

บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน)
Surapon Foods Public Company Limited



Since 1977

รายงานประจำปี 2559

ANNUAL REPORT

“ Your Total Quality
ทุกขั้นตอนคุณภาพเพื่อคุณ ”

“ Your Total Quality ทุกขั้นตอนคุณภาพเพื่อคุณ ”



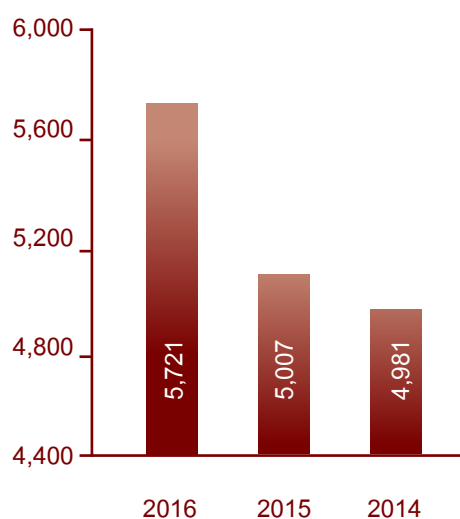
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Unit : Million Baht

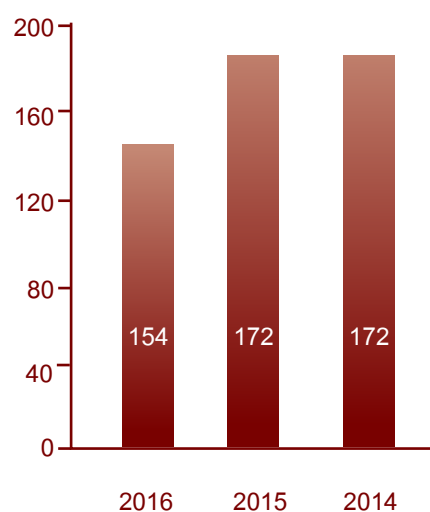
	2016	2015	2014
Total Assets	3,593.90	3,187.73	3,046.41
Total Liabilities	1,147.54	825.36	912.59
Total Equity	2,446.36	2,362.37	2,133.82
Revenue from Sales and Services	5,721.14	5,006.99	4,980.90
Total Revenue	5,828.16	5,121.46	5,183.28
Gross Profit	927.61	680.56	539.93
Profit (Loss)	461.24	344.29	329.50
Profit (Loss) Attributable to Owners of the Company	154.48	171.98	172.30
Financial Ratio			
Net Profit Margin (%)	7.91	6.72	6.36
Return on Equity (%)	19.18	15.31	16.00
Return on Assets (%)	13.60	11.05	11.03
Net Profit (Loss) per Share (Baht)	0.57	0.64	0.64
Book Value per Share (Baht)	9.06	8.75	7.90

Note : The above figures are as indicated in Consolidated Financial Statement

Revenue from Sales and Service
(Million Baht)



Profit (Loss) Attributable to Owners of the Company
(Million Baht)



Message from Chairman and Chief Executive Officer

In 2016, overall frozen and processed shrimp industry still encountered many negative factors. Even though overall export value of frozen and processed shrimp products increased from last year, supply of shrimps harvested was still less than demand. Insufficiency of shrimps harvested impacted high raw material cost since the Early Mortality Syndrome (EMS) which broke out and hit the overall shrimp output since 2011.

Exporters 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. As a result, situation of frozen and processed shrimp production was slowdown from last year in term of industrial production index and capacity utilization. Amidst of uncertainties and negative factors in 2016, Sales of the Company's group continued to increase from last year.

In 2016, the Company and its subsidiaries have changed their business management in many parts in order to maintain their business competitiveness and continue business performance with good results in the long term. Important changes in the Company's group can be summarized as follows:

1. Increase an investment in Surat Seafoods Co., Ltd. in order to increase its production capacity of shrimp-based products. Surat Seafoods Co., Ltd. has been targeted to be main shrimp-based production facility for the Company's group.
2. Increase sales in processed chicken products in Surapon Nichirei Foods Co., Ltd. with good results of performance.
3. Expand an investment in temperature-controlled logistics service provider business under the management of Mobile Logistics Co., Ltd., The constructions of warehouse and service facilities completed and started its commercial operation in July 2016.
4. Increase an investment in Kabinburi plant in Prachinburi province. The operation of Kabinburi plant will be managed under the new subsidiary company; Surapon Supreme Foods Co., Ltd. which is established in December 2016. This Company has been targeted to be additional production facility for processed chicken-based products.
5. Expand sales in domestic and neighbouring countries markets. New subsidiary company; named Surapon Finest Co., Ltd. is established in December 2016. Surapon Finest Co., Ltd. will responsible for sales of goods in domestic and neighbouring countries markets on behalf of the Company's group.

In 2016, the Company has changed its internal management structure and key management staffs. Board of Directors has resolved to appoint Mr. Surapon Vongvadhanaroj from Chief Executive Officer to Chairman of Executive Committee and appoint Mr. Sorapon Vongvadhanaroj from Managing Director to Chief Executive Officer. The Board is confident that new management team will be best fit in position and can very well continue the Company's business direction and highly contribute to sustained business expansion in the long run. The Company's strong will and policy still builds the business around strong corporate governance values where all the stakeholders are treated fairly.

Lastly, on behalf 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, 2017.



(Mr. Kosol Chantikul)
Chairman



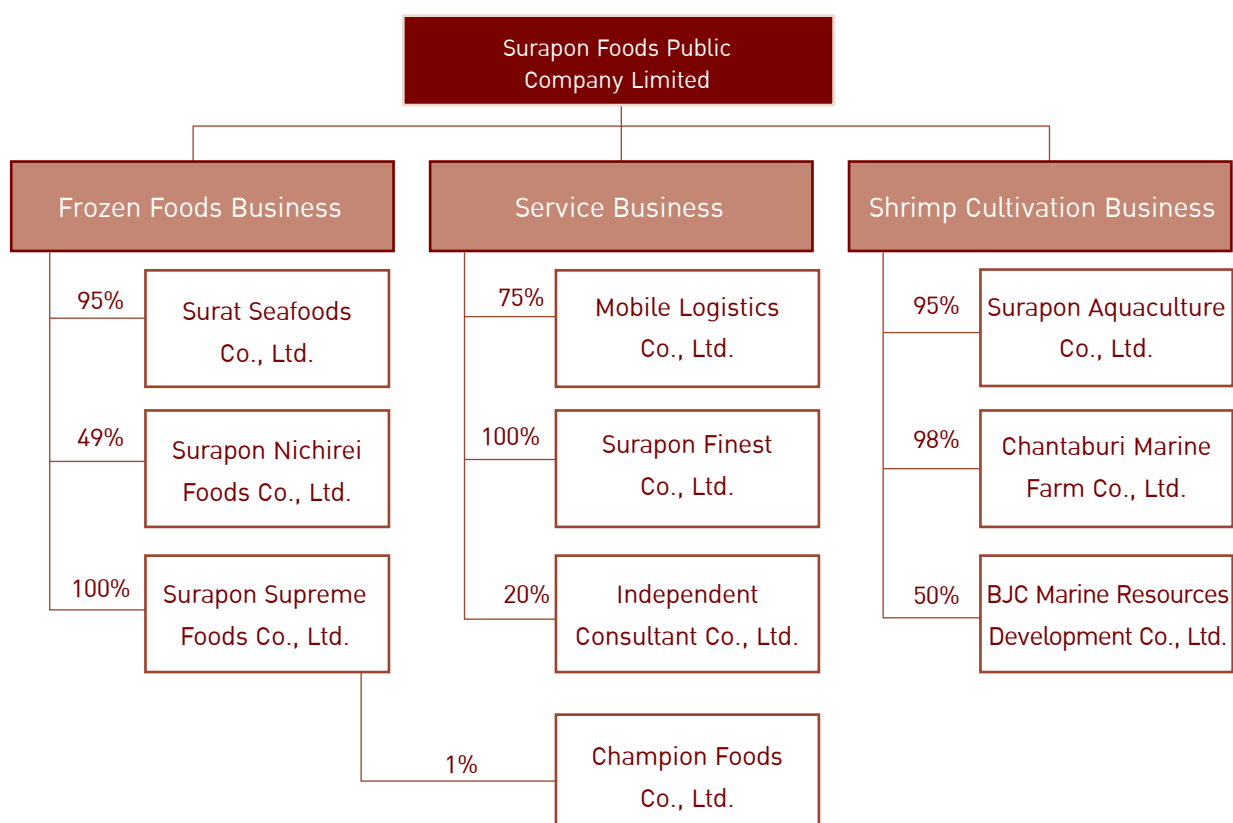
(Mr. Surapon Vongvadhanaroj)
Chairman of Executive Committee



(Mr. Sorapon Vongvadhanaroj)
Chief Executive Officer

Name	Surapon Foods Public Company Limited
Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Contact	Head Office (66) 2 3853038-54 Company Secretary (66) 2 3853038-54 ext. 561 E-mail: patt@surapon.com Investor Relation (66) 2 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 the Company's Group



Details of Subsidiary and Related Companies

Company	Details of the Company	
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	Manufacturer and Distributor of Frozen Seafoods
	Registered Capital	40,000,000 Baht
	Shareholding by SSF	94.94%
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	Manufacturer and Distributor of Frozen Foods
	Registered Capital	100,000,000 Baht
	Shareholding by SSF	49%
Surapon Supreme Foods Co., Ltd. (SUP) ^{1/}	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 Frozen Foods
	Registered Capital	286,350,000 Baht
	Shareholding by SSF	100%
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	300,000,000 Baht
	Shareholding by SSF	75%
Surapon Finest Co., Ltd. (SOFINE) ^{2/}	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Trading
	Registered Capital	30,000,000 Baht
	Shareholding by SSF	100%
Independent Consultant Co., Ltd. (ICC)	Address	1168/75 Lumpini Tower 26 th 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%

Company	Details of the Company	
Surapon Aquaculture Co., Ltd. (SAC)	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 Cultivation Farm
	Registered Capital	85,000,000 Baht
	Shareholding by SSF	95%
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 Cultivation Farm
	Registered Capital	86,350,000 Baht
	Shareholding by SSF	98.17%
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) 3853179
	Type of Business	Shrimp Cultivation Farm
	Registered Capital	100,000,000 Baht
	Shareholding by SSF	50%

Remarks:

^{1/} Surapon Supreme Foods Co., Ltd. is renamed from Punpin Co., Ltd. on December 21, 2016 and increase its registered capital from Baht 60,000,000 to Baht 286,350,000 on November 17, 2016.

^{2/} Surapon Finest Co., Ltd. registered the Company establishment on December 23, 2016.

References

- Security Registrar** Thailand Securities Depository Company Limited
Tel: (662) 0099999 Fax: (662) 0099991
- Auditor** Ms. Orawan Sirirattanawong, CPA License No. 3757
KPMG Phoomchai Audit Co., Ltd.
Tel: (662) 6772000 Fax: (662) 6772222
- 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

(Information as of February 1, 2017)



Mr. Kosol Chantikul

Age : 70 years

Position in the Company

Independent Director and Chairman

Education

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

IOD Training

- DCP class 18/2002
- Role of the Chairman Program class 13/2006

Position in Subsidiaries

No

Workings in Other Listed Companies

No

Workings in Other Organizations

- Executive Committee, Team Group of Companies Co., Ltd.
- Legal Advisor, HNP Counsellors Limited

Qualifications for Independent Directors

- Qualifications are conformed with the qualifications 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 1997



Mr. Surapon Vongvadhanaroj

Age : 71 years

Position in the Company

Authorized Director, Chairman of Executive Committee, and Member of Nomination and Remuneration Committee

Education

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

IOD Training

- Role of the Chairman Program (RCP) class 7/2002
- DCP class 41/2004
- Developing Corporate Governance Policy 2008

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.

Workings in Other Listed Companies

No

Workings in Other Organizations

Director, Pokai Plus Co., Ltd.

Dispute

No

Date of Directorship

December 13, 1977



Mr. Sithichai Kraisithisrin

Age : 71 years

Position in the Company

Authorized Director and Advisor

Education

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

IOD Training

- DCP class 5/2001

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.

Workings in Other Listed Companies

Director, Lighting and Equipment Public Company Limited

Workings in Other Organizations

No

Dispute

No

Date of Directorship

December 13, 1977



Mr. Chokchai Jiengwareewong

Age : 72 years

Position in the Company

Authorized Director, Chairman of Nomination and Remuneration, and Advisor

Education

- High School, Amnuaysilpa School

IOD Training

- DAP class 6/2003

Position in Subsidiaries

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

Workings in Other Listed Companies

No

Workings in Other Organizations

Director, S J Universal Co., Ltd.

Dispute

No

Date of Directorship

December 13, 1977



Mrs. Boonperm Jiamteerarat

Age : 68 years

Position in the Company

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

Education

- Bachelor Degree in Accounting, Chulalongkorn University

IOD Training

- DCP class 81/2006

Position in Subsidiaries

No

Workings in Other Listed Companies

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

Workings in Other Organizations

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

Qualifications for Independent Directors

Qualifications are conformed with the qualifications 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. Pisnu Rianmahasarn

Age : 68 years

Position in the Company

Independent Director, member of Corporate Governance Committee and member of Audit Committee

Education

- Doctoral Degree in Economics, Ramkhamhaeng University
- Master Degree in Economics, Duke University, USA.
- Bachelor Degree in Economics, Thammasat University
- DAP class 80/2009

IOD Training

Position in Subsidiaries

No

Workings in Other Listed Companies

No

Workings in Other Organizations

Specialist in China-ASEAN Studies Center, Panyapiwat Institute of Management

Qualifications for Independent Directors

Qualifications are conformed with the qualifications 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. Sathaporn Kotheeranurak

Age : 61 years

Position in the Company

Independent Director and Chairman of Audit Committee

Education

- Advanced Certificate in Accounting, Thammasat University
- Master Degree in Business Administration for Executives, Chulalongkorn University
- Bachelor Degree in Accounting, Rajamangala University of Technology
- DAP class 34/2005
- Advanced Audit Committee Program class 13/2013

IOD Training

Position in Subsidiaries

No

Workings in Other Listed Companies

Independent Director and Audit Committee, Kaset Thai International Sugar Corporation PLC.

Workings in Other Organizations

- Independent Director, Chairman of Audit Committee, AA Electri Li Co., Ltd.
- Managing Director, DBMT Co., Ltd.
- Managing Director, Sahaporn & Co Co., Ltd.

Qualifications for Independent Directors

Qualifications are conformed with the qualifications of Independent Directors as announced by the Stock Exchange of Thailand, the Securities and Exchange Commission, Policy on Nomination of Directors. Has adequate experience to review creditability of the financial reports.

Dispute

No

Date of Directorship

May 14, 2009



Miss Malai Wongwatroj

Age : 61 years

Position in the Company

Authorized Director, member of Risk Management Committee, and Advisor

Education	Bachelor Degree in International Marketing, Baruch College, USA.
IOD Training	DCP class 135/2010
Position in Subsidiaries	Director, Surat Seafoods Co., Ltd.
Workings in Other Listed Companies	No
Workings in Other Organizations	No
Dispute	No
Date of Directorship	April 8, 2010



Mr. Paiboon Kangvonkit

Age : 49 years

Position in the Company

Director and Chairman of Risk Management Committee

Education	<ul style="list-style-type: none"> • Master Degree in International Trade, Texas A&M International University, USA. • Bachelor Degree in Accounting, The University of Thai Chamber of Commerce
IOD Training	<ul style="list-style-type: none"> • DAP class 75/2010 • DCP class 148/2011
Position in Subsidiaries	Director and President, Surapon Nichirei Foods Co., Ltd.
Workings in Other Listed Companies	No
Workings in Other Organizations	<ul style="list-style-type: none"> • Director, Prapaikij Construction Co., Ltd. • Director, Burapa Concrete Limited Partnership.
Dispute	No
Date of Directorship	April 8, 2010



Mr. Sorapon Vongvadhanaroj

Age : 35 years

Position in the Company

Authorized Director, member of Corporate Governance Committee, member of Risk Management Committee, and Chief Executive Officer

Education

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

- Bachelor Degree in Business Administration, Babson College, USA.

IOD Training

- DCP 163/2012

Position in Subsidiaries

- Chairman, Surapon Supreme Foods Co., Ltd.

- Chairman, Surapon Finest Co., Ltd.

- 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.

Workings in Other Listed Companies

No

Workings in Other Organizations

Director, Pokai Plus Co., Ltd.

Dispute

No

Date of Directorship

April 4, 2012



Mr. Putaporn Ninwarangkul

Age : 64 years

Position in the Company

Independent Director, and member of Nomination and Remuneration Committee

Education

- Master Degree in Business Administration, University of San Francisco

- Bachelor Degree in Accounting, Kasetsart University

IOD Training

- DAP class 127/2016

Position in Subsidiaries

No

Workings in Other Listed Companies

No

Workings in Other Organizations

Advisor, Sompoo Insurance (Thailand) PLC.

