the year of 329 Million Baht, less dividends paid to owners of the Company amount 94 Million Baht and dividends of subsidiary paid to non-controlling interests of 87 Million Baht.

Liquidity

The Company and its subsidiaries' cash and cash equivalents as at 31 December 2014 were 451 Million Baht, an increase of 182 Million Baht from the previous year. The current investments amount 197 Million Baht. The Company managed funding and liquidity of the Company in the satisfactory level. The liquidity ratios increased in 2014 when compared to 2013. The Company and its subsidiaries strictly complied with the loan agreements including the debt to equity ratio required by financial institutions. The Company and its subsidiaries managed funding for working capital and balance cash flow activities carefully and continuously strive for the most appropriate source of funds.

Ratios	2014	2013
Debt to Equity Ratio (D/E)	0.4	0.5
Current Ratio	2.2	1.8
Cash Cycle (DAYS)	44	42
Interest Coverage	40.8	11.6

Conclusion

In 2014, the Company and its subsidiaries posted profit for the year of 329 Million Baht. The profit attributable to owners of the Company was 172 Million Baht. Basic earnings per share was 0.64 Baht, which increased from basic loss per share of (0.03) Baht in 2013. In 2014, the Company and its subsidiaries improved in profitability by adjusting sales and production strategies to balance with the raw material shortage situations and balance customer orders with production by focusing on profitability. The Company has developed and sold new products with less shrimp based raw materials or with other substitute raw materials. This resulted in the satisfactory performance when compare to the year 2013.

Report of Audit Committee to the Shareholders

The Company's Audit Committee consists of three Independent Directors namely Mr. Sathaporn Kotheeranurak; Chairman of the Committee, Mrs.Boonperm Jiamtiranart and Mr.Pisanu Rienmahasarn as the Committee whereas Mrs.Suree Nuntatikul serves as the secretary. All members are knowledgeable and have qualifications as require by the Audit Committee charter which is complied with SET regulations.

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 2014, there were four meetings of the Audit Committee, one time meeting with the external auditor without the Management, three times meeting for review the self-assessment of anti-corruption and one time annual meeting. The Audit Committee attended all 3 persons for all the meetings. Summary of the 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, 2014 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 Laws and Regulations

Operation review to ensure the 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 an opinion that the Company has the adequate and proper monitoring system.

4. Related and Conflict of Interest Transactions Review

The Audit Committee gave an opinion that the consideration of related transactions and conflict of interest transactions have a process in good 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 concordantly with international standard, reviewed the auditor charter, considered the internal auditor's self-assessment, approved the annual audit plan which has been settle based upon the risk assessment criteria, reviewed the auditor report 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. Appointment of the Company's auditor and consideration of the auditing fee for the year 2014

To appoint the Company's auditor, The Audit Committee considered the reliability, working standard, independence, quality of works and services with satisfactory and efficient results. The Audit Committee also considered the suitable auditing fee prior proposes 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 2014.

8. Annual Performance Assessment of Audit Committee for the year 2014

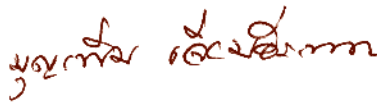
To ensure that the Committee performance is completely done as specified in the charter of Audit Committee and complied with guideline from SET. The Audit Committee's overall assessment result is equivalent to very good level.

In conclusion, Audit Committee viewed that the Board of Directors, the Executives and employees have strong commitment with their duties and responsibilities to try achieving 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, 2014.



(Mr. Kosol Chantikul)

Chairman



(Mr. Surapon Vongvadhanaroj)

Chief Executive Officer

Audit Fee

The Company's Certified Auditor in 2014 named Miss Boonsri Chotpaiboonpun CPA No. 3756 of KPMG Phoomchai Audit Ltd. The actual payment of audit fee in 2014 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)	1,439,000
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 2014, 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

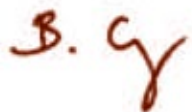
My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable 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 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Boonsri Chotpaiboonpun)
Certified Public Accountant
Registration No. 3756

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2015

Statement of Financial position

Surapon Foods Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
(in Baht)					
Current assets					
Cash and cash equivalents	5	450,670,929	268,721,516	89,083,092	34,661,915
Current investments	6	197,495,967	188,559,040	197,485,484	188,548,815
Trade accounts receivable	4, 7	260,449,287	283,143,063	133,995,147	196,681,018
Other receivables	4, 8	40,964,257	23,133,334	13,771,486	5,521,800
Inventories	9	484,674,010	455,721,824	255,452,211	206,858,376
Total current assets		1,434,254,450	1,219,278,777	689,787,420	632,271,924
Non-current assets					
Investments in associates	4, 10	22,964,294	23,413,739	17,550,000	17,550,000
Investments in subsidiaries	11	-	-	227,037,535	233,423,735
Other long-term investments	12	-	-	-	-
Investment properties	13	92,993,607	93,031,591	5,000,000	5,000,000
Property, plant and equipment	14	1,454,318,850	1,546,374,977	490,006,787	513,637,267
Intangible assets	15	11,446,000	14,273,026	6,188,121	8,696,506
Deferred tax assets	16	23,392,275	24,323,940	-	-
Other non-current assets	17	7,036,506	8,356,856	3,770,387	4,136,401
Total non-current assets		1,612,151,532	1,709,774,129	749,552,830	782,443,909
Total assets		3,046,405,982	2,929,052,906	1,439,340,250	1,414,715,833

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

Statement of Financial position

Surapon Foods Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	2013
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	18	202,292,590	291,123,410	-	
Trade accounts payable	4, 19	197,674,984	167,134,457	78,978,887	83,432,329
Other payables	4, 20	166,347,474	154,524,935	79,445,304	65,440,511
Current portion of long-term loans					
from financial institutions	18	49,480,650	31,694,175	6,000,000	6,000,000
Current portion of finance lease liabilities	18	30,514,427	18,349,716	756,471	1,310,861
Income tax payable		12,434,874	11,116,991	-	-
Total current liabilities		658,744,999	673,943,684	165,180,662	156,183,701
Non-current liabilities					
Long-term loans from financial institutions	18	27,726,325	86,062,525	3,000,000	9,000,000
Finance lease liabilities	18	82,119,440	53,800,452	2,622,053	722,962
Deferred tax liabilities	16	53,541,905	48,840,459	24,104,656	20,574,524
Employee benefit obligations	21	90,453,334	82,391,454	45,442,353	41,548,997
Total non-current liabilities		253,841,004	271,094,890	75,169,062	71,846,483
Total liabilities		912,586,003	945,038,574	240,349,724	228,030,184
Equity					
Share capital	22				
Authorised share capital		270,000,000	270,000,000	270,000,000	270,000,000
Issued and paid-up share capital		269,999,000	269,999,000	269,999,000	269,999,000
Additional paid-in capital	22				
Premium on ordinary shares		270,000,000	270,000,000	270,000,000	270,000,000
Retained earnings					
Appropriated					
Legal reserve	23	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		838,351,878	760,547,045	460,497,509	449,710,954
Other components of equity		256,000,492	254,481,963	171,494,017	169,975,695
Equity attributable to owners of the Company		1,661,351,370	1,582,028,008	1,198,990,526	1,186,685,649
Non-controlling interests		472,468,609	401,986,324	-	-
Total equity		2,133,819,979	1,984,014,332	1,198,990,526	1,186,685,649
Total liabilities and equity		3,046,405,982	2,929,052,906	1,439,340,250	1,414,715,833

