

2020

ANNUAL REPORT

รายงานประจำปี 2563



SURAPON



บริษัท สุรพลฟู้ดส์ จำกัด (มหาชน)
Surapon Foods Public Company Limited



SURAPON



Inspiring Your Smiles
เพื่อรอยยิ้มของคุณ



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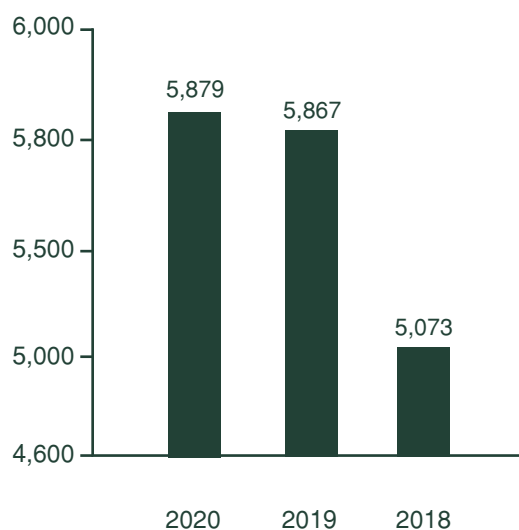
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Financial Highlights

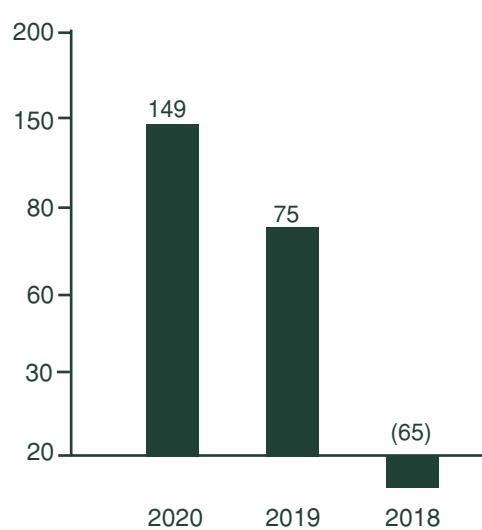
	2020	2019	2018
Total Assets	4,180.86	4,205.37	4,390.79
Total Liabilities	1,813.43	1,970.28	2,232.97
Total Equity	2,367.44	2,235.10	2,157.82
Revenue from Sales and Services	5,879.41	5,866.93	5,072.59
Total Revenue	5,949.70	6,042.79	5,188.50
Gross Profit	860.54	693.01	551.12
Profit (Loss)	411.63	302.77	113.60
Profit (Loss) Attributable to Owners of the Company	148.54	75.47	(64.84)
Financial Ratio			
Current Ratio	1.22	1.21	1.26
Net Profit Margin (%)	6.92	5.01	2.19
Return on Equity (%)	17.89	13.78	5.07
Return on Assets (%)	9.82	7.04	2.83
Net Profit (Loss) per Share (Baht)	0.55	0.28	(0.24)
Book Value per Share (Baht)	8.77	8.28	7.99

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)



Messages from Chairman and Chief Executive Officer

There are various business challenging and business risk factors in the year 2020. In the meantime, those factors can lead to new prospect business opportunities. The Group of Company's business operations has been changing and adapting in response to the changing situations, especially the occurrence of COVID-19 spread-out throughout Thailand and all over world, which has been affecting social, economic, and business impacts both positive and negative.

Overall performance of the Group of Company has been negatively impacted from COVID-19 spread-out. The Group of Company's main markets in some countries and main selling channels, especially restaurant and hotel have been impacted from COVID-19 due to the Governments has implemented the measures to prevent COVID-19 spread-out including restrict, control, and temporarily close down some business operations, which some of those are the Group of Company's main customers.

However, amidst of COVID-19 situation, there have been some prospect business opportunities, The Group of Company has adjusted our business operations by increasing sales to other retail channels in response to the change of consumption behavior such as more spending through supermarket, retail shop, and online through E-commerce platforms. Consequently, sales revenue from retail channels is significantly increased in the year 2020, which leads to the growth in the Group of Company's sales revenue and net profit. The development of performance in the year 2020 is mainly from frozen and process chicken products business, which has been operated through two subsidiaries; Surapon Nichirei Foods Co., Ltd. and Surapon Supreme Foods CO., Ltd. due to their products are successfully well-accepted from the markets and the customers.