Qualifications 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 4, 2013

Executives

(Information as of February 1, 2017)

Name	Details	
Mr. Sorapon Vongvadhanaroj	Age	35 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	Chief Executive Office, and acting Vice President - Finance and Corporate Services
	Position in Subsidiaries	<ul style="list-style-type: none"> • Chairman, Surapon Supreme Foods Co., Ltd. • Chairman, Surapon Finest Co., Ltd. • 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.
	IOD Training	DCP 163/2012
Mr. Montai Chulatitta	Age	49 years
	Education	Bachelor Degree in Science , Mahidol University
	Position in the Company	Senior Vice President - Special Projects
	Position in Subsidiaries	<ul style="list-style-type: none"> • Director, Mobile Logistics Co., Ltd. • Director, Surapon Supreme Foods Co., Ltd.
	IOD Training	No
Mr. Supakorn Ruangsin	Age	44 years
	Education	Bachelor Degree in Food Science and Technology, Suan Dusit Rajabhat University
	Position in the Company	Vice President - Operations Group
	Position in Subsidiaries	<ul style="list-style-type: none"> • Director, Surat Seafoods Co., Ltd. • Director, Surapon Supreme Foods Co., Ltd.
	IOD Training	No
Mr. Thomas Ung	Age	46 years
	Education	Bachelor Degree in Sociology, Polhems Skolan College, Sweden
	Position in the Company	Vice President - Export Sales Group
	Position in Subsidiaries	No
	IOD Training	No

Name		Details
Miss Silawan Kraisithsirin	Age	38 years
	Education	<ul style="list-style-type: none"> • Master Degree in Accounting, University of Virginia • Bachelor Degree in Business Administration, Babson College
	Position in the Company	Assistant Vice President - Finance and Corporate Services
	IOD Training	No
Mrs. Soranee Ung ^{1/}	Age	42 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
	Position in Subsidiaries	<ul style="list-style-type: none"> • Director, Mobile Logistics Co., Ltd. • Director & Managing Director, Surapon Finest Co., Ltd.
	IOD Training	DCP 118/2009

Remarks : ^{1/} Term in management position expired since January 1, 2017 due to the Company's organization restructuring.

Company Secretary

Name		Details
Mr. Patt Somchaikulsup	Education	<ul style="list-style-type: none"> • Master Degree in Economics, Thammasat University • Bachelor Degree in Economics, Thammasat University
	Position in the Company	Assistant Vice President - Office of Chief Executive Officer, and Corporate Secretary
	Training	<ul style="list-style-type: none"> • 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, Thai Listed Companies Association

Report of Directors' Shareholding

(Information as of January 31, 2017)

Name	Amount of Shareholding				
	January 31, 2016	Proportion (%)	January 31, 2017	Proportion (%)	Changes
1. Mr.Kosol Chantikul	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
2. Mr. Surapon Vongvadhanaroj	13,980,000	5.18	13,980,000	5.18	0
Spouse and Minor Children	6,957,000	2.58	6,957,000	2.58	0
3. Mr. Sithichai Kraisithisrin	14,436,000	5.35	14,436,000	5.35	0
Spouse and Minor Children	0	-	0	-	0
4. Mr. Chokchai Jiengwareewong	9,085,090	3.36	9,085,090	3.36	0
Spouse and Minor Children	9,000,000	3.33	9,000,000	3.33	0
5. Mrs. Boonperm Jiamtiranat	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
6. Mr. Pisanu Rianmahasarn	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	77,000	0.03	77,000	0.03	0
10. Mr. Sorapon Vongvadhanaroj	47,588,500	17.63	47,588,500	17.63	0
Spouse and Minor Children	0	-	0	-	0
11. Mr. Putaporn Ninwarangkoon	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0

Report of Executives' Shareholding

(Information as of January 31, 2017)

Name	Amount of Shareholding				
	January 31, 2016	Proportion (%)	January 31, 2017	Proportion (%)	Changes
1. Mr.Sorapon Vongvadhanaroj	47,588,500	17.63	47,588,500	17.63	0
Spouse and Minor Children	0	-	0	-	0
2. Mr. Montai Chulatitta	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
3. Mr. Supakorn Ruangsri	0	-	0	-	0
Spouse and Minor Children	0	-	0	-	0
4. Mr. Thomas Ung	0	-	0	-	0
Spouse and Minor Children	1,360,000	0.50	1,360,000	0.50	0
5. Miss Silawan Kraisithsirin	7,000,000	2.59	7,000,000	2.59	0
Spouse and Minor Children	0	-	0	-	0
6. Mrs.Soranee Ung ^{1/}	1,360,000	0.50	1,360,000	0.50	0
Spouse and Minor Children	0	-	0	-	0

Remarks : ^{1/} Term in management position expired since January 1, 2017 due to the Company's organization restructuring.

Overall Industry and Competition

Overall frozen and processed shrimp production in the year 2016 was still be faced with negative factors. Even though Thailand's value of frozen and processed shrimp export increased from the year 2015 but supply of shrimp harvested still be inadequate compared to demand of consumption. Consequently, cost of shrimp raw materials still be in high level since EMS (Early Mortality Syndrome) which broke out and hit the overall shrimp harvested supply since 2011.

Production Situation

Even overall situation of shrimp harvest improved after EMS, quantity of shrimp harvested supply still be inadequate compared to demand. Manufacturers are highly cautious to production planning and order agreement since there might be mismatch between cost of production and selling price due to price of shrimp harvested still be fluctuated. Consequently, Thailand's overall of frozen and processed shrimp production was slow down.

Manufacturing production index for the first 11 months of the year 2016 from the Ministry of Industry showed that processed seafoods production decreased from 82.41 in 2015 to 80.03 in 2016, whereas frozen shrimp production decreased from 32.83 in 2015 to 31.12 in 2016. Capacity Utilization of processed seafoods decreased from 29.56% in 2015 to 28.30% in 2016.

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.

Thailand's overall export value of fresh chilled/frozen shrimp in 2016 increased from 2015 but export value of processed shrimp almost unchanged.

Data from Ministry of Commerce showed that export value of Thailand's fresh chilled/frozen shrimp for the year 2016 was Baht 34,192 million, increased by 49.93% from 2015. USA is the Thailand's largest export market, accounted for 44% of Thailand's total export value. Other Thailand's main export markets are ASEAN, Japan and EU which accounted for 16%, 15% and 4% respectively. Export value of Thailand's processed shrimp products for the year 2016 was Baht 26,510 million, increased by 0.2% from 2015. USA is the Thailand's largest export market accounted for 44% of Thailand's total export value. Other Thailand's main export markets are Japan and Europe, accounted for 32% and 7% respectively.

In summary, Thailand's Shrimp business in the year 2016 faced uncertainty factors especially inadequacy of shrimp raw material. However, the effects from risk of international trade measures from trading partners such as IUU (Illegal, Unregulated, Unreported) from EU and Trafficking in Persons measure from USA is mitigated after the implementation of Royal Ordinance on Fisheries B.E.2558. This Royal Obedience is to strict control and manage all stakeholders in shrimp business supply chain to be in compliance with trading partners' regulations/requirements. The Company has been trying hard to adjust ourselves in many ways such as less usage of shrimp raw materials, development of new product with other raw material substitution, and etc.

Structure of Revenue

Category	Company	2016		2015		2014	
		Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Ready-to-eat	SSF	833,418	13.95	884,714	16.61	964,261	18.08
	SS	527,787	8.84	383,784	7.21	361,185	6.77
	SUNIF	3,879,190	64.95	3,306,203	62.07	3,172,518	59.50
Ready-to-cook	SSF	198,253	3.32	212,559	3.99	272,897	5.12
	SS	54,008	0.90	32,816	0.62	34,921	0.65
Others	SSF	457,339	7.66	499,227	9.37	501,837	9.41
	SS	14,502	0.24	7,279	0.14	24,700	0.46
	MBL	8,184	0.14	-	-	-	-
Total		5,972,681	100.00	5,326,582	100.00	5,332,319	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 and revenue from logistis services.

5) SSF = Surapon Foods PLC.

SS = Surat Seafoods Co., Ltd.

SUNIF = Surapon Nichirei Foods Co., Ltd.

MBL = Mobile Logistics Co., Ltd.

6) Products of Surapon Nichirei Food Co., Ltd are produced from chicken raw material.

7) Mobile Logistics Co., Ltd. is Logistics service providers

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, main products were frozen seafoods. 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 seafoods and frozen non-seafoods 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. Moreover, the Company has invested in other subsidiaries 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.

The Company set their vision, mission, and business target as follows:

- Vision : To be trusted food company with excellent quality and service
- Mission : To deliver your total quality
- Business Target : To deliver variety of foods with good quality and services. In addition, the Company's target is to expand into new businesses which can support the existing business.'

Important changes in the Company's group in the year 2016 can be summarized as follows:

1. Increase an investment in Surat Seafoods Co., Ltd. in order to increase their production capacity of shrimp-based products. Surat Seafoods Co., Ltd. is targeted to be main shrimp-based production facility for the Company's group. In the second half of the year 2016, production of shrimp-based products in Kabinbusri plant in Prachinburi province was transferred most of their production to Surat Seafoods Co., Ltd. due to higher competitive location of Suratthani province, which is surrounded by shrimp cultivation farms.

2. Expand an investment in temperature-controlled logistics business under the management of Mobile Logistics Co., Ltd., The constructions of warehouse and service facilities completed and started their commercial operation in July 2016.

3. Increase an investment in Kabinburi plant in Prachinburi province. The investment covers the renovation of existing line of production in order to increase their production productivity as well as investment in new line of production to support new product; processed chicken products. The operation of Kabinburi plant will be operated under the new subsidiary company; Surapon Supreme Foods Co., Ltd. which is established in December 2016.

4. Expand sales in domestic and neighbouring countries markets. The new subsidiary company; named Surapon Finest Co., Ltd. is established in December 2016. Surapon Finest Co., Ltd. will responsible for sole agent in sales of goods in domestic and neighbouring countries markets on behalf of the Company's group. Business activity of Surapon Finest Co., Ltd. will also cover sourcing of trading products from all over the world to sell and distribute in domestic and neighbouring countries markets.

The Company realizes both internal and external business risks which may affect the Company's operation either directly or indirectly. The Company has implemented and the measures to manage the business risk as follow:-

1. Risk from Fluctuation of Foreign Exchange

The Company's revenue mainly comes from export, fluctuation in foreign exchange has inevitably affected the overall performance. In the year 2016, Thai Baht continuously fluctuated which affects the Company's business management.

Risk Management

The Company closely monitors the exchange rate is exercised. A clear policy has been put to take care and protect against the risk arisen in any interval through 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 and Quality Control Regulations

Trading partners countries develop and implement trading control measures such as the measure of IUU (Illegal, Unregulated and Unreported) implemented by EU , Labor unfair practices implemented by the United States of America as well as the food safety and sanitation problems arisen in some export market countries which may affect business operation if the Company fail to comply with the regulations or unable to keep constantly control.

Risk Management

The Company constantly monitors and closely updates trade regulations and laws. The Company assigns the working team to follow up, analyze impacts and propose preventive and collective actions. However, after Thai government implemented the Royal Ordinance on Fisheries B.E.2558 as well as other regulations, the effect from this risk become significantly decrease.

3. Risk from Project Mismanagement

In 2016, the Company much invested in plant renovation in one of the subsidiary company; Surapon Supreme Foods Co., Ltd. in order to support the production of new products; processed chicken products. In the process of feasibility analysis, the Company implemented risk management analysis, which covers all possible risks occurrence; strategic risk, financial risk, operational risk, compliance risk, event & incident risk, and corruption risk.

Risk Management

The Company considers risk management analysis framework and view that most of risk factors are in acceptable level. Two important risks are found; risk of acquiring customers order, and risk of exchange rate fluctuation. The Company set up action plans to approach existing and new potential customers as well as join cooperation with other companies in the Company's group to jointly work in market penetration both domestic and export. In addition, the Company manages the risk of exchange rate in this project investment according to the exchange rate management policy of the Company's group.

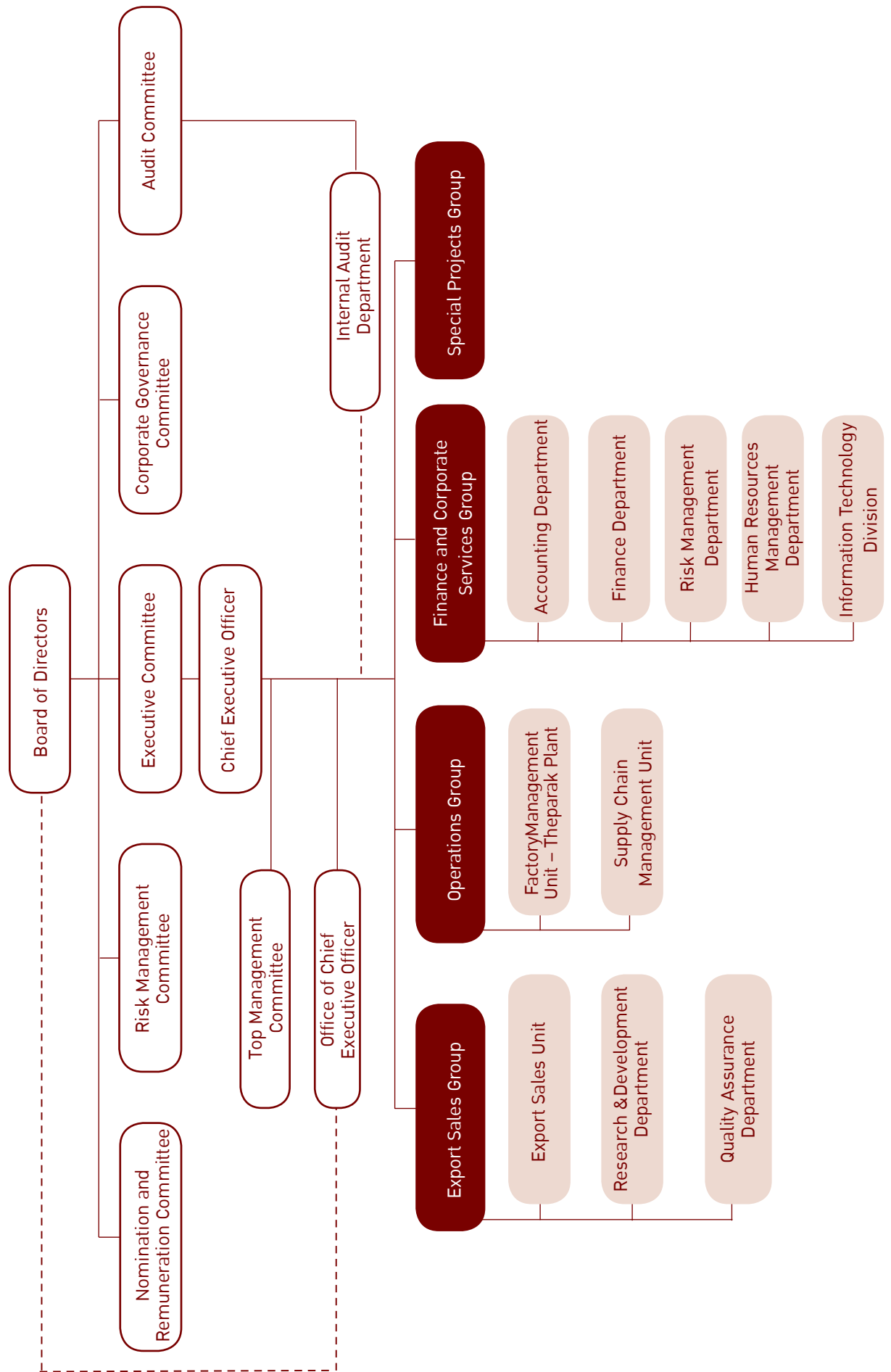
Structure of Shareholding

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.	Kraisithisirin Family	35,436,000	13.12
	- Mr.Sithichai Kraisithisirin	14,436,000	5.35
	- Miss Sarin Kraisithisirin	7,000,000	2.59
	- Miss Silawan Kraisithisirin	7,000,000	2.59
	- Miss Sanravee Kraisithisirin	7,000,000	2.59
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	13,700,600	5.07
5.	Mr.Thanathip Pichetvanichchok	7,430,700	2.75
6.	Thai NVDR Co., Ltd.	6,500,600	2.41
7.	Miss Woraran Taepaisithpong	5,000,000	1.85
7.	Credit Suisse AG, Singapore Branch	5,000,000	1.85
9.	Miss Orapun Asamongkol	3,188,000	1.18
10.	Mr. Cheung Lawrence Lup-Kwan	2,320,000	0.86

Source : Thailand Securities Depository Co., Ltd. (Information as of February 3, 2017)

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 principle and policy.

As of December 31, 2016, Board of Directors consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2016
1. Mr.Kosol	Chantikul	Chairman and Independent Director	7/7
2. Mrs.Boonperm	Jiamtiranat	Independent Director	7/7
3. Mr.Pisnu	Rienmahasarn	Independent Director	7/7
4. Mr.Sathaporn	Kotheeranurak	Independent Director	7/7
5. Mr.Putaporn	Ninwarangkoon	Independent Director	7/7
6. Mr.Surapon	Vongvadhanaroj	Director	7/7
7. Mr.Sithichai	Kraisithisirin	Director	7/7
8. Mr.Chokchai	Jiengwareewong	Director	7/7
9. Mr.Pai boon	Kangvonkit	Director	7/7
10. Miss Malai	Wongwatroj	Director	7/7
11. Mr.Sorapon	Vongvadhanaroj	Director	7/7

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

Chairman of the Board will serve as chairman of the Board of Directors meeting and Shareholders' meeting. Chairman of the Board will be responsible for promoting and supporting participation of the directors in the board meeting as well as follow up and monitor performances of the board and sub committees in order to make sure that the performances will be achieved according to the set objectives. Chairman of the Board will conduct the board meeting to be efficient, effective, in compliance with the regulations. Chairman of the Board will not involve in routine operation.

2. Audit Committee

Audit Committee's responsibilities are to review the Company's operations to be in compliance 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. Audit Committee also considers the appointment or disposal of Internal Audit head.

As of December 31, 2016, Audit Committee consists of three Independent Directors as follow:

Name - Surname	Position	No. of the meeting attended in 2016
1. Mr.Sathaporn Kotheeranurak	Chairman	5/5
2. Mrs.Boonperm Jiamtiranat	Director	5/5
3. Mr.Pisnu Rianmahasarn	Director	5/5

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

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

3. Corporate Governance Committee

Corporate Governance Committee is responsible for monitoring an implementation in compliance with Corporate Governance Policy.

As of December 31, 2016, Corporate Governance Committee consists of the following persons:

Name - Surname	Position	No. of the meeting attended in 2016
1. Mrs.Boonperm Jiamtiranat	Chairman	3/3
2. Mr.Sorapon Vongvadhanaroj	Director	3/3
3. Mr.Pisnu Rianmahasarn	Director	3/3
4. Miss Silawan Kraisithsirin	Director	3/3
5. Mr. Patt Somchaikulsup	Director	3/3

Thereby, Miss Kamonchanok Bungool 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 to be appointed as Director, Sub-committee, and Chief Executive Officer. The Committee's responsibility is also to propose the remuneration of the Directors and Chief Executive Officer.