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

Statement of Comprehensive income

Surapon Foods Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2014	2013	2014	2013
		(in Baht)			
Revenues					
Revenue from sale of goods	4, 24, 33	4,980,903,200	5,668,854,934	1,738,994,879	2,050,248,038
Net foreign exchange gain		127,323,371	100,314,926	4,099,666	25,870,786
Investment income	4, 25	17,864,430	14,917,734	97,019,367	210,643,858
Other income	4, 26	57,186,729	58,952,722	18,507,373	40,937,558
Total revenues		5,183,277,730	5,843,040,316	1,858,621,285	2,327,700,240
Expenses					
Cost of sale of goods	4	4,440,976,192	5,356,404,500	1,521,835,152	1,962,786,916
Selling expenses	4, 27	227,430,287	241,498,597	121,367,253	124,911,222
Administrative expenses	4, 28	148,795,508	155,031,624	106,166,839	104,946,349
Finance costs	31	8,965,400	7,872,546	815,283	1,297,672
Total expenses		4,826,167,387	5,760,807,267	1,750,184,527	2,193,942,159
Share of profit (loss) of associates	4, 10	(49,445)	845,765	-	-
Profit before income tax expense		357,060,898	83,078,814	108,436,758	133,758,081
Income tax benefit (expense)	32	(27,565,830)	12,658,675	(3,150,553)	15,619,828
Profit for the year		329,495,068	95,737,489	105,286,205	149,377,909
Other comprehensive income					
Fair value changes in available-for-sale investments		1,518,529	2,423,570	1,518,322	2,423,391
Other comprehensive income for the year, net of income tax		1,518,529	2,423,570	1,518,322	2,423,391
Total comprehensive income for the year		331,013,597	98,161,059	106,804,527	151,801,300
Profit (loss) attributable to:					
Owners of the Company		172,304,483	(7,621,016)	105,286,205	149,377,909
Non-controlling interests		157,190,585	103,358,505	-	-
Profit for the year		329,495,068	95,737,489	105,286,205	149,377,909
Total comprehensive income (loss) attributable to:					
Owners of the Company		173,823,012	(5,197,446)	106,804,527	151,801,300
Non-controlling interests		157,190,585	103,358,505	-	-
Total comprehensive income for the year		331,013,597	98,161,059	106,804,527	151,801,300
Basic earnings (loss) per share (in Baht)	34	0.64	(0.03)	0.39	0.55

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

Statement of Changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

	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												
		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												
	35	-	-	-	(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												
		-	-	-	-	-	-	-	-	(7,497,516)	(7,497,516)	
		-	-	-	-	-	-	-	-	(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												
		-	-	-	(7,621,016)	-	-	-	(7,621,016)	103,358,505	95,737,489	
		-	-	-	-	-	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

	Note	Consolidated financial statements							Total equity
		Retained earnings		Other components of equity					
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated surplus	Revaluation surplus	Fair value changes in available-for-sale investments	Total other components of equity	
Year ended 31 December 2014									
Balance at 1 January 2014		269,999,000	270,000,000	27,000,000	760,547,045	252,058,393	2,423,570	254,481,963	1,984,014,332
Transactions with owners, recorded directly in equity									
Distributions to owners of the Company									
Dividends to owners of the Company	35	-	-	-	(94,499,650)	-	-	-	(94,499,650)
Total distributions to owners of the Company		-	-	-	(94,499,650)	-	-	-	(94,499,650)
Changes in ownership interests in subsidiaries									
Investment in subsidiary		-	-	-	-	-	-	-	200
Dividends of subsidiary to non-controlling interests		-	-	-	-	-	-	-	(86,708,500)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	(86,708,300)
Total transactions with owners, recorded directly in equity		-	-	-	(94,499,650)	-	-	(94,499,650)	(181,207,950)
Comprehensive income for the year									
Profit		-	-	-	172,304,483	-	-	172,304,483	329,495,068
Other comprehensive income		-	-	-	-	-	1,518,529	1,518,529	1,518,529
Total comprehensive income for the year		-	-	-	172,304,483	-	1,518,529	173,823,012	331,013,597
Balance at 31 December 2014		269,999,000	270,000,000	27,000,000	838,351,878	252,058,393	3,942,099	1,661,351,370	2,133,819,979

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							
	Note	Retained earnings			Other components of equity		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated surplus (in Baht)	Fair value changes in available-for-sale investments	Total other components of equity
Year ended 31 December 2013							
Balance at 1 January 2013		269,999,000	270,000,000	27,000,000	440,732,525	167,552,304	-
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	35	-	-	-	(140,399,480)	-	-
Total distributions to owners of the Company		-	-	-	(140,399,480)	-	-
Total transactions with owners, recorded directly in equity		-	-	-	(140,399,480)	-	-
Comprehensive income for the year							
Profit		-	-	-	149,377,909	-	-
Other comprehensive income		-	-	-	-	2,423,391	2,423,391
Total comprehensive income for the year		-	-	-	149,377,909	2,423,391	2,423,391
Balance at 31 December 2013		269,999,000	270,000,000	27,000,000	449,710,954	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							Total equity
	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	
<i>(in Baht)</i>								
Year ended 31 December 2014								
Balance at 1 January 2014								
		269,999,000	270,000,000	27,000,000	449,710,954	167,552,304	2,423,391	1,186,685,649
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	35	-	-	-	(94,499,650)	-	-	(94,499,650)
<i>Total distributions to owners of the Company</i>								
		-	-	-	(94,499,650)	-	-	(94,499,650)
Total transactions with owners, recorded directly in equity								
		-	-	-	(94,499,650)	-	-	(94,499,650)
Comprehensive income for the year								
Profit		-	-	-	105,286,205	-	-	105,286,205
Other comprehensive income		-	-	-	-	-	1,518,322	1,518,322
<i>Total comprehensive income for the year</i>								
		-	-	-	105,286,205	-	1,518,322	106,804,527
Balance at 31 December 2014								
		269,999,000	270,000,000	27,000,000	460,497,509	167,552,304	3,941,713	1,198,990,526