The Board of Directors and the Managements have been closely monitoring the always changing situations at all time. The collaboration of business planning among the Board of Directors and the Managements by concerning the market fits and the customers' demands in parallel with efficient raw materials and production managements have been strongly placed in order to achieve the best benefits to the Stakeholders amidst the increasingly challenging factors in the near future.

Furthermore, the Board of Directors and the Managements have been continuously trying to develop the business performance in order to sustain business outcomes in the long run as well as suitable dividend payment. The Company's strong will and policy still builds the business around strong corporate governance and anti-corruption commitments, where all the stakeholders are treated fairly.

Lastly, on behalf of the Board of Directors, the Managements, 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 28 February, 2021.



(Mr. Kosol Chantikul)
Chairman

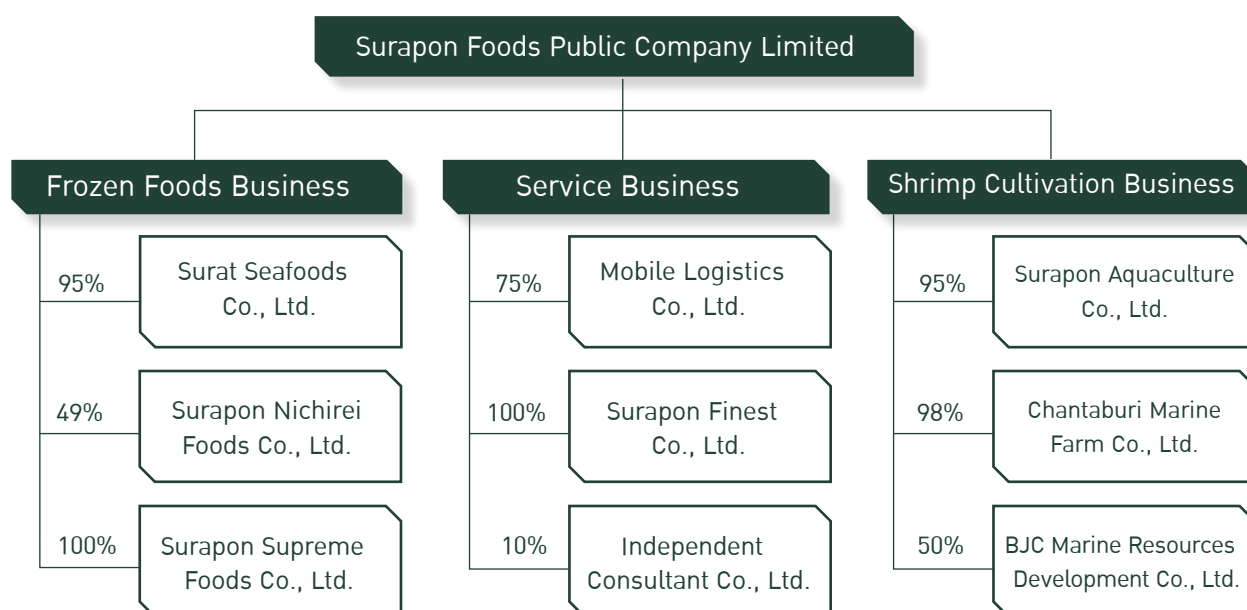


(Mr. Sorapon Vongvadhanaroj)
Chief Executive Officer

General Information

Name:	Surapon Foods Public Company Limited
Address:	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand
Contact:	Head Office: (662) 3853038-54 Company Secretary: (662) 3853038-54 ext. 228 E-mail: patt@surapon.com Investor Relation: (662) 3853038-54 ext. 553, 228 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 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)	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	400,000,000 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)	Address	247 Moo 1 Theparak Road, Theparak Sub-district, Muang District, Samutprakarn 10270, Thailand Tel: (662) 3853038-54 Fax: (662) 3853179
	Type of Business	Foods Product Trading
	Registered Capital	30,000,000 Baht
	Shareholding by SSF	100%