As of December 31, 2016, Nomination and Remuneration Committee consists of the following persons:

Name - Surname	Position	No. of the meeting attended in 2016
1. Mr.Chokchai Jiengwareewong	Chairman	3/3
2. Mr.Surapon Vongvadhanaroj	Director	3/3
3. Mr.Putaporn Ninwarangkoon	Director	3/3

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. The Committee shall approve the policy, the internal procedure, and the guideline to help support the operations management effectively.

As of December 31, 2016, Executive Committee consists of the following persons:

	Name - Surname	Position
1.	Mr. Surapon Vongvadhanaroj	Chairman
2.	Mr. Sorapon Vongvadhanaroj	Director
3.	Mr. Paiboon Kangvonkit	Director
4.	Mr. Supakorn Ruangsinn	Director
5.	Mr. Thomas Ung	Director
6.	Mr. Montai Chulatitta	Director
7.	Mrs.Soranee Ung	Director
8.	Mr. Kittikorn Chongchere	Director
9.	Mr. Jittakorn Chairach	Director
10.	Miss Yardphon Comnunnat	Director
11.	Mr. Bundit Rungratkul	Director
12.	Miss Silawan Kraisithsirin	Director
13.	Mr. Patt Somchaikulsup	Director and Secretary

Remark: There was 12 times meeting throughout the year 2016

6. Risk Management Committee

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

As of December 31, 2016, 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 Ruangsinn	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 2016

Details of Directors and Authorized Persons

(Information as of February 1, 2017)

Name of Authorized Director	Surapon Foods	Surat Seafoods	Surapon Nichirei Foods	Surapon Supreme Foods	Surapon Finest	Surapon Aquaculture	Chantaburi Marine Farm	Mobile Logistics
Mr. Kosol Chantikul	///							
Mr. Surapon Vongvadhanaroj	I, II	I, II, III	I, II, III			I, II	I, II	I, II, III
Mr. Sithichai Kraithisirin	I, II	I, II	I, II			I, II	I, II	
Mr. Chokchai Jiengwareewong	I, II	I, II				I, II	I, II	
Mrs. Boonperm Jiamtiranat	/							
Mr. Pisnu Rianmahasarn	/							
Mr. Sathaporn Kotheeranurak	/							
Miss Malai Wongwatroj	I, II	I, II						
Mr. Paiboon Kangvonkit	/		I, II, X					
Mr. Sorapon Vongvadhanaroj	I, II, X	I, II	I, II	I, II, III	I, II, III	I, II	I, II	I, II
Mr. Putaporn Ninwarangkoon	/							
Mr. Chatuporn Watcharanat		I, II					I, II	
Mr. Supakorn Ruangsri		I, II		I, II				
Mrs. Soranee Ung					I, II, X			I, II
Mrs. Soraya Sorakraikitikul						I, II	I, II	I, II, X
Mr. Montai Chulatitta				I, II		I, II		I, II
Mr. Sorapoom Vongvadhanaroj				I, II, X				
Miss Yardphon Comnugnath				I, II				
Mr. Bundit Rungratkul					I, II			
Mr. Auhtaphon Ratana-Arporn					I, II			
Miss Yupha Fuangraya					I, II			

Note: / = Board of Directors

// = Authorized Director

X = Chief Executive Officer, Managing Director

/// = Chairman of the Board of Directors

Remuneration of Directors and Executives

1. Directors' Remuneration

The Annual General Meeting of Shareholders No.39/2016 had passed the resolution to approve the Directors' remuneration for the year 2016 totally not exceed than Baht 6,040,000. The actual amount of payment is Baht 5,790,000.

	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 Chantikul	960,000	140,000	-	-	-	-	-	-	1,100,000
2	Mr.Surapon Vongvadhanaroj	300,000	105,000	-	-	-	-	15,000	-	420,000
3	Mr.Sithichai Kraisthisirin	300,000	105,000	-	-	-	-	-	-	405,000
4	Mr.Chokchai Jiengwareewong	300,000	105,000	-	-	-	-	30,000	-	435,000
5	Mrs.Boonperm Jiamteeranat	300,000	105,000	120,000	25,000	30,000	-	-	-	580,000
6	Mr.Pisnu Rienmahasarn	300,000	105,000	120,000	25,000	15,000	-	-	-	565,000
7	Mr.Sathaporn Kotheeranurak	300,000	105,000	180,000	50,000	-	-	-	-	635,000
8	Miss Malai Wongwatroj	300,000	105,000	-	-	-	-	-	-	405,000
9	Mr.Paiboon Kangvonkit	300,000	105,000	-	-	-	-	-	-	405,000
10	Mr.Sorapon Vongvadhanaroj	300,000	105,000	-	-	15,000	-	-	-	420,000
11	Mr.Putaporn Ninwarangkoon	300,000	105,000	-	-	-	-	15,000	-	420,000
Total		3,960,000	1,190,000	420,000	100,000	60,000	60,000	60,000	-	5,790,000

2. Executives' Remuneration

Remuneration	2016		2015	
	No. of Persons	Baht	No. of Persons	Baht
Salary	6	35,700,000	5	33,420,000
Bonus	5	2,785,000	5	2,785,000
Other remunerations	6	374,101	5	361,184
Total	6	38,859,101	5	36,566,184

Remark : Other remunerations such as gasoline, telephone, per-dium and etc.

Corporate Governance

Surapon Foods Public Company Limited has always put a strong emphasis on the good corporate governance to take care of all Stakeholders' interest. The Company's Corporate Governance Policy consists of 7 sections. The Company publicizes the Policy through the Company's website. The implementation in the year 2016 in compliance with the Policy can be summarized as the followings:

1. The Board of Directors

1.1 The Board of Directors consists of the 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 accordance with the SEC regulation.

1.2 Chairman of the Board will serve as Chairman of the Board meeting. Chairman of the Board and Chief Executive Officer will have not to be same person. Segregations of authority and duty between the Board and the Management are clearly defined. The Board will approve the Company's important policies and the business objectives which will be complied with the regulations by concerning ethics.

1.3 The process of director nomination will follow the Nomination of Director Policy which publicizes through the Company's website and will be considered by the Nomination and Remuneration Committee prior to propose to Board of Directors or Shareholders for consideration. To consider the nominated director, the Board of Directors examine the required qualifications, required skills, experiences which are necessary to the Company's business management. 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 2016, there was no nomination of Directors to replace the vacant position before expiring term in office.

1.4 The Company's definition of Independent Directors is the person who holds the Company's share not more than 1%. Independent Directors must also comply with the qualifications of Independent Director as specified in the regulations of relevant regulatory organizations. Currently, none of Independent Director holds any share of the Company and also has no any related business transactions or provides any services to the Company, Subsidiaries, major Shareholders or controlling person. Moreover there are no Independent Director or the Management been the employee or been the partner of the Company's auditor.

1.5 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 2016, there was no Director who inaugurates in the other listed companies more than 5 companies.

1.6 Directors and Chief Executive Officer must inform in the Board meeting about theirs posting in other companies. In addition, the Board has approved the policy on posting the position in other organizations. Posting in director in other companies, must ask approval from the Board. The Board will consider carefully from relevant factors whether such person should post in the director's position in other companies. The Company also publicizes the policy through the Company's website.

1.7 The Board meeting must be held with the specific agenda distributed in advance. In 2016 there are 7 times 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 done in every meeting which follows the criteria of IOD. Average score of the Board meeting evaluation in 2016 is 95.08 out of 100. In addition, non-Executive Directors can hold the meeting without the Management attended.

1.8 The Board has established the specific committees reach up to 5 sub-committees with responsibility for specific matters in order to support 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 2016, Audit Committee held the meeting 5 times, Nomination and Remuneration Committee 3 times, Corporate Governance Committee 3 times, Risk Management Committee 4 times, and Executive committee 12 times.

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

1.10 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.

1.11 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 director, quarterly performance report shall be proposed to the Board meeting for consideration. The Management presented the annual business plan and the Board had the resolution to approve the business plan at the Board meeting no. 7/2016 on December 16, 2016.

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 2016, The Company paid dividend at the rate of Baht 0.43 per share or equivalent to 68.73% of net profit after tax from separate financial statement which is in line with 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 2016, The Company has arranged 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.1/2016 on February 19, 2016 Re: Convening the AGM included agenda and important details. The disclosure of information had been done within the day of which the Board has 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 sequence 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, and Company Secretary. Company Secretary explained the process of voting, counting, and declaring voting result. The Company used the computerized system for counting the vote for correctness. Furthermore, The Company had invited legal advisor to be the witness for counting process for trustworthiness and transparency.
- 6) During the meeting: 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. The Company open the shareholders to propose an agenda for AGM during September 30, 2016 to December 31, 2016 but no proposal submitted.

2.4 The Company has carefully managed conflict of interest and related transactions. The decision of transaction will be considered with care, fair, according to general business term as well as in compliance with the Company's conflict of interest policy and regulations. In case of significant transaction, Audit Committee will consider and give their opinion for the Board's consideration. The Directors and executives will have to inform their possible conflict of interest and related persons to the Company.

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 through CSR report. The 2016 CSR 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 evaluation criteria.

3.3 The Board set up the channel which the stakeholders can suggest their concerns/suggestions to the Company by sending to Chairman of the Audit Committee through **whistle-blowing@surapon.com**. In addition, the Company also publicizes the whistle blowing policy through the Company's website. The Management shall summarize the suggestions received and report to the Audit Committee quarterly.

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 information both positive and negative equally. The Board shall concern the equal accession of information as well as keeping confidentiality of important information. The disclosure of information will comply with requirements of the regulatory organizations. The Company has assigned Investor Relation function to communicate the information to shareholders and investors.

4.3 The Board monitor closely to internal information usage to encourage Good Corporate Governance. The Board approved the Internal Information Usage Controlling Policy. The main objective is to prevent the use of internal information for private interest. The Company informed the Directors, Executives and stakeholders and also publicizes the policy through the Company's website. In 2016, 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 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 aware of 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 appointment 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 efficient risk management system. The Board established the Risk Management Committee and Risk Management Department in order to assess and monitor 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 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 orientation, the Board's handbook, BOD practices manual, organizing the training, site visit, and 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 2016, the directors attended the trainings/seminars as follows:-

- 1) Mr. Kosol Chantikul participated in Chairman Forum "Corporate Governance VS Corporate Performance : Duty or Choice?" on May 13, 2016 organized by IOD.
- 2) Mr. Sathaporn Kotheeranurak participated in CG Forum 3/2016 : Corruption in the Organization : the threats can be prevented and controlled" on August 24, 2014 organized by SET.
- 3) Mr. Putaporn Ninwarangkoon participated in training program on DAP 127/2016 on May 16, 2016 organized by IOD.
- 4) Miss Malai Wongwatroj participated in Tone at the Top Series 3/2016 "Operating Transparent Business in Asia" on August 16, 2016 organized by IOD.
- 5) Mr. Sorapon Vongvadhanaroj participated in IOD Director Briefing 4/2016 "Managing Technology & Disruption" on September 15, 2016 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 whole group assessment criteria comprising of 60 criterias, divided into 5 categories: 1) Structure and Qualification of the Board 2) Duty and responsibility of the Board 3) Board meeting 4) Directors' fiduciary 5) Relationship with the Management and 6) Development of the Board and the Management. The result of the whole group performance evaluation is 94.64 with very good level. Individual performance evaluation employed 10 criterias, divide into 3 categories: 1) Directors' fiduciary 2) Board's meeting and 3) Independence of the Director. The result of individual performance evaluation is 89.82. 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 subcommittee 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 considers the nominating of the Board member by concerning the required qualifications and skills in order to create the best benefits for the Company.

6.6 The Board has emphasis on well-prepared 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 manager level.

6.7 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 support 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 the Shareholders to propose AGM agenda
13. Policy of posting the Director Position in Other Companies.

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

According to IOD report, the Company attained the 2016 Corporate Governance Assessment Score of 85 out of 100 equivalent to "very good" level and also placed in the group of Top Quartile Listed Companies 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 publicizes details of all above policies and guidelines through the Company's website.

The Company had set up the implementation procedure concerning 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 involved to the corruption. The Company built up the organizational culture to keep realizes the anti-corruption practices by performed activities as follows:

1. In September 2016, the Company joined hands with Office of National Anti-Corruption Commission, Samutprakarn branch arranged the Anti-Corruption Day activity. 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 awareness and participation in the anti-corruption.
2. The Company arranged in house training course regarding the Corporate Governance knowledge, internal control policy, risk management and anti-corruption policy.

3. The Company redefines the criteria of staff performance evaluation criteria by assessing the business ethics in every staff level and every position.
4. The Company communicates the corporate value to all staffs. The corporate value is redefined as "PROUD to be Surapon Foods :
 - P stands for Proactive
 - R stands for Responsibilities
 - O stands for Open-mindedness
 - U stands for Unity
 - D stands for Development
5. Audit Committee assigns Internal Audit Unit to audit and review internal control system in most significant activities based on risk-based evaluation in order to ensure that the operation has set up the adequate and suitable internal control system of preventing corruption.
6. Risk Management Committee assesses the risk of corruption as well as determines the risk management measure.

The Company disclosed more details of Anti-Corruption activities in 2016 CSR report which publicized in the Company's website.

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.

The Company is highly aware of the importance on internal control. The Company put emphasized on internal control and risk management, to cover all activities, sufficiently and appropriate for the Company's operation. Board of Directors has arranged the annual assessment program to evaluate the adequacy and suitability of Internal Control system. In 2016, the Audit Committee employed the assessment form as suggested by the Office of Securities and Exchange Commission and proposed to the Board of Directors for consideration. Board of Directors has unanimously resolved that the Company's internal control system is sufficient and suitable. The Company arranged and appointed the sufficient and proficient staffs to monitor, control and sustain 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 system closely monitored related transaction between 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 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 and subsidiaries keep emphasize on communicating all employees regarding the risk of corruption and bribery as well as conflict of interest in order to promote awareness of anti-corruption as a part of corporate culture. The Company joined hands with office of National Anti-Corruption Commission, Samutprakarn branch organize Anti-Corruption day activity to promote anti-corruption awareness among all staffs.

2. Risk Assessment

The Company established the efficient internal control and risk management systems. The Company appointed Risk Management Committee to monitor, consider and define the risk management measures according to the Company's risk management policy. 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 regularly 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 as well as checking & balancing system have been clearly determined. Approval of transaction shall be considered by concerning the best benefits of the Company and considering as at arm's length basis treatment.

4. Information & 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. The Company set up whistle-blowing policy and channels to hear voices regarding anti-corruption and internal control concerns.

5. Activities Monitoring

The Company generates the monitoring system to ensure that the internal control in all operation activities is efficient and effective. If there is an issue concerned to the defective of internal control systems, the channel to inform such issue has been created. The Company has a proper reporting method to ensure that the performance under the internal control has been reported continuously to the Management and 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 from 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, considering as at arm's length basis treatment, and to be in line with the laws and regulations. In addition, 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 2016, the Company reported the related transaction to SET. Board of Directors' meeting has passed the resolution to approve the related transaction in rental contract with Mrs.Soraya Sorakraikitikul. The Company extended the 2 years rental contract at the Central City Bangna Tower 1, no. 589/131 Bangna-Trad road, Bangna district, Bangkok. As the Company need the workplace for the staffs in sales and marketing functions. Mrs.Soraya Sorakraikitikul is the Company's shareholder and executives.

The Company had extended the rental contract with monthly rental rate at Baht 149,850 for the total of Baht 3,596,400. Value of this transaction in comparison with the net tangible asset showed that its size was 0.21%, which was considered to be a medium-size connected transaction as specified in the Notification of SET.

Overall Performance for the year 2016

In 2016, Surapon Foods Public Company Limited and its subsidiaries' total revenue from sale of goods and rendering of services were 5,721 Million Baht, an increase of 714 Million Baht or 14% when compare to the year 2015. The cost of sale of goods and rendering of services as percentage of sales were 84%, a decrease from 86% in the year 2015. The main factors are as follows:

The consolidated profit for the year 2016 was 461 Million Baht, an increase of 117 Million Baht or 34% from the year 2015. The profit attributable to owners of the Company was 154 Million Baht, a decrease of 18 Million Baht from 172 Million Baht in the year 2015.

In the year 2016, the local frozen shrimp industry continued to experience uncertainties and negative impacts. Since the year 2011 the shrimp supplies continued to decrease due to the impact from Early Mortality Syndrome (EMS). In 2015, the total export value of Thai shrimps improved slightly, however the shrimp supply was still not sufficient to meet the demand. As a result, the Company's frozen shrimps sales declined. Revenue from sales of goods in separate financial statements decreased by 107 Million Baht or 7% when compare to the year 2015. However, the Company has made adjustments to its business operations to maintain the competitiveness and sustain growth. Surapon Nichirei Foods Company Limited's sales of processed chicken products continued to increase. The Company also expanded business into temperature control logistics provider by Mobile Logistics Company Limited. In addition, there are investments to renovate and increase production capacity for Surat Seafoods Company Limited and Surapon Supreme Foods Company Limited. The Company also established Surapon Finest Company Limited to expand domestic sales and sales in neighboring countries.

The analysis of Surapon Foods Public Company Limited and its subsidiaries' performance for the year 2016 and its profitability are as follows:

Income

The Company and its subsidiaries posted total income of 5,828 Million Baht, an increase of 707 Million Baht or 14% from the year 2015. The increase was due largely from increase in revenue from sale of goods of 714 Million Baht or 14%, which is mainly from subsidiaries, Surapon Nichirei Foods Company Limited and Surat Seafoods Company Limited. In addition, Mobile Logistics Company Limited started its operation in July 2016.