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

Statement of Cash Flows

Surapon Foods Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
Note	2014	2013	2014	2013
	(in Baht)			
Cash flows from operating activities				
Profit for the year	329,495,068	95,737,489	105,286,205	149,377,909
<i>Adjustments for</i>				
Depreciation	212,959,342	206,372,276	52,946,520	54,534,361
Amortisation of intangible assets	3,582,113	4,089,990	2,780,282	3,158,556
Dividend income	-	-	(83,691,500)	(199,229,750)
Employee benefits	12,344,609	11,650,962	5,272,848	5,072,989
Finance costs	8,965,400	7,872,546	815,283	1,297,672
Allowance for doubtful debt expense (reversal)	400,000	(20,600)	400,000	(20,600)
Allowance for impairment losses of investments	-	-	9,600,000	10,667,000
Allowance for decline in value of inventories (reversal)	(382,340)	(7,682,037)	1,147,385	(3,181,171)
Unrealised loss (gain) on exchange rate	(53,654,726)	5,346,568	(3,102,123)	2,533,030
Loss (gain) on disposal and written-off property, plant and equipment	(1,432,152)	2,381,795	279,299	745,721
Loss on disposal of other long-term investments	-	6	-	-
Loss on disposal of intangible assets	-	132,545	-	2
Written-off withholding tax	784,523	1,403,932	765,404	1,292,382
Share of loss (profit) of associates	49,445	(845,765)	-	-
Income tax expense (benefit)	27,565,830	(12,658,675)	3,150,553	(15,619,828)
	540,677,112	313,781,032	95,650,156	10,628,273
Changes in operating assets and liabilities				
Trade accounts receivable	21,031,304	88,002,746	62,211,644	14,363,131
Inventories	(28,569,846)	104,161,245	(49,741,220)	34,893,270
Other receivables	(9,777,147)	29,642,510	(5,053,108)	34,297,031
Other non-current assets	(3,441,116)	(3,013,976)	(1,358,062)	(1,167,840)
Trade accounts payable	30,625,773	(34,760,334)	(4,567,534)	(27,011,785)
Other payables	2,751,815	(46,133,985)	9,744,113	(28,193,556)
Employee benefit obligations paid	(4,282,728)	(5,787,203)	(1,379,492)	(2,139,070)
Cash generated from operating activities	549,015,167	445,892,035	105,506,497	35,669,454
Income taxes paid	(20,965,883)	(45,369,602)	-	(11,495,772)
Net cash provided by operating activities	528,049,284	400,522,433	105,506,497	24,173,682

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

Statement of Cash Flows

Surapon Foods Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in Baht)</i>			
Cash flows from investing activities					
Dividends received		400,000	800,000	83,691,500	199,229,750
Purchase of current investments		(260,000,000)	(310,010,000)	(260,000,000)	(310,000,000)
Sale of current investments		252,961,232	124,480,424	252,961,232	124,480,424
Purchase of property, plant and equipment		(93,750,259)	(187,722,185)	(22,211,261)	(39,980,209)
Sales of property, plant and equipment		68,768,640	41,468,950	477,175	1,102,150
Net cash outflow on acquisition of subsidiaries		-	-	(3,213,800)	-
Net cash inflow on disposal of subsidiaries		-	7,608,251	-	-
Purchase of intangible assets		(525,690)	(614,933)	(42,500)	(178,360)
Net cash provided by (used in) investing activities		(32,146,077)	(323,989,493)	51,662,346	(25,346,245)
Cash flows from financing activities					
Finance costs paid		(9,862,306)	(6,821,641)	(824,262)	(1,299,665)
Dividends paid to owners of the Company		(94,499,650)	(140,399,480)	(94,499,650)	(140,399,480)
Dividends paid to non-controlling interests		(86,708,500)	(206,570,250)	-	-
Increase (decrease) in short-term loans					
from financial institutions		(60,707,600)	101,252,349	-	-
Finance lease payments		(31,754,713)	(17,862,187)	(1,423,754)	(1,687,759)
Proceed from long-term loans					
from financial institutions		-	89,035,000	-	-
Repayment of long-term loans					
from financial institutions		(30,421,225)	(47,398,750)	(6,000,000)	(6,000,000)
Acquisition of non-controlling interests		200	-	-	-
Net cash used in financing activities		(313,953,794)	(228,764,959)	(102,747,666)	(149,386,904)
Net increase (decrease) in cash and cash equivalents					
		181,949,413	(152,232,019)	54,421,177	(150,559,467)
Cash and cash equivalents at 1 January	5	268,721,516	420,953,535	34,661,915	185,221,382
Cash and cash equivalents at 31 December	5	450,670,929	268,721,516	89,083,092	34,661,915

Non-cash transactions:

During the year 2014, the Group acquired property, plant and equipment at total cost of Baht 188.2 million (2013: Baht 254.0 million) of which Baht 93.7 million was made by cash payment (2013: Baht 187.7 million), Baht 84.1 million was made by finance lease agreements (2013: Baht 52.4 million), and Baht 10.4 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2014 (2013: Baht 13.9 million).

During the year 2014, the Company acquired plant and equipment at total cost of Baht 30.1 million (2013: Baht 46.5 million) of which Baht 22.2 million was made by cash payment (2013: Baht 40.0 million), Baht 3.7 million was made by finance lease agreements (2013: Baht 1.3 million), and Baht 4.2 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2014 (2013: Baht 5.2 million).

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

Notes to the financial statement

Surapon Foods Public Company Limited and its Subsidiaries

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 20 February 2015.

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 70 % 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 2014 and 2013 are given in note 11.

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), 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 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets-Web Site Costs

The application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

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 annual financial periods beginning on or after 1 January 2015 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 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 13	Fair value of investment properties
Note 14	Measurement of land
Note 16	Current and deferred tax
Note 21	Measurement of defined benefit obligations
Note 36	Valuation of financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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 currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates the dates of the transactions.

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

(c) Derivative financial instruments

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

(d) Hedging

Hedge of foreign currency

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

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

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

(f) Trade and other accounts receivable

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

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

(g) Inventories

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

Raw materials, packing materials and supplies are calculated using first-in, first-out method or average cost principle. Work in progress and finished goods are calculated using 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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(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. 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 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.

Subsequent costs

The cost of replacing a part of an item of 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 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 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 plan

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 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 plan in other comprehensive income and all expenses related to defined benefit plan 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 tax 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 (loss) per share

The Group presents basic earnings (loss) 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.

4 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 10 and 11. 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.

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
Transactions	Pricing policies
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:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods	-	-	28,032	100,111
Dividend income	-	-	83,292	198,430
Management, selling and marketing assistance income	-	-	14,155	31,427
Purchases of raw materials and goods	-	-	370,003	456,449
Associates				
Dividend income	400	800	400	800
Shares of profits (loss) of associates	(50)	846	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	45,022	40,143	43,057	37,878
Post-employment benefits	181	169	181	169
Total key management personnel compensation	<u>45,203</u>	<u>40,312</u>	<u>43,238</u>	<u>38,047</u>
Other related parties				
Sale of goods	3,339,507	3,500,470	184,951	192,956
Purchase of raw materials and goods	116,667	90,695	-	-
Technical assistance fee	14,491	16,608	-	-
Management assistance fee	4,641	4,776	-	-

In March 2014, a subsidiary (Surapon Nichirei Foods Company Limited) declared the payment of dividends. Such dividend was paid to the Company of Baht 83.3 million (2013: Baht 198.4 million) and non-controlling interests of Baht 86.7 million (2013: Baht 206.6 million) in March and September 2014.

As at 31 December 2014, the Company had commitments for the purchase of investments of two subsidiaries (Chantaburi Marine Farm Company Limited and Punpin Company Limited) which have not yet been called-up totaling Baht 36.7 million (2013: commitments for the purchase of investments of three subsidiaries; Surapon Aquaculture Company Limited, Chantaburi Marine Farm Company Limited, and Punpin Company Limited totaling Baht 38.9 million).

At the Board of Directors' meeting held on 11 December 2014, the Company approved the credit line to its subsidiary amounting to Baht 130.0 million by issuing short-term promissory notes dated 13 February 2015 and 16 February 2015 totaling Baht 105.0 million at interest rate at 3% p.a. 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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
Surat Seafoods Company Limited	-	-	171	1,096
Other related parties				
Nichirei Foods Inc.	122,832	94,456	-	13,538
Nichirei Australia Pty, Ltd.	14,814	11,976	14,814	11,976
Total	137,646	106,432	14,985	26,610
<i>Other receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	74	128
Surapon Nichirei Foods Company Limited	-	-	493	563
Total	-	-	567	691
<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	12,837	21,137
Surapon Nichirei Foods Company Limited	-	-	2,418	2,105
Surapon Aquaculture Company Limited	-	-	307	460
Other related parties				
Nichirei Foods Inc.	6,682	12,313	-	-
GFPT Nichirei (Thailand) Company Limited	800	-	-	-
Total	7,482	12,313	15,562	23,702
<i>Other payables to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
Surat Seafoods Company Limited	-	-	1	-
Other related party				
Nichirei Foods Inc.	18,878	21,518	-	-
Total	18,878	21,518	1	-

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 fritter, tempura shrimp, and frozen breaded. 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 the term of the 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 the term of the agreement, the subsidiary agrees to pay service fee at certain percentage of F.O.B. Bangkok value for products sold to North America.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	239	239	100	100
Cash at banks - current accounts	94,771	86,892	17,004	3,318
Cash at banks - savings accounts	124,907	50,887	71,979	31,244
Highly liquid short-term investments	230,754	130,703	-	-
Total	450,671	268,721	89,083	34,662

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	433,642	262,242	72,057	28,186
United States Dollars (USD)	17,026	6,466	17,026	6,465
Japanese Yen (JPY)	3	13	-	11
Total	450,671	268,721	89,083	34,662

6 Other investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current investments				
Equity securities available for sale	197,496	188,559	197,486	188,549
Total	197,496	188,559	197,486	188,549

Other investments of the Group and the Company as at 31 December 2014 and 2013 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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current investments				
Available-for-sale securities				
At 1 January	188,559	-	188,549	-
Purchases during the year	260,000	310,010	260,000	310,000
Sales during the year	(252,961)	(124,480)	(252,961)	(124,480)
Valuation adjustment	1,898	3,029	1,898	3,029
At 31 December	197,496	188,559	197,486	188,549

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	137,646	106,432	14,985	26,610
Other parties		123,503	177,011	119,710	170,371
		261,149	283,443	134,695	196,981
Less allowance for doubtful accounts		(700)	(300)	(700)	(300)
Net		260,449	283,143	133,995	196,681
Doubtful debts expenses for the year		400	-	400	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	137,583	106,432	14,970	26,601
Overdue:				
Less than 30 days	-	-	15	9
Over 30 days to 60 days	-	-	-	-
Over 60 days to 90 days	-	-	-	-
Over 90 days	63	-	-	-
	<u>137,646</u>	<u>106,432</u>	<u>14,985</u>	<u>26,610</u>
Less allowance for doubtful accounts	-	-	-	-
Net	<u>137,646</u>	<u>106,432</u>	<u>14,985</u>	<u>26,610</u>
Other parties				
Within credit terms	103,002	150,026	99,215	143,390
Overdue:				
Less than 30 days	19,744	26,585	19,738	26,581
Over 30 days to 60 days	169	280	169	280
Over 60 days to 90 days	116	67	116	67
Over 90 days	472	53	472	53
	<u>123,503</u>	<u>177,011</u>	<u>119,710</u>	<u>170,371</u>
Less allowance for doubtful accounts	(700)	(300)	(700)	(300)
Net	<u>122,803</u>	<u>176,711</u>	<u>119,010</u>	<u>170,071</u>
Total	<u>260,449</u>	<u>283,143</u>	<u>133,995</u>	<u>196,681</u>

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 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	79,028	84,057	79,176	85,148
Japanese Yen (JPY)	156,417	151,431	33,585	70,513
United States Dollars (USD)	25,004	47,655	21,234	41,020
Total	<u>260,449</u>	<u>283,143</u>	<u>133,995</u>	<u>196,681</u>

8 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Value added tax receivable		7,047	11,027	-	564
Other accounts receivable, net	4	7,174	6,873	1,193	1,349
Advance payment for goods		5,594	232	5,594	232
Prepaid expenses		2,437	1,449	933	801
Accrued income		888	722	660	496
Forward contract receivable		16,181	784	3,472	
Others		1,643	2,046	1,919	2,080
Total		40,964	23,133	13,771	5,522
Reversal of doubtful debts expense for the year		-	(21)	-	(21)

9 Inventories

		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Finished goods		209,550	220,613	80,265	81,298
Work in progress		95,481	66,149	56,827	43,259
Raw materials		142,393	131,376	108,459	68,992
Packing materials and supplies		38,052	38,343	11,530	13,704
Goods in transit		1,682	2,108	-	5
Total		487,158	458,589	257,081	207,258
Less allowance for decline in value of inventories		(2,484)	(2,867)	(1,629)	(400)
Net		484,674	455,722	255,452	206,858