Expenses

The Company and its subsidiaries' total expenses were 5,293 Million Baht, an increase of 543 Million Baht or 11% from the year 2015. The major factors are as follows:

- Cost of sale of goods and rendering of services increased by 467 Million Baht or 11% from the year 2015 as a result of increase in sales. The costs of rendering of services increased by 20 Million Baht were due to logistic services costs by Mobile Logistics Company Limited. The cost of sale of goods as percentage of sales improved from 86% in 2015 to 84% in 2016.

- Selling and administrative expenses increased by 74 Million Baht or 18% from the previous year. The major increase was the export expenses increased 7 Million Baht, which is the direct result from the increase in export sales. The employee benefit expenses increased by 52 Million Baht.
- The Company's research and development is managed by research and development department. In 2016, the department incurred research and development expenses, personnel expenses, and on-going project of approximately 10 Million Baht. In addition, the Company has been working with The National Science and Technology Development Agency (NSTDA) to experimental study for production, food processing, and innovation technologies to be used in the future. The studies cover current and new products to better serve domestic and export customers' needs.

Profitability

From the continuous development of current business and expansion into new businesses to maintain competitiveness and sustain growth, resulting in the profit of 461 Million Baht, an increase of 34% from 2015. The Company and its subsidiaries' profit attributable to owners of the Company was 154 Million Baht, a decrease of 18 Million Baht from profit of 172 Million Baht in the year 2015.

Profitability Ratios	2016	2015
Gross Profit Margin (%)	16.2	13.6
Net Profit Margin (%)	8.1	6.9
EBITDA (%)	13.5	12.0
Return on Assets (ROA) (%)	16.1	12.2
Return on Equity (ROE) (%)	19.2	15.3

Financial Position

Assets

The Company and its subsidiaries' total assets as at 31 December 2016 were 3,594 Million Baht, an increase of 406 Million Baht or 13% from the previous year. The major changes in assets were as follows:

- Trade accounts receivable as at 31 December 2016 was 227 Million Baht, a decrease of 34 Million Baht from the previous year. The accounts receivable not yet due was 206 Million Baht and overdue over 90 days was 0.3 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 2016 was 16 days, comparing to the collection period in 2015 of 19 days.
- Current Investments as at 31 December 2016 were 31 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 plant and equipment in the future.
- Other receivables as at 31 December 2016 were 64 Million Baht, an increase of 30 Million Baht. The change was due largely to the increase in value added tax receivable 21 Million Baht and increase in foreign currency forward contracts of 9 Million Baht.

- Inventories as at 31 December 2016 were 493 Million Baht, a decrease of 19 Million Baht from the previous year. The finished goods and work in progress inventories decreased by 63 Million Baht, while raw materials increased by 34 Million Baht. The increase in raw materials was for productions in the beginning of 2017. Imported trading goods in transit increased by 11 Million Baht to support the sales volume. The allowance for decline in value of inventories was 10 Million Baht in consolidated financial statements and 4 Million Baht in separate financial statements. The risks that the market price may be lower than costs from competitive international markets and fluctuations in local raw material prices were still apparent. The allowance is assessed and deemed as appropriate and sufficient by the management. The inventory turnover in 2016 was 38 days, a decrease from 42 days in 2015.
- Property, plant and equipment as at 31 December 2016 were 1,879 Million Baht, an increase of 212 Million Baht from the previous year. The Company and its subsidiaries' built facilities and purchased machines and equipment totaled 489 Million Baht and depreciation of 221 Million Baht. Sales of property, plant and equipment of 16 Million Baht. Transfers to investment properties of 32 Million Baht from leasing shrimp farms to third party, which was a three years lease agreement.

Liabilities

The Company and its subsidiaries' total liabilities as at 31 December 2016 were 1,148 Million Baht, an increase of 322 Million Baht or 39% from the previous year. The major changes in liabilities were as follows:

- Short-term loans from financial institutions as at 31 December 2016 were 227 Million Baht, an increase of 48 Million Baht. This is due to the Company and subsidiaries' needs of cash for liquidity management and raw material purchasing.
- Trade accounts payable as at 31 December 2016 were 179 Million Baht, a decrease of 7 Million Baht from the previous year. The average payment period in 2016 was 14 days when compare to 16 days in 2015
- Long-term loans from financial institutions (including the current portion of long-term loans from financial institutions) as at 31 December 2016 were 226 Million Baht, an increase of 201 Million Baht from the loans for one of the subsidiaries to build cold storage facilities and office building.
- Finance lease liabilities (including the current portion of finance lease liabilities) as at 31 December 2016 were 71 Million Baht, a decrease of 14 Million Baht from the payment in accordance with loan agreements

Equity

The Company and its subsidiaries' total equity as at 31 December 2016 were 2,446 Million Baht, an increase of 84 Million Baht or 3.6% from the previous year. The increase was due largely to profit for the year of 461 Million Baht, less dividends paid to owners of the Company amount 116 Million Baht and dividends of subsidiary paid to non-controlling interests of 236 Million Baht. Defined benefit plan actuarial losses, net of income tax of 18 Million Baht.

Liquidity

The Company and its subsidiaries' cash and cash equivalents as at 31 December 2016 were 675 Million Baht, an increase of 223 Million Baht from the previous year. The current investments amount 31 Million Baht to manage for higher returns than bank deposits. The Company managed funding and liquidity of the company in the satisfactory level. The liquidity ratios in 2016 are comparable to 2015. 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.

Financial Ratios	2016	2015
Debt to Equity Ratio (D/E)	0.5	0.3
Current Ratio	2.0	2.3
Cash Cycle (Days)	40	45
Interest Coverage	46.1	40.4

Conclusion

In 2016, the Company and its subsidiaries posted profit for the year of 461 Million Baht, an increase of 117 Million Baht from the previous year. The profit attributable to owners of the Company was 154 Million Baht. Basic earnings per share was 0.57 Baht. The Company has made continuous developments of current businesses and expansion into new businesses to maintain the competitiveness and sustain growth. The overall performance in 2016 is satisfactory.

The Company's Audit Committee consists of three Independent Directors namely Mr. Sathaporn Kotheeranurak; Chairman of Audit Committee, Mrs.Boonperm Jiamtiranart and Mr.Pisnu Rianmahasarn as the Committee whereas Mrs.Suree Nuntatikul, head of Internal Audit unit, serves as the secretary. All members are knowledgeable and have qualifications as required by the Audit Committee charter which is complied with the regulations and notifications of the regulatory organizations.

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 2016, there were 5 meetings of Audit Committee, one time meeting with external auditor without the Management. Audit Committee attended all 3 persons for all the meetings. Summary of the 2016 performance can be summarized as follow:

1. Financial Statement Review and Audit

There were meetings with 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 Board of Directors for approval. Besides, there was 1 time meeting without the Management to consult and seek advices from external auditor. Audit committee considered and viewed that financial statement as at December 31, 2016 is correct and adequate according to Generally-accepted Accounting Principles. Certified Auditor has operated and shown independent opinion on 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 compliance with Laws and Regulations

Operation review to ensure compliance with relevant business laws and regulations through the quarterly report from laws and regulations monitoring working committee under Risk Management Committee. Moreover, Internal Audit unit had regularly done the audit sampling. Audit Committee had an opinion that the Company has the adequate and proper monitoring system.

4. Related Transaction and Conflict of Interest Transaction Review

The Audit Committee gave an opinion that consideration of related transaction and conflict of interest transaction has 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

Audit Committee considered independence, scope of work, duty and responsibility of Internal Audit unit concordantly with international standard, reviewed internal auditor charter, considered the internal auditor's self-assessment, approved 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 unit including considering the appropriateness of head of Internal Audit's qualification. 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 Risk Management Committee's minutes of meeting quarterly. 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 2016

To appoint the Company's auditor, Audit Committee considered the reliability, working standard, independence, quality of works and services with satisfactory and efficient results. Audit Committee also considered the suitable auditing fee prior proposes to Board of Directors' Meeting and Shareholders' Meeting. Audit Committee recommended to appoint KPMG Phoomchai Audit Ltd. to be the Company's auditor for the year 2016.

8. Whistle-Blowing

In the year 2016, there is no whistle-blowing case to be submitted to Audit Committee for consideration as specified in the Company's Whistle-Blowing policy.

9. Annual Performance Assessment of Audit Committee for the year 2016

To ensure that Audit Committee performance is completely done as specified in charter of Audit Committee and complied with guideline from the Stock Exchange of Thailand. Audit Committee's overall assessment result is equivalent to very good level. The assessment result was submitted to Board of Directors meeting for their consideration.

In conclusion, Audit Committee viewed that Board of Directors, the Executives and staffs 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 Board of Directors' Responsibilities for Financial Reporting

Board of Directors of Surapon Foods Public Company Limited is responsible for the Company's financial statement which has been prepared in according with 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 financial statements. The Board has appointed 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 Audit Committee are reported in Audit Committee's report in the Company's annual report.

The Board assessed sufficiency of internal control system and views that internal control system of the Company presents accurately as well as transparent. The Board creates confidence on financial statements as at December 31, 2016.



Mr. Kosol Chantikul
Chairman



Mr. Surapon Vongvadhanaroj
Chairman of Executive Committee



Mr. Sorapon Vongvadhanaroj
Chief Executive Officer

Audit Fee

The Company's Certified Auditor in 2016 named Miss Orawan Sirirattanawong CPA No. 3757 of KPMG Phoomchai Audit Ltd. Actual payment of audit fee in 2016 is as follows:-

Auditor's Remuneration	Amount (Baht)
Audit Fee	
- Audit Fee for Surapon Foods PLC.	1,155,000
- Audit Fee for the Subsidiaries (7 companies)	1,614,000
Non Audit Fee	0

To the Shareholders of Surapon Foods Public Company Limited

Opinion

I have audited the 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 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comparing a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying 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 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to Notes 3(g) and 9 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has significant amount of inventories. The Group's products are frozen seafood and frozen foods which have a limited shelf life and are highly competitive in both domestic and export markets. The Group's main raw materials are mainly from agriculture and fisheries which are subject to impact from weather, environment, disaster, and plague. These factors affect the volatility and cost of main raw materials, selling price of products and valuation of inventories. As the Group's inventories are required to be measured at the lower of cost and net realisable value, therefore the Group considers the current selling price deducted with selling expense compared with cost of inventories. If net realisable value is lower than cost of inventories, the Group will record loss of inventories. The Group also considered net realisable value of nearly expired inventory items. The measurement and valuation of inventories involve a number of judgements of management. Therefore, I have determined the valuation of inventories to be a key audit matter.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> • inquiring the management regarding the Group's policy for provision for decline in value of inventories; • assessing the Group's policy used in making the estimation whether the method is in accordance with the Group's accounting policy; • gaining an understanding of internal control process relating to the inventory management and observing physical count of inventories including inspecting the inventories condition to identify expired items; • considering the slow-moving inventories by evaluating the aged analysis report of inventories whether it is complete and accurate and reconciled it to the inventory report. Test sampling to recalculate aging inventories report by checking with supporting documents whether inventories is categorised in proper age range; • testing on a sample basis to assess the adequacy of measurement net realisable value of slow-moving inventories by comparing provision for decline in value of expired inventories with historical information, distribution plan and marketing factor which affects the selling price of the products; • testing sample to assess net realisable value by comparing the expected selling prices with subsequent documents after the year end or price list and distribution plan. Including considering the estimation of selling expenses with supporting documents and historical information; and • evaluating the adequacy of disclosures in relation to inventories in the financial statements.

Recoverability of deferred tax assets on tax losses carried forward

Refer to Notes 3(u) and 17 to the financial statements

The key audit matter	How the matter was addressed in the audit
<p>The Group has recognised deferred tax assets from tax losses carried forward as at 31 December 2016 of Baht 24.1 million for the Group and Baht 11.5 million for the Company. The recoverability of these amounts of Baht 24.1 million for the Group and Baht 11.5 million for the Company involves management's judgements as to the likelihood of generating sufficient future taxable profit and ability of the Group and the Company to utilise those losses in the future to support the recognition of deferred tax assets.</p>	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none">• inquiring management who is responsible for the preparation of forecast future taxable profit of the Group;• reconciliation of the tax losses carry forward and expiry date with taxation report;• assessing and challenging management's judgements and assumptions relating to forecast future taxable profit by considering historical forecasting accuracy, comparing with actual performance and operation plan including my knowledge of the Group, the Group's industry and the sensitivities of forecast future taxable profit and evaluate the reasonableness of the forecast future taxable profit prepared by management;• recalculating the mathematical of the forecast; and• evaluating the adequacy of the financial statements disclosures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Orawan Sirirattanawong)
Certified Public Accountant
Registration No. 3757

KPMG Phoomchai Audit Ltd.
Bangkok
20 February 2017

Statement of financial position

Surapon Foods Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
(in Baht)					
Current assets					
Cash and cash equivalents	5	674,623,242	451,595,572	15,144,380	62,882,434
Current investments	6	31,151,155	109,303,611	1,199,600	45,315,251
Trade accounts receivable	4, 7	226,729,382	260,350,616	95,691,765	121,585,175
Other receivables	4, 8	64,269,272	34,668,326	11,575,197	8,458,856
Dividend receivable	4	-	-	14,240,513	18,987,350
Inventories	9	492,551,854	511,615,114	235,193,897	270,497,685
Total current assets		1,489,324,905	1,367,533,239	373,045,352	527,726,751
Non-current assets					
Investments in associates	4, 10	23,299,012	23,458,595	17,550,000	17,550,000
Investments in subsidiaries	4, 11	-	-	730,477,375	444,277,974
Other long-term investments	13	-	-	-	-
Investment properties	14	125,261,795	94,915,571	5,000,000	5,000,000
Property, plant and equipment	15	1,879,316,951	1,667,549,987	445,072,996	540,311,253
Intangible assets	16	13,133,526	8,773,068	2,775,504	4,070,211
Deferred tax assets	17	16,774,521	19,744,590	-	-
Other non-current assets	18	46,786,232	5,759,341	5,489,317	3,528,334
Total non-current assets		2,104,572,037	1,820,201,152	1,206,365,192	1,014,737,772
Total assets		3,593,896,942	3,187,734,391	1,579,410,544	1,542,464,523

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		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
(in Baht)					
Current liabilities					
Short-term loans from financial institutions	19	227,000,000	179,000,000	30,000,000	-
Trade accounts payable	4, 20	178,259,681	184,852,797	53,917,561	61,091,065
Other payables	4, 21	228,556,373	164,554,100	79,008,811	66,384,807
Current portion of long-term loans					
from financial institutions	19	30,576,000	25,706,700	576,000	3,000,000
Loan from an associate	4, 19	5,000,000	-	-	-
Current portion of finance lease liabilities	19	32,407,445	31,854,447	6,382,083	1,418,680
Income tax payable		33,061,629	16,409,309	-	-
Total current liabilities		734,861,128	602,377,353	169,884,455	131,894,552
Non-current liabilities					
Long-term loans from financial institutions	19	195,868,000	-	868,000	-
Finance lease liabilities	19	38,414,071	53,071,898	14,511,613	3,938,516
Deferred tax liabilities	17	55,588,160	60,385,875	23,971,393	27,035,996
Employee benefit obligations	22	122,806,762	109,529,752	53,387,724	64,381,276
Total non-current liabilities		412,676,993	222,987,525	92,738,730	95,355,788
Total liabilities		1,147,538,121	825,364,878	262,623,185	227,250,340
Equity					
Share capital	23				
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	23				
Premium on ordinary shares		270,000,000	270,000,000	270,000,000	270,000,000
Retained earnings					
Appropriated					
Legal reserve	24	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		949,909,887	922,027,833	562,343,289	542,357,039
Other components of equity		297,595,164	304,988,652	187,445,070	205,858,144
Equity attributable to owners					
of the Company		1,814,504,051	1,794,015,485	1,316,787,359	1,315,214,183
Non-controlling interests	12	631,854,770	568,354,028	-	-
Total equity		2,446,358,821	2,362,369,513	1,316,787,359	1,315,214,183
Total liabilities and equity		3,593,896,942	3,187,734,391	1,579,410,544	1,542,464,523

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

Statement of comprehensive income

Surapon Foods Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
Income					
Revenue from sale of goods	4, 25, 34	5,714,832,767	5,006,990,367	1,489,010,365	1,596,500,709
Revenue from rendering of services	34	6,307,158	-	-	-
Net foreign exchange gain		28,714,855	34,869,311	697,943	3,182,635
Investment income	4, 26	9,172,169	11,875,984	241,235,043	179,118,384
Other income	4, 27	69,135,163	67,722,973	48,962,186	32,205,947
Total income		5,828,162,112	5,121,458,635	1,779,905,537	1,811,007,675
Expenses					
Cost of sale of goods	4	4,773,582,073	4,326,429,590	1,379,742,854	1,405,559,013
Cost of rendering of services		19,947,434	-	-	-
Selling expenses	4, 28	278,073,664	251,125,301	148,781,382	130,400,203
Administrative expenses	4, 29	209,659,316	163,038,739	133,551,512	107,504,380
Finance costs	32	11,858,825	9,466,610	517,475	755,749
Total expenses		5,293,121,312	4,750,060,240	1,662,593,223	1,644,219,345
Share of profit (loss) of associates	4, 10	(159,587)	494,301	-	-
Profit before income tax expense		534,881,213	371,892,696	117,312,314	166,788,330
Income tax benefit (expense)	33	(73,642,048)	(27,606,382)	(2,026,278)	2,121,940
Profit for the year		461,239,165	344,286,314	115,286,036	168,910,270
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Revaluation surplus, net of income tax	15	(7,207,336)	61,026,849	-	38,084,000
Defined benefit plan actuarial losses, net of income tax	22, 33	(17,666,341)	(15,448,449)	(1,950,457)	(14,151,010)
		(24,873,677)	45,578,400	(1,950,457)	23,932,990
Items that are or may be reclassified to profit or loss					
Fair value changes in available-for-sale investments, net of income tax		(384,678)	(3,543,112)	(212,881)	(3,719,873)
Other comprehensive income for the year, net of income tax		(25,258,355)	42,035,288	(2,163,338)	20,213,117
Total comprehensive income for the year		435,980,810	386,321,602	113,122,698	189,123,387
Profit attributable to:					
Owners of the Company		154,481,548	171,983,999	115,286,036	168,910,270
Non-controlling interests	12	306,757,617	172,302,315	-	-
Profit for the year		461,239,165	344,286,314	115,286,036	168,910,270
Total comprehensive income attributable to:					
Owners of the Company		136,588,136	205,563,845	113,122,698	189,123,387
Non-controlling interests		299,392,674	180,757,757	-	-
Total comprehensive income for the year		435,980,810	386,321,602	113,122,698	189,123,387
Basic earnings per share	35	0.57	0.64	0.43	0.63