10 Investments in associates

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
At 1 January		23,414	23,368	17,550	17,550
Share of net profit (loss) of investments					
- equity method	4	(50)	846	-	-
Dividend income	4	(400)	(800)	-	-
At 31 December		22,964	23,414	17,550	17,550

Investments in associates as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Consolidated financial statements (in thousand Baht)				At equity - net		Dividend income	
		2014	2013	2014	2013	2014	2013	Equity method		Impairment		2014	2013	2014	2013
								2014	2013	2014	2013				
Associates															
BJC Marine Resources Development Company Limited	Thailand	50	50	94,400	94,400	50,950	50,950	19,634	19,200	-	-	19,634	19,200	-	-
Independent Consultant Company Limited	Thailand	20	20	2,000	2,000	400	400	3,330	4,214	-	-	3,330	4,214	400	800
Total						51,350	51,350	22,964	23,414	-	-	22,964	23,414	400	800

		Separate financial statements											
Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
(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	(33,800)	(33,800)	17,150	17,150	-	-
Insurance consulting	Thailand	20	20	2,000	2,000	400	400	-	-	400	400	400	800
Total				51,350	51,350	51,350	51,350	(33,800)	(33,800)	17,550	17,550	400	800

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	Total revenues	Net profit (loss)
2014						
BJC Marine Resources Development Company Limited	31 December	50	24,741	863	1,355	870
Independent Consultant Company Limited	31 December	20	117,051	100,409	2,898	(1,549)
Total			141,792	101,272	4,253	(679)
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

11 Investments in subsidiaries

	Separate financial statements	
	2014	2013
	(in thousand Baht)	
At 1 January	233,424	244,091
Acquisitions	3,214	-
Allowance for impairment	(9,600)	(10,667)
At 31 December	277,038	233,424

On 20 October 2014, the Board of Directors of Surapon Aquaculture Company Limited approved to call-up additional capital from the Company amounting to Baht 2.2 million, which was paid in November 2014.

On 25 November 2014, the Company incorporated Mobile Logistic Company Limited with share capital of Baht 1 million (10,000 shares at Baht 100 par value). The Company fully paid-up the shares, resulting in the Group's interest in the company being 100% as at 31 December 2014.

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(in thousand Baht)											
Subsidiaries												
Pumpin Company Limited	100	100	30,150	30,150	30,150	30,150	(18,692)	(18,692)	11,458	11,458	-	-
Surapon Aquaculture Company Limited	95	95	85,000	82,786	201,740	199,526	(194,236)	(184,637)	7,504	14,889	-	-
Chantaburi Marine Farm Company Limited	100	100	79,590	79,590	281,807	281,807	(203,000)	(203,000)	78,807	78,807	-	-
Surat Seafoods Company Limited	94	94	40,000	40,000	79,205	79,205	-	-	79,205	79,205	-	-
Surapon Nichirei Foods Company Limited	49	49	100,000	100,000	49,065	49,065	-	-	49,065	49,065	83,292	198,430
Mobile Logistic Company Limited	100	-	1,000	-	999	-	-	-	999	-	-	-
Total			642,966		639,753	(415,928)	(406,329)	227,038	233,424	83,292	198,430	

All subsidiaries are incorporated in Thailand.

12 Other long-term investments

Other long-term investments as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

Type of business	Ownership interest (%)		Paid-up capital		Cost		Consolidated and separate financial statements				Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(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)	-	-	-	-

13 Investment properties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	220,944	220,944	5,000	5,000
Additions	-	-	-	-
At 31 December	220,944	220,944	5,000	5,000
Accumulated depreciation and impairment losses				
At 1 January	127,912	127,873	-	-
Depreciation charge for the year	38	39	-	-
At 31 December	127,950	127,912	-	-
Net book value				
At 1 January 2013		93,071		5,000
At 31 December 2013 and at 1 January 2014	93,032	93,032	5,000	5,000
At 31 December 2014	92,994		5,000	

Investment properties were revalued as at 31 December 2014 and 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 in February 2011 was Baht 110.6 million for the consolidated financial statements and 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 agreements.

14 Property, plant and equipment

Consolidated financial statements											
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Prawn pond and improvements	Machinery and equipment	Electrical and water systems	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total	
						(in thousand Baht)					
Revaluation											
At 1 January 2013	484,182	-	-	-	-	-	-	-	-	484,182	
At 31 December 2013											
and 1 January 2014	484,182	-	-	-	-	-	-	-	-	484,182	
At 31 December 2014	484,182	-	-	-	-	-	-	-	-	484,182	
Cost											
At 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											
and 1 January 2014	58,934	588,387	211,653	23,858	1,854,651	268,009	53,520	192,665	14,834	3,266,511	
Additions	-	2,328	1,051	-	97,701	1,709	3,886	3,658	77,869	188,202	
Transfers	-	10,840	2,491	-	58,807	3,583	80	5,403	(81,204)	-	
Disposals	-	(3,029)	(1,304)	-	(114,275)	(3,110)	(2,589)	(5,425)	-	(129,732)	
At 31 December 2014	58,934	598,526	213,891	23,858	1,896,884	270,191	54,897	196,301	11,499	3,324,981	

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Separate financial statements									
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems (in thousand Baht)	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Revaluation									
At 1 January 2013	250,360	-	-	-	-	-	-	-	250,360
Additions	-	-	-	-	-	-	-	-	-
At 31 December 2013 and 1 January 2014	250,360	-	-	-	-	-	-	-	250,360
Additions	-	-	-	-	-	-	-	-	-
At 31 December 2014	250,360	-	-	-	-	-	-	-	250,360
Cost									
At 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 and 1 January 2014	11,502	214,682	109,244	504,553	68,053	12,867	58,765	10,380	990,046
Additions	-	984	162	9,966	440	1,645	1,232	15,644	30,073
Transfers	-	522	200	19,219	1,365	80	426	(21,812)	-
Disposals	-	(2,946)	(248)	(20,305)	(897)	(560)	(4,053)	-	(29,009)
At 31 December 2014	11,502	213,242	109,358	513,433	68,961	14,032	56,370	4,212	991,110

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 (in thousand Baht)	Appraised value	Cost model
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 2014 amounted to Baht 1,488.1 million for the Group and Baht 468.7 million for the Company (2013: Baht 1,396.7 million for the Group and Baht 456.6 million for the Company).

The Company and subsidiaries are committed to comply with certain conditions and restrictions prescribed in the long-term loan agreements, such as additional mortgages of land and buildings are not allowed (see note 18).