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

Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

Year ended 31 December 2015												
Balance at 1 January 2015		269,999,000	270,000,000	27,000,000	838,351,878	252,058,393	3,942,099	256,000,492	1,661,351,370	472,468,609	2,133,819,979	
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the Company</i>												
Dividends to owners of the Company	36	-	-	-	(72,899,730)	-	-	-	(72,899,730)	-	(72,899,730)	
<i>Total distributions to owners of the Company</i>		-	-	-	(72,899,730)	-	-	-	(72,899,730)	-	(72,899,730)	
<i>Changes in ownership interests in subsidiaries</i>												
Acquisition of shares of subsidiary from non-controlling interests		-	-	-	-	-	-	-	-	(744,188)	(744,188)	
Dilution of the Company's interest in a subsidiary without a change in control		-	-	-	-	-	-	-	-	75,000,000	75,000,000	
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(159,128,150)	(159,128,150)	
<i>Total changes in ownership interests in subsidiaries</i>		-	-	-	-	-	-	-	-	(84,872,338)	(84,872,338)	
<i>Total transactions with owners, recorded directly in equity</i>		-	-	-	(72,899,730)	-	-	-	(72,899,730)	(84,872,338)	(157,772,068)	
<i>Comprehensive income for the year</i>												
Profit		-	-	-	171,983,999	-	-	-	171,983,999	172,302,315	344,286,314	
Other comprehensive income		-	-	-	(15,408,314)	52,575,432	(3,587,272)	48,988,160	33,579,846	8,455,442	42,035,288	
<i>Total comprehensive income for the year</i>		-	-	-	156,575,685	52,575,432	(3,587,272)	48,988,160	205,563,845	180,757,757	386,321,602	
Balance at 31 December 2015		269,999,000	270,000,000	27,000,000	922,027,833	304,633,825	354,827	304,988,652	1,794,015,485	568,354,028	2,362,369,513	

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

Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

Consolidated financial statements											
			Retained earnings					Other components of equity			
			Share premium	Legal reserve	Unappropriated	Revaluation surplus	Fair value changes in available-for-sale investments <i>(in Baht)</i>	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Note	Issued and paid-up share capital										
Year ended 31 December 2016		269,999,000	270,000,000	27,000,000	922,027,833	304,633,825	354,827	304,988,652	1,794,015,485	568,354,028	2,362,369,513
Balance at 1 January 2016											
Transactions with owners, recorded directly in equity											
<i>Distributions to owners of the Company</i>											
Dividends to owners of the Company	36	-	-	-	(116,099,570)	-	-	-	(116,099,570)	-	(116,099,570)
<i>Total distributions to owners of the Company</i>		-	-	-	(116,099,570)	-	-	-	(116,099,570)	-	(116,099,570)
<i>Changes in ownership interests in subsidiaries</i>											
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(235,891,932)	(235,891,932)
<i>Total changes in ownership interests in subsidiaries</i>		-	-	-	-	-	-	-	-	(235,891,932)	(235,891,932)
Total transactions with owners, recorded directly in equity		-	-	-	(116,099,570)	-	-	-	(116,099,570)	(235,891,932)	(351,991,502)
<i>Comprehensive income for the year</i>											
Profit		-	-	-	154,481,548	-	-	-	154,481,548	306,757,617	461,239,165
Other comprehensive income		-	-	-	(10,499,924)	(7,052,825)	(340,663)	(7,393,488)	(17,893,412)	(7,364,943)	(25,258,355)
<i>Total comprehensive income for the year</i>		-	-	-	143,981,624	(7,052,825)	(340,663)	(7,393,489)	136,588,136	299,392,674	435,980,810
Balance at 31 December 2016		269,999,000	270,000,000	27,000,000	949,909,887	297,581,000	14,164	297,595,164	1,814,504,051	631,854,770	2,446,358,821

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				Total equity
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Revaluation surplus	Fair value changes in available-for-sale investments	Total other components of equity	
Year ended 31 December 2015									
Balance at 1 January 2015		269,999,000	270,000,000	27,000,000	460,497,509	167,552,304	3,941,713	171,494,017	1,198,990,526
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Dividends to owners of the Company	36	-	-	-	(72,899,730)	-	-	-	(72,899,730)
<i>Total distributions to owners of the Company</i>		-	-	-	(72,899,730)	-	-	-	(72,899,730)
Total transactions with owners, recorded directly in equity		-	-	-	(72,899,730)	-	-	-	(72,899,730)
Comprehensive income for the year									
Profit		-	-	-	168,910,270	-	-	-	168,910,270
Other comprehensive income		-	-	-	(14,151,010)	38,084,000	(3,719,873)	34,364,127	20,213,117
<i>Total comprehensive income for the year</i>		-	-	-	154,759,260	38,084,000	(3,719,873)	34,364,127	189,123,387
Balance at 31 December 2015		269,999,000	270,000,000	27,000,000	542,357,039	205,636,304	221,840	205,858,144	1,315,214,183

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	Revaluation surplus	Fair value changes in available-for-sale investments	Total other components of equity
(in Baht)								
Year ended 31 December 2016								
Balance at 1 January 2016		269,999,000	270,000,000	27,000,000	542,357,039	205,636,304	221,840	205,858,144
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	36	-	-	-	(116,099,570)	-	-	-
Total distributions to owners of the Company		-	-	-	(116,099,570)	-	-	-
Total transactions with owners, recorded directly in equity		-	-	-	(116,099,570)	-	-	-
Transfer of revaluation surplus on assets sold	15	-	-	-	22,750,241	(18,200,193)	-	(18,200,193)
Comprehensive income for the year								
Profit		-	-	-	115,286,036	-	-	-
Other comprehensive income		-	-	-	(1,950,457)	-	(212,881)	(212,881)
Total comprehensive income for the year		-	-	-	113,335,579	-	(212,881)	(212,881)
Balance at 31 December 2016		269,999,000	270,000,000	27,000,000	562,343,289	187,436,111	8,959	187,445,070

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	
Note	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	461,239,165	344,286,314	115,286,036	168,910,270
<i>Adjustments for</i>				
Depreciation	221,764,473	214,860,393	50,310,732	50,240,778
Amortisation	2,931,011	3,440,599	1,766,549	2,628,107
Reversal of impairment loss on investment properties	-	(1,959,948)	-	-
Dividend income	-	-	(240,107,463)	(170,871,850)
Employee benefits	14,597,276	10,388,125	6,922,497	5,417,700
Finance costs	11,858,825	9,466,610	517,475	755,749
Allowance for impairment losses of investments in subsidiaries	-	177,300	-	7,503,749
Allowance for decline in value of inventories	2,227,801	5,519,110	1,431,164	1,039,219
Unrealised loss (gain) on exchange rate	(9,850,115)	16,560,129	(1,010,889)	977,469
Gain on disposal and written-off property, plant and equipment	(4,164,645)	(464,826)	(8,257,446)	(58,597)
Written-off withholding tax	-	807,597	-	801,566
Share of loss (profit) of associates	159,587	(494,301)	-	-
Income tax expense (benefit)	73,642,048	27,606,382	2,026,278	(2,121,940)
	774,405,426	630,193,484	(71,115,067)	65,222,220
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	33,896,455	1,380,393	25,938,036	12,551,179
Other receivables	(56,056,393)	8,412,909	(2,023,088)	5,160,921
Inventories	16,835,459	(32,460,214)	33,872,624	(16,084,693)
Other non-current assets	8,028,613	4,322,884	448,610	(778,814)
Trade accounts payable	(6,223,559)	(13,081,147)	(7,185,601)	(17,889,757)
Other payables	12,496,548	(28,534,889)	5,978,283	(18,256,464)
Employee benefit obligations paid	(23,403,192)	(10,628,526)	(20,354,120)	(4,167,540)
Cash generated from (used in) operating activities	759,979,357	559,604,894	(34,440,323)	25,757,052
Income taxes paid	(54,740,960)	(23,608,868)	(2,202,925)	-
Net cash from (used in) operating activities	705,238,397	535,996,026	(36,643,248)	25,757,052

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

Statement of cash flows

Surapon Foods Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2016	2015	2016	2015
<i>(in Baht)</i>					
Cash flows from investing activities					
Dividends received		-	-	244,854,300	151,884,500
Purchase of current investments		(196,900,000)	(325,000,000)	(167,000,000)	(165,000,000)
Sale of current investments		274,571,610	408,763,468	210,849,552	312,520,393
Purchase of property, plant and equipment		(428,528,548)	(340,375,065)	(68,460,236)	(46,028,340)
Sales of property, plant and equipment		19,823,157	4,066,382	145,210,810	1,102,385
Cash outflow on acquisition of subsidiaries		-	(744,188)	(286,199,401)	(224,744,688)
Cash inflow on disposal of subsidiaries		-	500	-	500
Purchase of intangible assets		(7,058,792)	(538,270)	(242,445)	(280,800)
Net cash from (used in) investing activities		(338,092,573)	(253,827,173)	79,012,580	29,453,950
Cash flows from financing activities					
Finance costs paid		(8,448,751)	(10,567,135)	(71,681)	(757,681)
Dividends paid to owners of the Company		(116,099,570)	(72,899,730)	(116,099,570)	(72,899,730)
Dividends paid to non-controlling interests		(235,133,050)	(158,115,500)	-	-
Increase (decrease) in short-term loans					
from financial institutions		48,000,000	(23,292,590)	30,000,000	-
Loan from an associate		5,000,000	-	-	-
Finance lease payments		(38,174,682)	(37,900,105)	(2,380,135)	(1,754,249)
Proceed from long-term loans					
from financial institutions		226,444,000	-	1,444,000	-
Repayment of long-term loans					
from financial institutions		(25,706,700)	(53,468,650)	(3,000,000)	(6,000,000)
Acquisition of non-controlling interests		599	74,999,500	-	-
Net cash used in financing activities		(144,118,154)	(281,244,210)	(90,107,386)	(81,411,660)
Net increase (decrease) in cash and cash equivalents		223,027,670	924,643	(47,738,054)	(26,200,658)
Cash and cash equivalents at 1 January		451,595,572	450,670,929	62,882,434	89,083,092
Cash and cash equivalents at 31 December	5	674,623,242	451,595,572	15,144,380	62,882,434

Non-cash transactions:

During the year 2016, the Group acquired property, plant and equipment at total cost of Baht 494.5 million (2015: Baht 355.4 million) of which Baht 428.5 million was made by cash payment (2015: Baht 340.4 million), Baht 18.4 million was made by finance lease agreements (2015: Baht 3.9 million), and Baht 47.6 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2016 (2015: Baht 11.1 million).

During the year 2016, the Company acquired plant and equipment at total cost of Baht 92.0 million (2015: Baht 54.0 million) of which Baht 68.5 million was made by cash payment (2015: Baht 46.0 million), Baht 17.4 million was made by finance lease agreements (2015: Baht 3.9 million), and Baht 6.1 million was outstanding as payable for purchases of machinery and equipment as at 31 December 2016 (2015: Baht 4.1 million).

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

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

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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 authorised for issue by the Board of Directors on 20 February 2017.

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, Teparak Road, Tambon Teparak, Amphur Muang, Samutprakarn Province
- (b) Factory 1 : 247 Moo 1, Teparak Road, Tambon Teparak, Amphur Muang, Samutprakarn Province
- (c) Factory 2 : 509 Moo 9, Kabinburi-Korat Road, Tambon 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 2016 and 2015 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 new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial 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 has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 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 41.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investment	Fair value
Land	Revaluation
Defined benefit liability	Present value of the defined benefit obligations as explained in note 3 (p)

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company'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 judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 11 Consolidation: whether the Group has de facto control over an investee

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 15 Measurement of land

Note 17 Recognition of deferred tax assets : availability of future taxable profit against which tax losses carried forward can be used

Note 22 Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 14	Investment property;
Note 15	Measurement of land; and
Note 37	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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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 respective functional currencies of Group entities at exchange rates at 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.

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.

Foreign currency differences are generally recognised in profit or loss.

(c) *Derivative financial instruments*

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

(d) *Hedging*

Hedge of foreign currency

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

(e) Cash and cash equivalents

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

Deposits at financial institution that have a restriction of use are presented separately as “Restricted fixed deposits at financial institution” 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 measured at the lower of cost and net realisable value.

Raw materials, packing materials and supplies are calculated using first-in, first-out method. Work in progress and finished goods are calculated using 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 mutual fund and equity securities

Investments in mutual fund which are marketable 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, are recognised directly in equity. Impairment losses 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.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Machinery and equipment and transportation 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. Upon disposal of a revalued asset, any 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 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 stated at cost.

(o) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(p) *Employee benefits*

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits 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. Remeasurements are recognized in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(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 ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

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

(v) *Earnings per share*

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

(w) *Segment reporting*

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

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	Thai	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 Suco 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.
Nichirei Suco Vietnam Company Limited	Vietnam	Shareholding by Nichirei Foods Inc.
SCG Nichirei Logistics 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
Interest income and expense	Based on interest rate of bank
Dividend income	The declared amount
Management, selling and marketing assistance income	Contractually agreed prices
Technical assistance fee	Contractually agreed prices
Management assistance fee	Contractually agreed prices
Marketing support fee	Contractually agreed prices
Key management personnel compensation	As defined by the Nomination and Remuneration Committee and the Company's policy

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
Subsidiaries				
Sale of goods	-	-	20,367	6,147
Interest income	-	-	-	1,533
Dividend income	-	-	240,108	170,872
Management, selling and marketing assistance income	-	-	21,602	17,621

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Purchases of raw materials and goods	-	-	277,456	350,590
Subsidiaries				
Sale of property, plant and equipment	-	-	131,033	-
Associates				
Shares of profits (loss) of associates	(159)	494	-	-
Interest expense	47	-	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	47,129	44,316	44,669	41,861
Post-employment benefits	290	194	290	194
Total key management personnel compensation	47,419	44,510	44,959	42,055
Other related parties				
Sale of goods	4,013,824	3,448,559	159,157	166,099
Purchases of raw materials and goods	45,923	54,487	-	-
Technical assistance fee	18,478	15,413	-	-
Management assistance fee	4,917	4,312	-	-

In February and July 2016, a subsidiary (Surapon Nichirei Foods Company Limited) declared the payment of dividends totaling Baht 461.0 million (2015: Baht 310.0 million). Such dividend was paid to the Company of Baht 225.9 million (2015: Baht 151.9 million) and non-controlling interests of Baht 235.1 million (2015: Baht 158.1 million) in March, August and September 2016.

In December 2016, a subsidiary (Surat Seafoods Company Limited) declared the payment of dividends totaling Baht 15.0 million (2015: Baht 20.0 million). Such dividend will be paid to the Company of Baht 14.2 million (2015: Baht 18.9 million), and non-controlling interests of Baht 0.8 million (2015: Baht 1.1 million) in April 2017. Therefore, such dividend has been presented in the statement of financial position as at 31 December 2016 and 2015 under “Dividend receivable”.

As at 31 December 2016, the Company had commitments for the purchase of investments of a subsidiary (Chantaburi Marine Farm Company Limited) which has not yet been called-up totaling Baht 6.8 million.