15 Intangible assets

	Consolidated financial statements Computer software (in thousand Baht)
Cost	
At 1 January 2013	35,044
Additions	615
Disposals	(705)
At 31 December 2013 and 1 January 2014	34,954
Additions	526
Disposals	-
At 31 December 2014	35,480
Accumulated amortization	
At 1 January 2013	17,306
Amortization charge for the year	3,507
Disposals	(132)
At 31 December 2013 and 1 January 2014	20,681
Amortization charge for the year	3,353
At 31 December 2014	24,034
Net book value	
At 1 January 2013	17,738
At 31 December 2013 and 1 January 2014	14,273
At 31 December 2014	11,446

	Separate financial statements Computer software (in thousand Baht)
Cost	
At 1 January 2013	26,747
Additions	179
At 31 December 2013 and 1 January 2014	26,926
Additions	42
At 31 December 2014	26,968
Accumulated amortization	
At 1 January 2013	15,514
Amortization charge for the year	2,715
At 31 December 2013 and 1 January 2014	18,229
Amortization charge for the year	2,551
At 31 December 2014	20,780
Net book value	
At 1 January 2013	11,233
At 31 December 2013 and 1 January 2014	8,697
At 31 December 2014	6,188

16 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	49,625	53,133	(79,775)	(77,649)
Set off of tax	(26,233)	(28,809)	26,233	28,809
Net deferred tax assets (liabilities)	23,392	24,324	(53,542)	(48,840)

	Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	19,470	22,065	(43,575)	(42,639)
Set off of tax	(19,470)	(22,065)	19,470	22,065
Net deferred tax assets (liabilities)	-	-	(24,105)	(20,574)

Movements in total deferred tax assets and liabilities during the years ended 31 December 2014 and 2013 were as follows:

	Consolidated financial statements (Charged) / Credited to:			
	At 1 January 2014	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December 2014
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	60	80	-	140
Other receivables (allowance for doubtful accounts)	63	-	-	63
Inventories (allowance for decline in value)	368	43	-	411
Property, plant and equipment (allowance for impairment)	4,883	-	-	4,883
Employee benefit obligations	14,175	1,030	-	15,205
Unrealised loss on derivative	671	(662)	-	9
Loss carry forward	32,913	(3,999)	-	28,914
Total	53,133	(3,508)	-	49,625
Deferred tax liabilities				
Available-for-sale investments (valuation adjustment)	(606)	-	(380)	(986)
Property, plant and equipment (depreciation gap)	(221)	1	-	(220)
Property, plant and equipment (revaluation)	(76,822)	-	-	(76,822)
Unrealised gain on derivative	-	(1,747)	-	(1,747)
Total	(77,649)	(1,746)	(380)	(79,775)
Net	(24,516)	(5,254)	(380)	(30,150)

	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1 January 2013	Profit or loss	Other comprehensive income	At 31 December 2013
		(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)	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
Deferred tax liabilities				
Available-for-sale investments (valuation adjustment)	-	-	(606)	(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	(606)	(77,649)
Net	(56,588)	32,678	(606)	(24,516)

	At 1 January 2014	Separate financial statements (Charged) / Credited to:		At 31 December 2014
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	60	80	-	140
Other receivables (allowance for doubtful accounts)	63	-	-	63
Inventories (allowance for decline in value)	75	231	-	306
Employee benefit obligations	7,811	732	-	8,543
Unrealised loss on derivative	479	(479)	-	-
Loss carry forward	13,577	(3,159)	-	10,418
Total	22,065	(2,595)	-	19,470
Deferred tax liabilities				
Available-for-sale investments (valuation adjustment)	(606)	-	(380)	(986)
Property, plant and equipment (depreciation gap)	(145)	138	-	(7)
Property, plant and equipment (revaluation)	(41,888)	-	-	(41,888)
Unrealised gain on derivative	-	(694)	-	(694)
Total	(42,639)	(556)	(380)	(43,575)
Net	(20,574)	(3,151)	(380)	(24,105)

	At 1 January 2013	Separate financial statements (Charged) / Credited to:		At 31 December 2013
		Profit or loss (in thousand Baht)	Other comprehensive income	
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)	(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	(606)	(42,639)
Net	(35,533)	15,565	(606)	(20,574)

17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Leasehold rights, net	2,020	2,249	2,020	2,249
Deferred charges	913	1,908	251	277
Restricted fixed deposits at financial institution	2,000	2,000	-	-
Refundable deposits and others	2,104	2,200	1,499	1,610
Total	7,037	8,357	3,770	4,136

(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 (2013: Baht 2.0 million), which has been pledged as collateral for bank guarantees issued by the said financial institution.

18 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions				
secured	11,500	10,000	-	-
unsecured	190,793	281,123	-	-
Short-term loans from financial institutions	202,293	291,123	-	-
Current portion of long-term loans from financial institutions				
secured	2,004	2,004	-	-
unsecured	47,477	29,690	6,000	6,000
	49,481	31,694	6,000	6,000
Current portion of finance lease liabilities	30,514	18,350	756	1,311
	282,288	341,167	6,756	7,311
Non-current				
Long-term loans from financial institutions				
secured	3,988	5,992	-	-
unsecured	23,738	80,071	3,000	9,000
	27,726	86,063	3,000	9,000
Finance lease liabilities	82,119	53,800	2,622	723
	109,845	139,863	5,622	9,723
Total	392,133	481,030	12,378	17,034

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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	251,774	322,817	6,000	6,000
After one year but within five years	27,726	86,063	3,000	9,000
Total	279,500	408,880	9,000	15,000

As at 31 December 2014, promissory notes bore interest at rates ranging from 0.78% to 3.4% per annum. (2013: promissory notes bore interest at rates ranging from 0.87% to 2.90% per annum).

Long-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Local financial institutions	14,992	22,996	9,000	15,000
Foreign financial institutions	62,215	94,761	-	-
	77,207	117,757	9,000	15,000
Less current portion	(49,481)	(31,694)	(6,000)	(6,000)
Net	27,726	86,063	3,000	9,000

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 2014 amounted to Baht 9 million (2013: Baht 15 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 2014 amounted to Baht 6 million (2013: Baht 8 million).

Foreign financial institutions

A subsidiary entered into loan agreements with a foreign financial institution for Japanese Yen 250 million and Japanese Yen 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 Japanese Yen 62.5 million for each installment, commencing from September 2011 up to March 2013 for the first loan and Japanese Yen 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.

In April 2013, a subsidiary entered into loan agreements with a financial institution for Japanese Yen 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 Japanese Yen 25 million for each installment, commencing from October 2014 up to April 2016. The outstanding loan balance as at 31 December 2014 amounted to Baht 20.7 million (2013: Baht 31.6 million).

In May 2013, a subsidiary entered into loan agreements with a financial institution for Japanese Yen 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 Japanese Yen 50 million for each installment, commencing from November 2014 up to May 2016. The outstanding loan balance as at 31 December 2014 amounted to Baht 41.5 million (2013: Baht 63.2 million).

As at 31 December 2014, unutilised credit facilities totalled Baht 1,915.1 million and U.S. Dollars 12.8 million for the Group and Baht 1,307.5 million for the Company (2013: Baht 1,685.1 million and U.S. Dollars 12.2 million for the Group and Baht 1,157.5 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 14), etc.

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

Finance lease liabilities

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

	Consolidated financial statements					
	2014			2013		
	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	35,070	(4,556)	30,514	21,206	(2,856)	18,350
After one year but within five years	87,896	(5,777)	82,119	57,529	(3,729)	53,800
Total	122,966	(10,333)	112,633	78,735	(6,585)	72,150

	Separate financial statements					
	2014			2013		
	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	1,062	(306)	756	1,415	(104)	1,311
After one year but within five years	3,215	(593)	2,622	789	(66)	723
Total	4,277	(899)	3,378	2,204	(170)	2,034

As at 31 December 2014 and 2013, 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 2019, and bear interest at rates ranging from 3.22% to 42.35% per annum in 2014 (2013: ranging from 2.18% to 14.84% per annum). Most of the agreements are repayable in 36 installments and 60 installments starting from September 2009.

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

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	139,126	105,146	12,378	17,034
Japanese Yen (JPY)	253,007	375,884	-	-
Total	392,133	481,030	12,378	17,034

19 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	7,482	12,313	15,562	23,702
Other parties		190,193	154,821	63,417	59,730
Total		197,675	167,134	78,979	83,432

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	165,371	142,527	53,357	72,820
Japanese Yen (JPY)	7,920	13,033	1,238	27
United States Dollars (USD)	24,384	11,574	24,384	10,585
Total	197,675	167,134	78,979	83,432

20 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Accrued operating expenses		30,849	29,013	11,766	11,915
Other payables		35,251	34,500	27,308	23,743
Accrued wage and bonus expenses		65,971	53,041	31,541	22,947
Other payables to related parties	4	18,878	21,518	1	-
Others		15,398	16,453	8,829	6,836
Total		166,347	154,525	79,445	65,441

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	156,709	145,415	74,194	63,359
Japanese Yen (JPY)	4,387	5,118	-	-
United States Dollars (USD)	5,251	3,992	5,251	2,082
Total	166,347	154,525	79,445	65,441

21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of financial position				
Statement of financial position obligations for:				
Employee benefit				
Post-employment	84,707	77,587	42,898	39,434
Other long-term	5,746	4,805	2,544	2,115
Total	90,453	82,392	45,442	41,549

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Statement of comprehensive income				
Recognised in profit or loss:				
Employee benefits	12,344	11,650	5,273	5,073

The Group and the Company operate defined benefit plan 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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligation at 1 January	82,392	76,530	41,549	38,615
Benefits paid	(4,283)	(5,788)	(1,380)	(2,139)
Current service cost and interest	12,344	11,650	5,273	5,073
Defined benefit obligation at 31 December	90,453	82,392	45,442	41,549

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs	8,617	8,180	3,400	3,349
Interest on obligation	3,727	3,470	1,873	1,724
Total	12,344	11,650	5,273	5,073

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cost of sales	10,093	9,530	4,122	3,988
Selling expenses	285	269	177	167
Administrative expenses	1,966	1,851	974	918
Total	12,344	11,650	5,273	5,073

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<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).

22 Share capital

	Par value per share <i>(in Baht)</i>	2014		2013	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
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.

23 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 (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components 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.

24 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 frozen foods products, finished and semi-finished frozen foods.

25 Investment income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Dividend income	4	-	-	83,692	199,230
Rental income		13,533	11,860	11,042	10,197
Others		4,331	3,058	2,285	1,217
Total		17,864	14,918	97,019	210,644

26 Other income

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Income from sales of raw material scraps		44,704	43,629	956	1,476
Management, selling and marketing assistance income	4	-	46	14,155	31,427
Compensation income on exported goods		1,172	2,066	1,063	1,615
Others		11,311	13,212	2,333	6,420
Total		57,187	58,953	18,507	40,938

27 Selling expenses

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Freight charges		69,033	79,730	15,508	21,595
Employee benefit expenses		52,755	49,355	45,405	43,093
Advertising and sales promotion expenses		18,072	17,481	18,060	17,432
Export expenses		29,548	32,546	3,279	4,619
Technical assistance fees	4	14,491	16,608	-	-
Others		43,531	45,779	39,115	38,172
Total		227,430	241,499	121,367	124,911

28 Administrative expenses

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Employee benefit expenses		105,624	106,395	70,394	68,096
Impairment losses on investments		-	-	9,600	10,667
Depreciation and amortisation		14,983	14,713	6,472	7,653
Management assistance fees	4	4,641	4,776	-	-
Others		23,548	29,148	19,701	18,530
Total		148,796	155,032	106,167	104,946

29 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Management					
Salaries		29,652	29,652	29,652	29,652
Others		15,551	10,660	13,586	8,395
	4	45,203	40,312	43,238	38,047

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other employees				
Salaries and wages	515,901	578,139	247,780	292,382
Others	<u>268,888</u>	<u>306,022</u>	<u>88,074</u>	<u>111,996</u>
	784,789	884,161	335,854	404,378
Total	<u>829,992</u>	<u>924,473</u>	<u>379,092</u>	<u>442,425</u>

30 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Changes in inventories of finished goods and work in progress		18,269	(62,584)	12,535	(30,417)
Raw materials and consumables used		3,134,431	3,924,142	670,030	1,010,166
Employee benefit expenses	29	829,992	924,473	379,092	442,425
Depreciation		212,960	206,305	52,947	54,534
Amortisation		3,582	4,090	2,780	3,159
Others		<u>617,968</u>	<u>756,509</u>	<u>631,985</u>	<u>712,777</u>
Total cost of sale of goods, selling expenses and administrative expenses		4,817,202	5,752,935	1,749,369	2,192,644

31 Finance costs

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Finance costs:				
Financial institutions	4,604	5,155	708	1,089
Others	<u>4,361</u>	<u>2,718</u>	<u>107</u>	<u>208</u>
Total	<u>8,965</u>	<u>7,873</u>	<u>815</u>	<u>1,297</u>

32 Income tax benefit (expense)

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current income tax benefit (expense)				
Current year	(22,312)	(18,442)	-	-
Adjustment for prior years	-	(1,577)	-	55
	<u>(22,312)</u>	<u>(20,019)</u>	<u>-</u>	<u>55</u>
Deferred income tax expense				
Movements in temporary differences	(5,254)	32,678	(3,151)	15,565
Total income tax benefit (expense)	<u>(27,566)</u>	<u>12,659</u>	<u>(3,151)</u>	<u>15,620</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2014 Tax (expense) benefit	Net of tax	Before tax	2013 Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale financial assets	1,898	(380)	1,518	3,029	(606)	2,423
Total	<u>1,898</u>	<u>(380)</u>	<u>1,518</u>	<u>3,029</u>	<u>(606)</u>	<u>2,423</u>