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

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surat Seafoods Company Limited	-	-	119	1,390
Mobile Logistics Company Limited	-	-	10	-
	-	-	129	1,390
Other related parties				
Nichirei Foods Inc.	95,225	127,236	4,494	3,730
Nichirei Australia Pty, Ltd.	3,338	9,529	3,338	9,529
	98,563	136,765	7,832	13,259
Total	98,563	136,765	7,961	14,649

Other receivables from related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surapon Nichirei Foods Company Limited	-	-	2,208	541
Surat Seafoods Company Limited	-	-	697	736
Surapon Supreme Foods Company Limited (Formerly “Punpin Company Limited”)	-	-	445	-
Mobile Logistic Company Limited	-	-	141	3
Total	-	-	3,491	1,280

Dividend receivable from related party

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiary				
Surat Seafoods Company Limited	-	-	14,241	18,987
Total	-	-	14,241	18,987

Trade accounts payable to related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Surapon Nichirei Foods Company Limited	-	-	3,221	3,251
Surat Seafoods Company Limited	-	-	2,191	5,672
	-	-	5,412	8,923
Other related party				
Nichirei Foods Inc.	4,892	12,525	-	-
Total	4,892	12,525	5,412	8,923

Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Mobile Logistic Company Limited	-	-	622	-
Surapon Aquaculture Company Limited	-	-	-	1
	-	-	622	1
Other related parties				
Nichirei Foods Inc.	23,218	19,992	-	-
SCG Nichirei Logistics Company Limited	35	-	-	-
	23,253	19,992	-	-
Total	23,253	19,992	622	1

<i>Loan from related party</i>		Consolidated financial statements		Separate financial statements	
	Interest rate (% per annum)	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Associate					
At call					
At 1 January		-	-	-	-
Increase	2.25	5,000	-	-	-
At 31 December		5,000	-	-	-

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 countries in North America area.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	239	241	100	100
Cash at banks - current accounts	38,609	37,037	2,055	2,851
Cash at banks - savings accounts	127,069	103,522	12,989	59,931
Highly liquid short-term investments	508,706	310,796	-	-
Total	674,623	451,596	15,144	62,882

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
Thai Baht (THB)	674,600	451,570	15,123	62,859
United States Dollars (USD)	21	23	20	22
Japanese Yen (JPY)	2	3	1	1
Total	674,623	451,596	15,144	62,882

6 Current investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
Current investments				
Investment in mutual fund	31,151	109,304	1,200	45,315
Total	31,151	109,304	1,200	45,315

Current investments of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Movements during the years ended 31 December of investment in mutual fund - available for sale were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
Investment in mutual fund				
At 1 January	109,304	197,496	45,315	197,486
Purchases during the year	196,900	325,000	167,000	165,000
Sales during the year	(274,572)	(408,763)	(210,849)	(312,521)
Valuation adjustment	(481)	(4,429)	(266)	(4,650)
At 31 December	31,151	109,304	1,200	45,315

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
			<i>(in thousand Baht)</i>		
Related parties	4	98,563	136,765	7,961	14,649
Other parties		128,866	124,286	88,431	107,636
		227,429	261,051	96,392	122,285
Less allowance for doubtful accounts		(700)	(700)	(700)	(700)
Net		226,729	260,351	95,692	121,585
Doubtful debts expenses for the year		-	-	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	98,217	136,587	7,961	14,649
Overdue:				
Less than 30 days	321	-	-	-
Over 30 days to 60 days	-	-	-	-
Over 60 days to 90 days	-	-	-	-
Over 90 days	25	178	-	-
	98,563	136,765	7,961	14,649
Less allowance for doubtful accounts	-	-	-	-
Net	98,563	136,765	7,961	14,649
Other parties				
Within credit terms	107,967	105,782	67,705	89,132
Overdue:				
Less than 30 days	20,370	18,092	20,197	18,092
Over 30 days to 60 days	239	223	239	223
Over 60 days to 90 days	12	10	12	10
Over 90 days	278	179	278	179
	128,866	124,286	88,431	107,636
Less allowance for doubtful accounts	(700)	(700)	(700)	(700)
Net	128,166	123,586	87,731	106,936
Net	226,729	260,351	95,692	121,585

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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	77,054	70,873	73,548	72,094
Japanese Yen (JPY)	79,468	140,930	7,810	28,837
United States Dollars (USD)	70,207	48,548	14,334	20,654
Total	226,729	260,351	95,692	121,585

8 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	3,491	1,280
Other parties					
Value added tax receivable		41,694	20,547	-	36
Forward contract receivable		9,804	93	984	-
Other accounts receivable, net		2,942	3,494	480	1,070
Advance payment for goods		2,861	2,502	2,861	2,502
Prepaid expenses		2,654	2,287	1,437	1,593
Accrued income		938	4,059	628	595
Others		3,376	1,686	1,694	1,383
Total		64,269	34,668	8,084	7,179
Total		64,269	34,668	11,575	8,459

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Finished goods	246,873	236,052	95,820	112,213
Work in progress	66,831	140,621	33,859	86,485
Raw materials	137,412	102,979	83,943	62,490
Packing materials and supplies	36,350	35,908	10,354	11,978
Goods in transit	15,317	4,059	15,317	-
Total	502,783	519,619	239,293	273,166
Less allowance for decline in value of inventories	(10,231)	(8,004)	(4,099)	(2,668)
Net	492,552	511,615	235,194	270,498
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	4,771,355	4,320,910	1,378,312	1,404,520
- Write-down to net realisable value	2,227	5,520	1,431	1,039
Net	4,773,582	4,326,430	1,379,743	1,405,559

10 Investments in associates

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
At 1 January		23,458	22,964	17,550	17,550
Share of net profit (loss) of investments - equity method	4	(159)	494	-	-
At 31 December		23,299	23,458	17,550	17,550

Share of net profit (loss) of investments – equity method was computed based on the financial statements of associates prepared by management.

Investments in associates as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

	Type of business	Country of incorporation	Consolidated financial statements										Dividend income					
			Ownership interest		Paid-up capital		Cost		Equity method		Impairment		At equity - net		2016		2015	
			2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
			(in thousand Baht)															
Associates																		
BIC Marine Resources Development Company Limited	Assets lessor and culturing prawn	Thailand	50	50	94,400	94,400	50,950	50,950	20,400	19,981	-	-	20,400	19,981	-	-	-	-
Independent Consultant Company Limited	Insurance consulting	Thailand	20	20	2,000	2,000	400	400	2,899	3,477	-	-	2,899	3,477	-	-	-	-
Total							51,350	51,350	23,299	23,458	-	-	23,299	23,458	-	-	-	-

Separate financial statements													
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
(in thousand Baht)													
Associates													
BIC Marine Resources Development Company Limited	Thailand	50	50	94,400	94,400	50,950	50,950	(33,800)	(33,800)	17,150	17,150	-	-
Independent Consultant Company Limited	Thailand	20	20	2,000	2,000	400	400	-	-	400	400	-	-
Total						51,350	51,350	(33,800)	(33,800)	17,550	17,550	-	-

None of the Group's associates are publicly listed and consequently do not have published price quotations.

Associates

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies:

	BJC Marine Resources Development Company Limited		Independent Consultant Company Limited	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Revenue	1,284	1,147	31,083	38,084
Profit (loss) from continuing operations	838	694	(2,880)	751
Total comprehensive income (100%)	838	694	(2,880)	751
Percentage hold	50	50	20	20
Group's share of total comprehensive income	418	347	(577)	150
Current assets	15,334	15,069	68,511	99,020
Non-current assets	26,200	26,024	17,762	18,711
Current liabilities	(734)	(699)	(66,336)	(94,776)
Non-current liabilities	-	(432)	(5,426)	(5,578)
Net assets (100%)	40,800	39,962	14,511	17,377
Percentage hold	50	50	20	20
Group's share of net assets	20,400	19,981	2,899	3,477
Carrying amount of interest in associates	20,400	19,981	2,899	3,477

11. Investments in subsidiaries

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	444,278	227,038
Increase of investments in subsidiaries	286,199	224,744
Allowance for impairment	-	(7,504)
At 31 December	730,477	444,278

On 7 April 2015, the Company acquired additional 2,625 shares of a subsidiary (Surat Seafoods Company Limited) from non-controlling interest at Baht 283.5 per share (net book value as at 31 March 2015), amounting to Baht 744,188. The ownership interest of the Company in Surat Seafoods Company Limited increased from 94% to 95%.

On 7 August 2015, a wholly-owned subsidiary (Mobile Logistics Company Limited) registered the increase of the share capital from Baht 1 million (10,000 shares, of Baht 100 par value) to Baht 300 million (3,000,000 shares, of Baht 100 par value). The Company paid up for additional share capital at par value totaling Baht 224 million (2,240,005 shares, of Baht 100 par value) on 5 August 2015. The remaining of the increased share capital of Baht 75 million was acquired by non-controlling interests. Therefore, the ownership interest of the Company in Mobile Logistic Company Limited was diluted from 100% to 75%.

On 10 November 2016, a wholly-owned subsidiary (Surapon Supreme Foods Company Limited (Formerly “Punpin Company Limited”)), call-up additional share capital from the Company amounting to Baht 29.8 million (600,000 shares, at Baht 49.75 per share). In addition, such subsidiary registered the increase of the share capital from Baht 60 million (600,000 shares, of Baht 100 par value) to Baht 286.4 million (2,863,500 shares, of Baht 100 par value). The Company paid up for the increase of share capital amounting to Baht 56.6 million (2,263,500 shares, of Baht 25 per share) in November 2016 and paid up the remaining of the increase share capital amounting to Baht 169.8 million (2,263,500 shares, of Baht 75 per share) in December 2016.

On 22 December 2016, the Company invested 100% shareholding in Surapon Finest Company Limited amounting to Baht 30 million (299,997 shares of Baht 100 per value).

Investments in subsidiaries as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

Type of business	Ownership interest (%)		Paid-up capital		Separate financial statements								
	2016		2015		Cost		Impairment		At cost - net		Dividend income		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
<i>(in thousand Baht)</i>													
Subsidiaries	Surapon Supreme Foods Company Limited (Formerly “Punpin Company Limited)	100	100	286,350	30,150	286,349	30,150	(18,692)	(18,692)	267,657	11,458	-	-
	Surapon Finest Company Limited	100	-	30,000	-	30,000	-	-	30,000	-	-	-	-
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	95	95	40,000	40,000	79,949	79,949	-	-	79,949	79,949	14,241	18,987	
Surapon Aquaculture Company Limited	95	95	21,250	21,250	201,740	201,740	(201,740)	(201,740)	-	-	-	-	
Mobile Logistics Company Limited	75	75	300,000	300,000	224,999	224,999	-	-	224,999	224,999	-	-	
Surapon Nichirei Foods Company Limited	49	49	100,000	100,000	49,065	49,065	-	-	49,065	49,065	225,867	151,885	
Total					867,710	1,153,909	(423,432)	(423,432)	730,477	444,278	240,108	170,872	

The Company has de facto control over Surapon Nichirei Foods Company Limited.

All subsidiaries were incorporated in Thailand.

12 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2016			
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations	Total
Non-controlling interest percentage	51			
Current assets	909,713			
Non-current assets	743,692			
Current liabilities	(450,353)			
Non-current liabilities	(104,074)			
Net assets	1,098,978			
Carrying amount of non-controlling interest	558,459	74,136	(740)	631,855
Revenue	4,007,984			
Profit	618,107			
Other comprehensive income	(13,793)			
Total comprehensive income	604,314			
Profit allocated to non-controlling interest	315,235	(7,737)	(740)	306,758
Other comprehensive income allocated to non-controlling interest	(7,035)	(330)	-	(7,365)
Cash flows from operating activities	793,095			
Cash flows from investing activities	(61,724)			
Cash flows from financing activities (dividends to non-controlling interest: Baht 235.1 million)	(520,822)			
Net increase in cash and cash equivalents	210,549			

	31 December 2015			
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations	Total
Non-controlling interest percentage	51			
Current assets	690,790			
Non-current assets	809,563			
Current liabilities	(431,215)			
Non-current liabilities	(113,474)			
Net assets	955,664			
Carrying amount of non-controlling interest	485,910	83,017	(573)	568,354
Revenue	3,424,863			
Profit	340,096			
Other comprehensive income	15,905			
Total comprehensive income	356,001			
Profit allocated to non-controlling interest	173,449	(574)	(573)	172,302
Other comprehensive income allocated to non-controlling interest	8,112	343	-	8,455
Cash flows from operating activities	520,026			
Cash flows from investing activities	(61,050)			
Cash flows from financing activities (dividends to non-controlling interest: Baht 158.1 million)	(425,534)			
Net increase in cash and cash equivalents	33,442			

13 Other long-term investments

Other long-term investments as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended were as follows:

Consolidated and separate financial statements													
Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	<i>(in thousand Baht)</i>												
Pure Refined Oil Company Limited	Palm oil producer	6.0	6.0	250,000	250,000	15,000	15,000	(15,000)	(15,000)	-	-	-	-
In Arm Group Company Limited	Shrimp farm	10.0	10.0	10,000	10,000	1,000	1,000	(1,000)	(1,000)	-	-	-	-
Shrimp Culture Research and Development Company Limited	Research and development	0.4	0.4	30,000	30,000	98	98	(98)	(98)	-	-	-	-
Total						16,098	16,098	(16,098)	(16,098)	-	-	-	-

14 Investment properties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Cost				
At 1 January	220,944	220,944	5,000	5,000
Transfers from property, plant and equipment	105,370	-	-	-
Disposals	(208)	-	-	-
At 31 December	326,106	220,944	5,000	5,000
Accumulated depreciation and impairment losses				
At 1 January	126,028	127,950	-	-
Depreciation charge for the year	1,390	38	-	-
Transfers from property, plant and equipment	73,599	-	-	-
Reversal of impairment loss	-	(1,960)	-	-
Disposals	(173)	-	-	-
At 31 December	200,844	126,028	-	-
Net book value				
At 1 January 2015		92,994		5,000
At 31 December 2015 and at 1 January 2016	94,916	94,916	5,000	5,000
At 31 December 2016	125,262		5,000	

Investment properties comprise a number of commercial properties, plant and equipment of prawn farm that are leased to third parties and land held for future project. Each of the leases contains an initial periods of 2 and 3 years. These agreements are effective until terminated by either party by giving advance written notice as prescribed in the agreements.

In 2016, a subsidiary's land, buildings, machinery and equipment of prawn farm are leased to third parties for a period of 3 years. The agreement is effective until terminated by either party by giving advance written notice as prescribed in the agreement. Such assets with net book value of Baht 40.8 million were transferred from property, plant and equipment to investment properties of Baht 31.8 million and reversed related revaluation surplus of land under other components of equity of Baht 9.0 million.

Investment properties as at 31 December 2016 and 2015 were revalued by General Valuation and Consultants Company Limited, a firm of independent professional valuer, at open market values on an existing use basis. The appraised value in September 2015 was Baht 161.9 million (2015: Baht 123.4 million) for the consolidated financial statements and Baht 8.5 million (2015: Baht 8.5 million) for the separate financial statements.

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the Group's investment property portfolio every three year basis.

The fair value measurement for investment property of Baht 161.9 million has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

15 Property, plant and equipment

	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Prawn pond and improvements	Consolidated financial statements (in thousand Baht)				Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Revaluation												
At 1 January 2015	484,182	-	-	-	-	-	-	-	-	-	-	484,182
Surplus on revaluation	76,284	-	-	-	-	-	-	-	-	-	-	76,284
Transfer from land at cost	15,647	-	-	-	-	-	-	-	-	-	-	15,647
At 31 December 2015												
At 1 January 2016	576,113	-	-	-	-	-	-	-	-	-	-	576,113
Transfers to investment properties	(29,491)	-	-	-	-	-	-	-	-	-	-	(29,491)
Reversal of surplus on revaluation	(9,009)	-	-	-	-	-	-	-	-	-	-	(9,009)
At 31 December 2016	537,613	-	-	-	-	-	-	-	-	-	-	537,613
Cost												
At 1 January 2015	58,934	598,526	213,891	23,858	1,896,884	270,191	54,897	196,301	11,499	3,324,981		
Additions	113,792	1,310	624	-	23,921	1,252	3,789	5,842	204,842	355,372		
Transfers	1,349	19,832	4,382	-	54,595	4,032	-	4,857	(89,047)	-		
Transfer to land at appraised value	(15,647)	-	-	-	-	-	-	-	-	(15,647)		
Disposals	-	(8,493)	(1,337)	-	(40,871)	(2,692)	(12,427)	(5,148)	-	(70,968)		
At 31 December 2015												
At 1 January 2016	158,428	611,175	217,560	23,858	1,934,529	272,783	46,259	201,852	127,294	3,593,738		
Additions	435	3,907	1,046	-	69,691	2,630	9,065	13,689	394,117	494,580		
Transfers	-	24,832	203,502	-	188,452	32,253	-	8,115	(463,125)	(5,971)		
Disposals	(97)	(6,403)	(771)	-	(77,252)	(6,407)	(8,354)	(4,941)	-	(104,225)		
Transfers to investment properties	(238)	(11,941)	-	(23,858)	(16,433)	(21,931)	(710)	(768)	-	(75,879)		
At 31 December 2016	158,528	621,570	421,337	-	2,098,987	279,328	46,260	217,947	58,286	3,902,243		

Consolidated financial statements

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 2015	250,360	-	-	-	-	-	-	-	250,360
Additions	47,605	-	-	-	-	-	-	-	47,605
At 31 December 2015 and 1 January 2016	297,965	-	-	-	-	-	-	-	297,965
Disposals	(48,720)	-	-	-	-	-	-	-	(48,720)
At 31 December 2016	249,245	-	-	-	-	-	-	-	249,245
Cost									
At 1 January 2015	11,502	213,242	109,358	513,433	68,961	14,032	56,370	4,212	991,110
Additions	-	945	257	9,434	1,161	3,084	1,401	37,700	53,982
Transfers	-	4,267	4,381	28,813	299	-	44	(37,804)	-
Disposals	-	(2,687)	(1,239)	(18,642)	(1,277)	(3,190)	(900)	-	(27,935)
At 31 December 2015 and 1 January 2016	11,502	215,767	112,757	533,038	69,144	13,926	56,915	4,108	1,017,157
Additions	-	2,158	445	33,407	2,080	1,600	3,572	48,764	92,026
Transfers	-	9,777	-	35,148	276	-	384	(45,585)	-
Disposals	(97)	(98,208)	(25,568)	(133,920)	(33,911)	(5)	(6,244)	-	(297,953)
At 31 December 2016	11,405	129,494	87,634	467,673	37,589	15,521	54,627	7,287	811,230

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
Accumulated depreciation Cost									
At 1 January 2015	9,150	160,788	85,185	384,516	52,846	10,287	48,691	-	751,463
Depreciation charge for the year	350	8,428	2,932	31,081	2,684	1,244	3,521	-	50,240
Disposals	-	(2,603)	(1,239)	(17,685)	(1,277)	(3,190)	(898)	-	(26,892)
At 31 December 2015 and 1 January 2016	9,500	166,613	86,878	397,912	54,253	8,341	51,314	-	774,811
Depreciation charge for the year	206	8,237	2,827	32,203	2,665	1,420	2,752	-	50,310
Disposals	(84)	(66,659)	(19,966)	(89,803)	(27,191)	(5)	(6,011)	-	(209,719)
At 31 December 2016	9,622	108,191	69,739	340,312	29,727	9,756	48,055	-	615,402
Net book value									
At 1 January 2015	252,712	52,454	24,173	127,885	16,115	1,364	7,679	4,212	486,594
Owned assets	-	-	-	1,032	-	2,381	-	-	3,413
Assets under finance leases	252,712	52,454	24,173	128,917	16,115	3,745	7,679	4,212	490,007
At 31 December 2015 and 1 January 2016	299,967	49,154	25,879	133,557	14,891	1,080	5,601	4,108	534,237
Owned assets	-	-	-	1,569	-	4,505	-	-	6,074
Assets under finance leases	299,967	49,154	25,879	135,126	14,891	5,585	5,601	4,108	540,311
At 31 December 2016	251,028	21,303	17,895	110,765	7,862	847	6,572	7,287	423,559
Owned assets	-	-	-	16,596	-	4,918	-	-	21,514
Assets under finance leases	251,028	21,303	17,895	127,361	7,862	5,765	6,572	7,287	445,073

The land stated at appraised value is detailed as follows:

Company	Latest appraised year	Revaluation method	Consolidated financial statements		Separate financial statements	
			Appraised value	Cost model	Appraised value	Cost model
			(in thousand Baht)			
Surapon Foods Public Company Limited	2015	Market comparison method	249,245	14,950	249,245	14,950
Surat Seafood Company Limited	2015	Market comparison method	16,000	1,546	-	-
Surapon Nichirei Foods Company Limited	2015	Market comparison method	223,648	43,765	-	-
Surapon Supreme Foods Company Limited (Formerly “Punpin Company Limited”)	2015	Market comparison method	48,720	25,970	-	-
			537,613	86,231	249,245	14,950

During the year 2015, the value of the Group’s land was reappraised by General Valuation and Consultants Company Limited, an independent professional valuer, by applying market comparison approach as shown in the appraiser’s reports dated during 20 to 28 August 2015. The Group recorded its land at the reappraised value, with a revaluation surplus of land net of income tax for the Group and the Company amounting to Baht 61.0 million and Baht 38.1 million, respectively, in the account “Revaluation surplus”, under other components of equity under “Equity” in the statement of financial position.

In December 2016, the Company sold land, buildings, machinery and equipment located at Kabinburi factory which has appraisal value amounting to Baht 123.7 million to Surapon Supreme Foods Company Limited (formerly “Punpin Company Limited”), a subsidiary, at a selling price of Baht 131.0 million. A gain on sale of Baht 7.3 million was recorded in the statement of comprehensive income for the year ended 31 December 2016 and revaluation surplus of assets sold amounting to Baht 22.8 million was transferred directly to retain earnings.

The gross carrying amount of fully depreciated plant and equipment that was still in use as at 31 December 2016 amounted to Baht 1,519.6 million for the Group and Baht 434.9 million for the Company (2015: Baht 1,591.7 million for the Group and Baht 559.7 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 19).

Measurement of fair value

Fair value hierarchy

The fair value of land was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the Group's land portfolio every three year basis.

The fair value measurement for land of Baht 537.6 million has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

16 Intangible assets

	Consolidated financial statements Computer software (in thousand Baht)
<i>Cost</i>	
At 1 January 2015	35,480
Additions	538
At 31 December 2015 and 1 January 2016	36,018
Additions	1,088
Transfers from assets under construction and installation	5,971
At 31 December 2016	43,077
<i>Accumulated amortisation</i>	
At 1 January 2015	24,034
Amortisation charge for the year	3,211
At 31 December 2015 and 1 January 2016	27,245
Amortisation charge for the year	2,699
At 31 December 2016	29,944
<i>Net book value</i>	
At 1 January 2015	11,446
At 31 December 2015 and 1 January 2016	8,773
At 31 December 2016	13,133

	Separate financial statements Computer software (in thousand Baht)
Cost	
At 1 January 2015	26,968
Additions	281
At 31 December 2015 and 1 January 2016	27,249
Additions	242
At 31 December 2016	27,491
Accumulated amortisation	
At 1 January 2015	20,780
Amortisation charge for the year	2,399
At 31 December 2015 and 1 January 2016	23,179
Amortisation charge for the year	1,537
At 31 December 2016	24,716
Net book value	
At 1 January 2015	6,188
At 31 December 2015 and 1 January 2016	4,070
At 31 December 2016	2,775

17 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	(in thousand Baht)			
Total	53,058	51,886	(91,872)	(92,527)
Set off of tax	(36,284)	(32,141)	36,284	32,141
Deferred tax assets (liabilities)	16,774	19,745	(55,588)	(60,386)

	Separate financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	(in thousand Baht)			
Total	23,210	24,572	(47,181)	(51,608)
Set off of tax	(23,210)	(24,572)	23,210	24,572
Deferred tax liabilities	-	-	(23,971)	(27,036)

Movements in deferred tax assets and liabilities during the years ended 31 December 2016 and 2015 were as follows:

	Consolidated financial statements		
	(Charged) / Credited to:		At 31 December 2016
	At 1 January 2016	Profit or loss Other comprehensive income	
		(in thousand Baht)	
Deferred tax assets			
Trade accounts receivable (allowance for doubtful accounts)	140	-	140
Other receivables (allowance for doubtful accounts)	63	4	67
Inventories (allowance for decline in value)	666	788	1,454
Property, plant and equipment (impairment losses)	4,491	-	4,491
Property, plant and equipment (depreciation gap)	236	-	236
Employee benefit obligations	19,045	(842)	22,619
Unrealised loss on derivative	264	(264)	-
Tax loss carry forward	26,981	(2,930)	24,051
Total	51,886	(3,244)	53,058
Deferred tax liabilities			
Available-for-sale investments (valuation adjustment)	(100)	-	(4)
Property, plant and equipment (depreciation gap)	(331)	34	(297)
Property, plant and equipment (revaluation)	(92,078)	-	(90,276)
Unrealised gain on derivative	(18)	(1,277)	(1,295)
Total	(92,527)	(1,243)	(91,872)
Net	(40,641)	(4,487)	(38,814)

Consolidated financial statements

(Charged) / Credited to:

	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable <i>(allowance for doubtful accounts)</i>	140	-	-	140
Other receivables <i>(allowance for doubtful accounts)</i>	63	-	-	63
Inventories <i>(allowance for decline in value)</i>	411	255	-	666
Property, plant and equipment <i>(impairment losses)</i>	4,883	(392)	-	4,491
Property, plant and equipment <i>(depreciation gap)</i>	-	236	-	236
Employee benefit obligations	15,205	(28)	3,868	19,045
Unrealised loss on derivative	9	255	-	264
Tax loss carry forward	28,914	(1,933)	-	26,981
Total	49,625	(1,607)	3,868	51,886
Deferred tax liabilities				
Available-for-sale investments <i>(valuation adjustment)</i>	(986)	-	886	(100)
Property, plant and equipment <i>(depreciation gap)</i>	(220)	(111)	-	(331)
Property, plant and equipment <i>(revaluation)</i>	(76,822)	-	(15,256)	(92,078)
Unrealised gain on derivative	(1,747)	1,729	-	(18)
Total	(79,775)	1,618	(14,370)	(92,527)
Net	(30,150)	11	(10,502)	(40,641)

	At 1 January 2016	Separate financial statements (Charged) / Credited to:			At 31 December 2016
		Profit or loss	Other comprehensive income	Equity	
		(in thousand Baht)			
Deferred tax assets					
Trade accounts receivable (allowance for doubtful accounts)	140	-	-	-	140
Other receivables (allowance for doubtful accounts)	63	4	-	-	67
Inventories (allowance for decline in value)	502	316	-	-	818
Employee benefit obligations	12,316	(2,139)	487	-	10,664
Unrealised loss on derivative	204	(204)	-	-	-
Tax loss carry forward	11,347	174	-	-	11,521
Total	24,572	(1,849)	487	-	23,210
Deferred tax liabilities					
Available-for-sale investments (valuation adjustment)	(56)	-	54	-	(2)
Property, plant and equipment (depreciation gap)	(143)	19	-	-	(124)
Property, plant and equipment (revaluation)	(51,409)	-	-	4,550	(46,859)
Unrealised gain on derivative	-	(196)	-	-	(196)
Total	(51,608)	(177)	54	4,550	(47,181)
Net	(27,036)	(2,026)	541	4,550	(23,971)

	At 1 January 2015	Separate financial statements (Charged) / Credited to:		At 31 December 2015
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	140	-	-	140
Other receivables (allowance for doubtful accounts)	63	-	-	63
Inventories (allowance for decline in value)	306	196	-	502
Employee benefit obligations	8,543	235	3,538	12,316
Unrealised loss on derivative	-	204	-	204
Tax loss carry forward	10,418	929	-	11,347
Total	19,470	1,564	3,538	24,572
Deferred tax liabilities				
Available-for-sale investments (valuation adjustment)	(986)	-	930	(56)
Property, plant and equipment (depreciation gap)	(7)	(136)	-	(143)
Property, plant and equipment (revaluation)	(41,888)	-	(9,521)	(51,409)
Unrealised gain on derivative	(694)	694	-	-
Total	(43,575)	558	(8,591)	(51,608)
Net	(24,105)	2,122	(5,053)	(27,036)

In 2016, Surapon Foods Public Company Limited incurred a tax loss of Baht 139.4 million, resulted in cumulative tax losses amounting to Baht 197.0 million (2015: Baht 57.6 million). Such cumulative tax losses will expire in 2018 – 2021. The Company plans to restructure some production lines among the Group. Therefore, management estimates the probable of future taxable profits and ability of the Company to utilise those losses in the future to support the recognition of deferred tax assets by consider the Company's business plans for the next five years. Management determined deferred tax assets of such losses as at 31 December 2016 amount of Baht 11.5 million is appropriate. However, in the next financial year, additional deferred tax assets and a related income tax benefit of up to Baht 20.2 million maybe recognised.

In 2016, the Group's subsidiary, Surat Seafoods Company Limited, improved productivity of prawn production line. As a result, management revised its estimates of future taxable profits and considered the probability of future taxable profits would be available against which such losses can be utilised. The subsidiary has a cumulative tax losses amounting to Baht 59.5 million (tax impact: Baht 11.9 million) which can be utilised up until 2018.

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Advance payment for fixed assets	37,349	-	-	-
Refundable deposits and others	5,813	1,805	3,727	1,511
Restricted fixed deposits at financial institution	2,000	2,000	-	-
Leasehold rights, net	1,561	1,791	1,561	1,791
Deferred charges	63	163	201	226
Total	46,786	5,759	5,489	3,528

(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 (2015: Baht 2.0 million), which has been pledged as collateral for bank guarantees issued by the said financial institution.

19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions				
secured	37,000	19,000	-	-
unsecured	190,000	160,000	30,000	-
Short-term loans from financial institutions	227,000	179,000	30,000	-
Current portion of long-term loans from financial institutions				
secured	30,000	-	-	-
unsecured	576	25,707	576	3,000
Current portion of long-term loans	30,576	25,707	576	3,000
Loan from an associate				
unsecured	5,000	-	-	-
Current portion of finance lease liabilities	32,408	31,854	6,382	1,419
Total current interest-bearing liabilities	294,984	236,561	36,958	4,419
Non-current				
Long-term loans from financial institutions				
secured	195,000	-	-	-
unsecured	868	-	868	-
Long-term loans	195,868	-	868	-
Finance lease liabilities	38,414	53,072	14,512	3,938
Total non-current interest-bearing liabilities	234,282	53,072	15,380	3,938

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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	262,576	204,707	30,576	3,000
After one year but within five years	195,868	-	868	-
Total	458,444	204,707	31,444	3,000

As at 31 December 2016, short-term loans from financial institutions bore interest at rates ranging from 1.8% to 3.8% per annum (2015: ranging from 2.35% to 3.2% per annum).

Long-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Local financial institutions	226,444	3,000	1,444	3,000
Foreign financial institutions	-	22,707	-	-
	226,444	25,707	1,444	3,000
Less current portion	(30,576)	(25,707)	(576)	(3,000)
Net	195,868	-	868	-

Long-term loans from financial institutions

Local financial institutions

In July 2016, the Company entered into long-term loan agreement with a local financial institution for Baht 2.15 million. This loan bears interest at 3.5% per annum throughout the period of loan. The loan is repayable in monthly installments of Baht 72,000 for each installment, commencing from May 2017 which will be fully paid in 39 months commencing from the first drawdown date. The Company is committed to comply with certain conditions and restrictions prescribed in the loan agreement. As at 31 December 2016, the Company had undrawdown balance of loan of Baht 0.7 million.

In January 2016, a subsidiary entered into long-term loan agreement with a local financial institution for Baht 225 million. This loan bears interest at MLR minus 2.0% per annum for the first two years and MLR minus 1.5% per annum for the third year onwards. The loan is repayable in monthly installments of Baht 3.75 million for each installment, commencing from April 2017 which will be fully paid in 73 months commencing from the first drawdown date. The loan is collateralised by the Company and other shareholders of such subsidiary. The subsidiary is committed to comply with certain conditions and restrictions prescribed in the loan agreement. As at 31 December 2016, a subsidiary drawdown such loan in fully amount.

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. This loan was fully paid in 2016.

Foreign financial institutions

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. This loan was fully paid in 2016.

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. This loan was fully paid in 2016.

As at 31 December 2016, unutilised credit facilities totalled Baht 2,066.2 million and U.S. Dollars 16.9 million for the Group and Baht 1,300.5 million for the Company (2015: Baht 1,880.2 million and U.S. Dollars 12.4 million for the Group and Baht 1,296.5 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 ratio and the debt service coverage ratio, no additional mortgages of land and buildings (see note 15), etc.

The credit facilities of subsidiaries are principally collateralised by the Company and/or related companies.

Finance lease liabilities

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

	Consolidated financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Within one year	34,803	(2,395)	32,408	35,109	(3,255)	31,854
After one year but within five years	39,965	(1,551)	38,414	55,890	(2,818)	53,072
Total	74,768	(3,946)	70,822	90,999	(6,073)	84,926

	Separate financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Within one year	7,183	(801)	6,382	1,772	(353)	1,419
After one year but within five years	15,313	(801)	14,512	4,474	(536)	3,938
Total	22,496	(1,602)	20,894	6,246	(889)	5,357

As at 31 December 2016 and 2015, 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 2021, and bear interest at rates ranging from 2.15% to 42.35% per annum in 2016 (2015: ranging from 2.15% to 42.35% per annum). Most of the agreements are repayable in 48 installments and 60 installments starting from January 2012.

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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	529,266	266,926	52,338	8,357
Japanese Yen (JPY)	-	22,707	-	-
Total	529,266	289,633	52,338	8,357

20 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	4,892	12,525	5,412	8,923
Other parties		173,368	172,328	48,506	52,168
Total		178,260	184,853	53,918	61,091

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	171,169	167,404	51,773	60,854
Japanese Yen (JPY)	4,963	15,806	17	25
United States Dollars (USD)	2,128	1,643	2,128	212
Total	178,260	184,853	53,918	61,091

21 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	23,253	19,992	622	1
Other parties					
Accrued operating expenses		35,543	35,020	14,512	13,243
Other payables		20,962	22,344	16,475	19,747
Asset payables		52,486	17,338	9,028	6,328
Accrued wage and bonus expenses		70,196	49,157	19,623	15,522
Others		26,116	20,703	18,749	11,544
		205,303	144,562	78,387	66,384
Total		228,556	164,554	79,009	66,385

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	222,969	151,837	78,717	59,188
Japanese Yen (JPY)	5,296	4,579	-	-
United States Dollars (USD)	291	8,138	292	7,197
Total	228,556	164,554	79,009	66,385

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Employee benefits				
Post-employment	119,574	105,801	52,573	63,084
Other long-term	3,233	3,729	815	1,297
Total	122,807	109,530	53,388	64,381
Statement of comprehensive income for the year ended 31 December				
Recognised in profit or loss:				
Employee benefits	14,597	10,388	6,922	5,418
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	22,083	19,317	2,438	17,689

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 Group's policy.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	109,530	90,453	64,381	45,442
Included in profit or loss:				
Current service cost	10,146	6,461	4,412	3,405
Interest on obligations	4,451	3,927	2,510	2,013
	14,597	10,388	6,922	5,418
Included in other comprehensive income:				
Actuarial losses	22,083	19,317	2,438	17,689
Other				
Benefits paid	(23,403)	(10,628)	(20,353)	(4,168)
Defined benefit obligations at 31 December	122,807	109,530	53,388	64,381

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumptions	(5,543)	741	(10,306)	7,276
Financial assumptions	18,796	322	10,749	(590)
Experience adjustment	8,830	18,254	1,995	11,003
Total	22,083	19,317	2,438	17,689

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as averages):

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in percentage)</i>			
Discount rate	2.08 - 2.56	3.5 - 4.03	2.08 - 2.31	3.5 - 3.96
Future salary growth	0.84 - 7.36	0.71 - 6.91	4.59 - 6.58	5.00

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

At 31 December 2016, the average duration of the defined benefit obligations was 12 years (2015: 18 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Consolidated financial statements (in thousand Baht)		Separate financial statements (in thousand Baht)	
	Increase	Decrease	Increase	Decrease
Defined benefit obligations as at 31 December 2016				
Discount rate (0.5% movement)	(4,822)	5,147	(2,148)	2,299
Future salary growth (0.5% movement)	4,879	(4,635)	2,185	(2,078)
Employee turnover rate (0.5% movement)	(5,324)	5,646	(2,399)	2,555

	Consolidated financial statements (in thousand Baht)		Separate financial statements (in thousand Baht)	
	Increase	Decrease	Increase	Decrease
Defined benefit obligations as at 31 December 2015				
Discount rate (1.0% movement)	(7,508)	8,439	(4,276)	4,780
Future salary growth (1.0% movement)	8,105	(7,358)	4,635	(4,299)
Employee turnover rate (1.0% movement)	(8,599)	9,195	(4,786)	5,306

23 Share capital

	Par value per share (in Baht)	2016		2015	
		Number	Amount	Number	Amount
(thousand shares / thousand Baht)					
Authorised					
At 1 January					
- ordinary shares	<i>1</i>	270,000	270,000	270,000	270,000
At 31 December					
- ordinary shares	<i>1</i>	270,000	270,000	270,000	270,000
Issued and paid-up					
At 1 January					
- ordinary shares	<i>1</i>	269,999	269,999	269,999	269,999
At 31 December					
- ordinary shares	<i>1</i>	269,999	269,999	269,999	269,999

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

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

24 Reserves

Reserves comprise : Appropriations of profit and/or retained earnings.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (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

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.

Revaluation surplus

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

25 Segment information

The Group operates in a single line of business, namely the manufacturing and distribution of frozen seafood, 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 statements were derived from frozen seafood, finished and semi-finished frozen foods.