	Separate financial statements					
	Before tax	2014 Tax (expense) benefit	Net of tax	Before tax	2013 Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale financial assets	1,898	(380)	1,518	3,029	(606)	2,423
Total	<u>1,898</u>	<u>(380)</u>	<u>1,518</u>	<u>3,029</u>	<u>(606)</u>	<u>2,423</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2014	2013		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		357,061		83,079
Income tax using the Thai corporation tax rate	20	71,412	20	16,616
Income not subject to tax		(51,846)		(34,910)
Expenses not deductible for tax purposes		3,030		3,775
Temporary differences for which no deferred tax asset was recognised		4,970		283
Under provided in prior years		-		1,577
Total	7.7	27,566	(15.2)	(12,659)

	Separate financial statements			
	2014	2013		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		108,437		133,758
Income tax using the Thai corporation tax rate	20	21,687	20	26,752
Income not subject to tax		(21,533)		(43,881)
Expenses not deductible for tax purposes		2,611		3,014
Temporary differences for which no deferred tax asset was recognised		386		(1,450)
Over provided in prior years		-		(55)
Total	2.9	3,151	(11.7)	(15,620)

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. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% for the accounting period 2015 which begins on or after 1 January 2015.

Referred to FAP's clarification issued in 2012, the Group use tax rate at 20% for measurement of deferred tax assets and deferred tax liabilities as at 31 December 2014 and 2013.

33 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 operations.

- (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						
	2014			2013		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	2,128,097	2,187,344	4,315,441	1,948,328	3,120,873	5,069,201
Local sales	217	1,038,374	1,038,591	642	1,134,178	1,134,820
Eliminations	(16)	(373,113)	(373,129)	(212)	(534,954)	(535,166)
Total revenue	<u>2,128,298</u>	<u>2,852,605</u>	<u>4,980,903</u>	<u>1,948,758</u>	<u>3,720,097</u>	<u>5,668,855</u>

Separate financial statements						
	2014			2013		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	57,667	996,101	1,053,768	64,569	1,295,108	1,359,677
Local sales	110	685,117	685,227	296	690,275	690,571
Total revenue	<u>57,777</u>	<u>1,681,218</u>	<u>1,738,995</u>	<u>64,865</u>	<u>1,985,383</u>	<u>2,050,248</u>

34 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2014 and 2013 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate Financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (Basic)	<u>172,304</u>	<u>(7,621)</u>	<u>105,286</u>	<u>149,378</u>
Number of ordinary shares outstanding	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>
Basic earnings (loss) per share <i>(in Baht)</i>	<u>0.64</u>	<u>(0.03)</u>	<u>0.39</u>	<u>0.55</u>

35 Dividends

At the annual general meeting of the shareholders of the Company held on 4 April 2014, the shareholders approved the appropriation of dividends of Baht 0.35 per share, amounting to Baht 94.5 million. The dividend was paid to shareholders in April 2014.

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.

36 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 interest rate loan. The Group is primarily exposed to interest rate risk from its borrowings (see note 18). 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
		(in thousand Baht)			
2014					
Current					
Loans from financial institutions	0.78 - 3.4	202,293	-	-	202,293
Non-current					
Loans from financial institutions	1.1-6	49,481	27,726	-	77,207
Total		251,774	27,726	-	279,500
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

		Separate financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in million Baht)			
2014					
Non-current					
Loans from financial institutions	6	6,000	3,000	-	9,000
Total		6,000	3,000	-	9,000
2013					
Non-current					
Loans from financial institutions	6	6,000	9,000	-	15,000
Total		6,000	9,000	-	15,000

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 financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Japanese Yen					
Cash and cash equivalents	5	3	13	-	11
Trade accounts receivable	7	156,417	151,431	33,585	70,513
Trade accounts payable	19	(7,920)	(13,033)	(1,238)	(27)
Other payables	20	(4,387)	(5,118)	-	-
Loans from financial institutions	18	(253,007)	(375,884)	-	-
Gross financial position exposure		(108,894)	(242,591)	32,347	70,497
Estimated forecast sales		316,507	181,911	41,988	-
Gross exposure		207,613	(60,680)	74,335	70,497
Currency forwards		(473,024)	(312,365)	(75,674)	(51,513)
Net exposure		(265,411)	(373,045)	(1,339)	18,984
United States Dollars					
Cash and cash equivalents	5	17,026	6,466	17,026	6,465
Trade accounts receivable	7	25,004	47,655	21,234	41,020
Trade accounts payable	19	(24,384)	(11,574)	(24,384)	(10,585)
Other payables	20	(5,251)	(3,992)	(5,251)	(2,082)
Loans from financial institutions	18	-	-	-	-
Gross financial position exposure		12,395	38,555	8,625	34,818
Estimated forecast sales		19,271	33,298	19,271	20,442
Gross exposure		31,666	71,853	27,896	55,260
Currency forwards		(43,669)	(81,096)	(40,563)	(61,586)
Net exposure		(12,003)	(9,243)	(12,667)	(6,326)

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.

Short-term loans from financial institutions and trade accounts payable and other short-term payables - 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 516.7 million for the Group and Baht 116.2 million for the Company in 2014 (2013: Baht 393.5 million for the Group and Baht 113.1 million for the Company).

37 Commitments with non-related parties

As at 31 December 2014, 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	1,744.4	473.0	279.1	75.7
United State Dollars	1.3	43.7	1.2	40.5
Total		516.7		116.2

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

38 Contingent liabilities

As at 31 December 2014, 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.

39 Events after the reporting period

At the Board of Directors meeting of the Company held on 20 February 2015, the Board approved the appropriation of dividends based on the operating profit for the year 2014 of Baht 0.27 per share, amounting to Baht 72.9 million.

40 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue Recognition	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015

TFRS	Topic	Year effective
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reports	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs	2015
TFRIC 1(revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015

The Group is currently reviewing the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS. Any material impact resulting from this review will be accounted for in accordance with the transitional provisions of the relevant TFRS.

“**Your Total Quality**
ทุกขั้นตอนคุณภาพเพื่อคุณ”



Since 1977

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GMP Certificate
HACCP Certificate
BRC Certificate
Traceability System from Farm to Table
ISO 22000
ISO/IEC 17025 : 2005
Certificate of Compliance for Japan
Green Ticket for U.S.A.
Prime Minister's Export Award 1994
Prime Minister's Export Award 1998
Superbrands Thailand 2005