26 Investment income

	Consolidated financial statements		Separate financial statements	
<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
Dividend income	-	-	240,108	170,872
Interest Income	4,560	2,939	177	1,767
Rental income	3,284	2,200	-	-
Others	1,328	6,737	950	6,479
Total	9,172	11,876	241,235	179,118

27 Other income

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Management, selling and marketing assistance income	4	-	21,602	17,621
Gain on sale of fixed assets		4,375	8,276	319
Rental income		7,498	8,084	673
Cold storage service income		1,632	3,927	8,589
Income from sales of raw material scraps		48,216	1,012	751
Compensation income on exported goods		1,624	792	1,026
Others		5,790	5,269	3,227
Total		69,135	48,962	32,206

28 Selling expenses

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Freight charges		82,663	19,324	15,135
Employee benefit expenses		68,163	58,000	49,512
Export expenses		33,792	2,551	2,928
Advertising and sales promotion expenses		22,026	22,026	21,624
Technical assistance fees	4	18,478	-	-
Others		52,952	46,880	41,201
Total		278,074	148,781	130,400

29 Administrative expenses

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee benefit expenses		151,799	101,774	71,352
Impairment losses on investments		-	-	7,504
Depreciation and amortisation		11,971	6,591	6,136
Management assistance fees	4	4,917	-	-
Others		40,972	25,187	22,512
Total		209,659	133,552	107,504

30 Employee benefit expenses

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Salaries and wages		613,157	559,636	289,817	279,972
Overtime		185,977	112,357	46,197	24,268
Bonus		73,732	53,497	23,791	18,659
Post-employment and other long-term employee benefits	22	14,597	10,388	6,922	5,418
Others		128,193	108,178	56,955	44,668
Total		1,015,656	844,056	423,682	372,985

31 Expenses by nature

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Changes in inventories of finished goods and work in progress		(62,969)	71,642	(69,020)	61,607
Raw materials and consumables used		3,206,162	3,019,634	506,468	586,992
Employee benefit expenses	30	1,015,656	844,056	423,682	372,985
Depreciation		221,764	214,860	50,311	50,241
Amortisation		2,931	3,441	1,767	2,628
Others		897,718	586,961	748,868	569,011
Total cost of sale of goods and rendering of services, selling expenses and administrative expenses		5,281,262	4,740,594	1,662,076	1,643,464

32 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>(in thousand Baht)</i>				
Finance costs:				
Financial institutions	8,432	4,831	81	356
Others	3,427	4,636	436	400
Total	11,859	9,467	517	756

33 Income tax benefit (expense)

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current income tax benefit (expense)					
Current year		(69,155)	(27,617)	-	-
		(69,155)	(27,617)	-	-
Deferred income tax expense					
Movements in temporary differences	17	(4,487)	11	(2,026)	2,122
Total income tax benefit (expense)		(73,642)	(27,606)	(2,026)	2,122

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2016 Tax (expense) benefit	Net of tax	Before tax	2015 Tax (expense) benefit	Net of tax
			<i>(in thousand Baht)</i>			
Fair value changes in available-for-sale investments	(481)	96	(385)	(4,429)	886	(3,543)
Revaluation surplus	(9,009)	1,802	(7,207)	76,283	(15,256)	61,027
Defined benefit plan actuarial losses	(22,083)	4,416	(17,667)	(19,317)	3,868	(15,449)
Total	(31,573)	6,314	(25,259)	52,537	(10,502)	42,035

	Separate financial statements					
	Before tax	2016 Tax (expense) benefit	Net of tax	Before tax	2015 Tax (expense) benefit	Net of tax
			<i>(in thousand Baht)</i>			
Fair value changes in available-for-sale investments	(266)	54	(212)	(4,650)	930	(3,720)
Revaluation surplus	-	-	-	47,605	(9,521)	38,084
Defined benefit plan actuarial losses	(2,438)	487	(1,951)	(17,689)	3,538	(14,151)
Total	(2,704)	541	(2,163)	25,266	(5,053)	20,213

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		534,881		371,893
Income tax using the Thai corporation tax rate	20	106,976	20	74,379
Income not subject to tax		(61,974)		(51,979)
Expenses not deductible for tax purposes		2,877		2,659
Current year tax losses for which no deferred tax assets was recognised		25,452		2,861
Others		311		(314)
Total income tax expense	13.8	73,642	7.4	27,606

	Separate financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		117,312		166,788
Income tax using the Thai corporation tax rate	20	23,462	20	33,358
Dividend income not subject to tax		(48,021)		(34,174)
Additional expenses for tax purposes		(864)		(3,421)
Expenses not deductible for tax purposes		840		2,429
Current year tax losses for which no deferred tax assets was recognised		27,701		-
Others		(1,092)		(314)
Total income tax expense (benefit)	1.7	2,026	(1.3)	(2,122)

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

34 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company and two subsidiaries (Surapon Nichirei Foods Company Limited and Mobile Logistics 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 and cold storage warehouse and logistic service. The privileges granted include:

- the Company and subsidiaries 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.
- A 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 subsidiaries has exemption from the import duty on machinery approved by the Board.
- (d) A 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 subsidiaries 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						
	2016			2015		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	2,409,713	2,568,155	4,977,868	2,174,876	2,170,401	4,345,277
Local sales	2,055	984,573	986,628	921	981,982	982,903
Local services	6,603	1,581	8,184	-	-	-
Eliminations	(1,877)	(249,664)	(251,541)	(25)	(321,165)	(321,190)
Total revenue	2,416,494	3,304,645	5,721,139	2,175,772	2,831,218	5,006,990

Separate financial statements						
	2016			2015		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	542	765,350	765,892	45,697	900,997	946,694
Local sales	2	723,116	723,118	48	649,759	649,807
Total revenue	544	1,488,466	1,489,010	45,745	1,550,756	1,596,501

35 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate Financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (Basic)	154,482	171,984	115,286	168,910
Number of ordinary shares outstanding	269,999	269,999	269,999	269,999
Basic earnings per share (in Baht)	0.57	0.64	0.43	0.63

36 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2016, the shareholders approved the appropriation of dividends of Baht 0.43 per share, amounting to Baht 116.1 million. The dividend was paid to shareholders in May 2016.

At the annual general meeting of the shareholders of the Company held on 22 April 2015, the shareholders approved the appropriation of dividends of Baht 0.27 per share, amounting to Baht 72.9 million. The dividend was paid to shareholders in May 2015.

37 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows from fixed interest rate loan. The Group is primarily exposed to interest rate risk from its borrowings (see note 19). Management, however, consider that the interest rate risk is not material hence, the Group has no hedging agreements to protect against such risk.

The effective interest rates of interest-bearing liabilities as at 31 December and the periods in which those liabilities mature 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)			
2016					
Current					
Loans from financial institutions	1.76 - 3.8	227,000	-	-	227,000
Loan from an associate	2.25	5,000	-	-	5,000

Consolidated financial statements					
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Non-current					
Loans from financial institutions	3.5 - 4.25	30,576	195,868	-	226,444
Total		262,576	195,868	-	458,444
2015					
Current					
Loans from financial institutions	2.18 - 3.2	179,000	-	-	179,000
Non-current					
Loans from financial institutions	1.23 - 6	25,707	-	-	25,707
Total		204,707	-	-	204,707

Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2016					
Current					
Loans from financial institutions	2.1	30,000	-	-	30,000
Non-current					
Loans from financial institutions	3.5	576	868	-	1,444
Total		30,576	868	-	31,444
2015					
Non-current					
Loans from financial institutions	6	3,000	-	-	3,000
Total		3,000	-	-	3,000

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 purchases and sales, denominated in foreign currencies, for the current and subsequent period.

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

		Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Japanese Yen					
Cash and cash equivalents	5	2	3	1	1
Trade accounts receivable	7	79,468	140,930	7,810	28,837
Trade accounts payable	20	(4,963)	(15,806)	(17)	(25)
Other payables	21	(5,296)	(4,579)	-	-
Loans from financial institutions	19	-	(22,707)	-	-
Gross financial position exposure		69,211	97,841	7,794	28,813
Estimated forecast sales		227,623	277,224	9,915	41,513
Estimated forecast purchases		(25,726)	-	(8,503)	-
Gross exposure		271,108	375,065	9,206	70,326
Currency forwards		(304,155)	(410,331)	(17,748)	(70,428)
Net exposure		(33,047)	(35,266)	(8,542)	(102)
United States Dollars					
Cash and cash equivalents	5	21	23	20	22
Trade accounts receivable	7	70,207	48,548	14,334	20,654
Trade accounts payable	20	(2,128)	(1,643)	(2,128)	(212)
Other payables	21	(291)	(8,138)	(292)	(7,197)
Gross financial position exposure		67,809	38,790	11,934	13,267
Estimated forecast sales		83,420	24,303	18,854	-
Estimated forecast purchases		(39,148)	-	(8,773)	-
Gross exposure		112,081	63,093	22,015	13,267
Currency forwards		(117,484)	(43,108)	(29,659)	-
Net exposure		(5,403)	19,985	(7,644)	13,267
Australian Dollars					
Estimated forecast purchases		(35,765)	-	-	-
Gross exposure		(35,765)	-	-	-
Currency forwards		5,109	-	-	-
Net exposure		(30,656)	-	-	-

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.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets measured at fair value					
Investment in mutual fund - available for sale	31,151	-	31,151	-	31,151
31 December 2015					
Financial assets measured at fair value					
Investment in mutual fund - available for sale	109,304	-	109,304	-	109,304
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets measured at fair value					
Investment in mutual fund - available for sale	1,200	-	1,200	-	1,200
31 December 2015					
Financial assets measured at fair value					
Investment in mutual fund - available for sale	45,315	-	45,315	-	45,315

	Consolidated financial statements		Separate Financial statements	
	Fair Value	Carrying amount (in thousand Baht)	Fair Value	Carrying amount
31 December 2016				
<i>Financial assets/financial liabilities not measured at fair value</i>				
Net receivables from forward exchange contracts (presented under “Other receivables”)	15,479	9,804	1,443	984
Loans from financial institutions	(453,444)	(453,444)	(31,444)	(31,444)
Loan from an associate	(5,000)	(5,000)	-	-
31 December 2015				
<i>Financial liabilities not measured at fair value</i>				
Net payables from forward exchange contracts (presented under “Other payables”)	(15,621)	(2,587)	(1,206)	(1,022)
Loans from financial institutions	(204,707)	(204,707)	(3,000)	(3,000)

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for investments in mutual fund – available for sale based on prices quoted by asset management companies.

Fair value for forward exchange contracts were calculated using the rates quoted by the Company’s banker which were based on market conditions existing at the statement of financial position date.

Fair values of trade and other receivables, trade and other payables approximate to the carrying amount due to these financial instruments have short-term maturity.

Fair values of long-term loans which bear interest at floating market rate is taken to approximate the carrying amount.

Fair values of short-term loans from financial institutions and finance lease approximate to the carrying amount due to interest rate approximate to market rate.

38 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Capital commitment				
<i>Contracted but not provide for</i>				
Buildings and other constructions	84,841	138,394	1,246	-
Machinery and equipment	16,287	-	3,165	-
Total	101,128	138,394	4,411	-
Future minimum lease payments under non-cancellable operating leases				
Within one year	8,297	4,312	7,819	3,697
After one year but within five years	16,215	7,467	15,491	6,320
Total	24,512	11,779	23,310	10,017

Operating lease commitments

- Lease agreements covering vehicles for periods from three to five years expiring in various periods up to July 2021.
- Lease agreements covering office equipment for five years period expiring in January 2020.

Other commitments

As at 31 December 2016, the Group had outstanding forward exchange contracts covering periods less than one year as follows:

	Consolidated financial statements		Separate financial statements	
Currencies	Amount in foreign currencies <i>(in million)</i>	Equivalent to Baht <i>(in million Baht)</i>	Amount in foreign currencies <i>(in million)</i>	Equivalent to Baht <i>(in million Baht)</i>
Forward contracts to sell foreign currencies				
Japanese Yen	1,008.7	307.2	58.3	17.7
United State Dollars	3.8	135.3	0.9	33.2
Total		442.5		50.9
Forward contracts to buy foreign currencies				
Japanese Yen	10.0	3.0	-	-
United State Dollars	0.5	17.8	0.1	3.6
Australian Dollars	0.2	5.1	-	-
Total		25.9		3.6

As at 31 December 2015, 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)
Forward contracts to sell foreign currencies				
Japanese Yen	1,384.1	410.3	237.6	70.4
United State Dollars	1.2	43.1	-	-
Total		453.4		70.4

39 Contingent liabilities

As at 31 December 2016, 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 4.4 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 814.8 million.

40 Event after the reporting period

At the Board of Directors meeting of the Company held on 20 February 2017, the Board approved the appropriation of dividends based on the operating profit for the year 2016 of Baht 0.3 per share, amounting to Baht 81.0 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2016.

41 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates

TFRS	Topic
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน) มุ่งมั่นในการผลิตสินค้าที่มีคุณภาพและปลอดภัย ได้รับความไว้วางใจและความน่าเชื่อถือจากผู้บริโภคทั้งภายในและต่างประเทศมากกว่า 40 ปี พร้อมทั้งได้ดำเนินงานภายใต้ปรัชญาที่ว่า Your Total Quality ได้แก่ การบูรณาการคุณภาพในทุกขั้นตอน พร้อมมอบสินค้าและบริการที่ดีที่สุดให้กับลูกค้า โดยทางบริษัทมีขั้นตอนการบริหารงานที่เป็นระบบ ใส่ใจในทุกๆ เรื่อง โดยเริ่มต้นจาก



1. การวิจัย และพัฒนาสินค้า

บริษัทฯ มุ่งมั่นใส่ใจในการลงทุนด้านการพัฒนาผลิตภัณฑ์อย่างต่อเนื่อง เพื่อให้ผลิตภัณฑ์มีความทันสมัย ปลอดภัยและพัฒนาสินค้าให้เป็นไปตามความต้องการของผู้บริโภคโดยสอดคล้องกับกฎระเบียบและมาตรฐานที่มีความแตกต่างสำหรับลูกค้าแต่ละรายทั่วโลก รวมถึงมีการดำเนินธุรกิจอย่างเป็นมิตรกับสิ่งแวดล้อม



2. การคัดสรรวัตถุดิบ

ทางบริษัทได้ให้ความสำคัญกับกระบวนการคัดเลือกวัตถุดิบเป็นอย่างมากเพราะเราใส่ใจและตระหนักในเรื่องของความปลอดภัยของอาหาร ตั้งแต่กระบวนการคัดเลือกวัตถุดิบจากแหล่งที่มีมาตรฐานรับรองโดยหน่วยงานที่มีความน่าเชื่อถือและมีคุณภาพ โดยผ่านขั้นตอนการตรวจสอบอย่างเข้มงวดภายใต้มาตรฐานการตรวจรับวัตถุดิบ ณ โรงงานก่อนรับเข้าสู่สายการผลิตของโรงงาน



3. การผลิตสินค้า

ผลิตภัณฑ์ของเราจะถูกผลิตโดยขั้นตอนการผลิตที่มีประสิทธิภาพและมีความทันสมัยภายใต้การควบคุมคุณภาพและระบบการผลิตอาหารให้ปลอดภัย ที่มีการตรวจสอบอย่างเข้มงวด ตามมาตรฐาน Hazard Analysis Critical Control Point (HACCP), Good Manufacturing Practice (GMP), และมาตรฐาน ISO22000 และระบบการทวนสอบผลิตภัณฑ์ที่มีความสามารถทวนสอบกลับได้ถึงแหล่งที่มาของวัตถุดิบ ส่วนผสม บรรจุภัณฑ์ ซึ่งเราเน้นเรื่องความปลอดภัย และคุณภาพที่สม่ำเสมอของอาหาร



4. ระบบ Logistics

เพื่อที่จะส่งมอบสินค้าคุณภาพถึงมือผู้บริโภค เราจึงใช้ระบบการจัดเก็บสินค้าและการขนส่งที่ทันสมัย ซึ่งสามารถควบคุมอุณหภูมิสำหรับผลิตภัณฑ์อาหารแช่เยือกแข็งให้อยู่ในระดับที่ต่ำกว่า -18 องศาเซลเซียส โดยเราเน้นการส่งมอบสินค้าที่อร่อย ปลอดภัยและมีคุณภาพแก่ผู้บริโภค เพื่อสร้างความพึงพอใจสูงสุด

5. ทีมงานที่มีความเชี่ยวชาญ

มีทีมงานที่มีความเชี่ยวชาญในด้านต่างๆ ไม่ว่าจะเป็นทีมงานบริการลูกค้าและทีมขายที่สามารถให้คำปรึกษาเกี่ยวกับสินค้าที่เหมาะสมกับลูกค้าแต่ละรายประกอบกับผู้บริหารที่มีวิสัยทัศน์ที่กว้างไกลและทันสมัยของบริษัท จึงให้ความสำคัญกับการพัฒนาบุคลากรเป็นอย่างมากเพื่อสร้างทีมงานที่สามารถให้บริการที่ประทับใจอย่างยั่งยืน



6. CSR

เพื่อเป็นการแสดงเจตนารมณ์ในการเป็นผู้ประกอบการที่ตระหนักถึงความสำคัญของการอยู่ร่วมกันได้ของการดำเนินธุรกิจและการเป็นอยู่ที่ดีของสิ่งแวดล้อมทั้งด้านสังคมและสิ่งแวดล้อมตามธรรมชาติ บริษัทมีการจัดโครงการต่างๆมากมายเพื่อส่งเสริมสังคม ความเป็นอยู่ของชุมชน และการอนุรักษ์สิ่งแวดล้อมตามธรรมชาติ เพื่อให้องค์กรเติบโตไปพร้อมกับสังคมและธรรมชาติอย่างยั่งยืน หรือเรียกว่า Corporate Social Responsibility (CSR)



Since 1977

บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน)
Surapon Foods Public Company Limited

GMP Certificate

HACCP Certificate

BRC Certificate

Traceability System from Farm to Table

ISO 22000 : 2005 Certificate

ISO/IEC 17025 : 2005

Prime Minister's Export Award 1994

Prime Minister's Export Award 1998

Superbrands Thailand 2005

MAFF JAPAN

MRA for CANADA

E.U. Number for both fisheries and poultry
(TH 1009, TH 1124, TH 1010, TH 172)

**“ Your Total Quality
ทุกขั้นตอนคุณภาพเพื่อคุณ ”**

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