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	21,250,000 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	99 Soi Rubie, Sukhumvit 42 Road, Prakanong Sub-district, Klongtoey District 10110, Bangkok
	Type of Business	Shrimp Cultivation Farm
	Registered Capital	100,000,000 Baht
	Shareholding by SSF	50%

References

- Security Registrar** Thailand Securities Depository Company Limited
Tel: (662) 0099999 Fax: (662) 0099991
- Auditor** Miss 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
Bangkok Bank Public Company Limited

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

Board of Directors and Executives



Mr. Kosol Chantikul

Age : 74 years

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

- Director Certification Program 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

- Legal Advisor, Team Group of Companies 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

Dispute No

Date of Directorship March 1997



Mr. Surapon Vongvadhanaroj Age : 75 years

Authorized Director / Chairman of Executive Committee /

Member of Nomination and Remuneration Committee

Education

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

IOD Training

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

Position in Subsidiaries

- Chairman, Surapon Nichirei Foods Co., Ltd.
- Director, Mobile Logistics Co., Ltd.
- 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, Pokai Plus Co., Ltd
- Director, Pokai Holdings Co., Ltd.
- Independent Director and Audit Committee, Sompoo Insurance Public Co., Ltd.

Dispute No

Date of Directorship December 13, 1977



Mr. Sithichai Kraisithisirin Age : 75 years

Authorized Director

Education

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

IOD Training

- Director Certification Program class 5/2001

Position in Subsidiaries

- Director, 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 : 76 years

Authorized Director / Chairman of Nomination and Remuneration /
Chairman of Corporate Governance Committee

Education

- High School, Amnuaysilpa School

IOD Training

- Director Accreditation Program 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



Mr. Sathaporn Kotheeranurak Age : 65 years

Independent Director / 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

IOD Training

- Director Accreditation Program class 34/2005
- Advanced Audit Committee Program class 13/2013
- Board Matters and Trends class 6/2018
- Ethical Leadership Program (ELP) class 17/2019
- Independent Observer Program (IOP) class 9/2019

Position in Subsidiaries No

Workings in Other Listed Companies

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

Workings in Other Organizations

- 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 : 65 years

Authorized Director / member of Risk Management Committee / Advisor

Education

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

IOD Training

- Director Certification Program 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 : 53 years

Director and Chairman of Risk Management Committee

Education

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

IOD Training

- Director Accreditation Program class 75/2010
- Director Certification Program class 148/2011

Position in Subsidiaries

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

Workings in Other Listed Companies No

Workings in Other Organizations

- Director, Prapaikij Construction Co., Ltd.

Dispute No

Date of Directorship April 8, 2010



Mr. Sorapon Vongvadhanaroj Age : 39 years

Authorized Director / member of Corporate Governance Committee / member of Risk Management Committee / 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

- Director Certification Program 163/2012

Position in Subsidiaries

- Chairman, Surapon Supreme Foods Co., Ltd.
- Chairman, Surapon Finest Co., Ltd.
- Chairman, Surat Seafoods Co., Ltd.
- Chairman, Mobile Logistics Co., Ltd.
- Director, Surapon Nichirei Foods Co., Ltd.
- Director, Surapon Aquaculture Co., Ltd.
- Director, Chantaburi Marine Farm Co., Ltd.
- Director, BJC Marine Resources Development Co., Ltd.

Workings in Other Listed Companies No

Workings in Other Organizations

- Director, Pokai Plus Co., Ltd.
- Director, Pokai Holdings co., Ltd.

Dispute No

Date of Directorship April 4, 2012



Mr. Issarin Patramai

Age : 47 years

Independent Director / member of Audit Committee /
member of Nomination and Remuneration Committee

Education

- Master degree in Business Administration (Finance), University of Wisconsin Madison, USA.
- Bachelor degree in Chemical Engineering (first class honor), Chulalongkorn University

IOD Training

- Board Nomination and Compensation Program class 1/2017
- Directors Certification Program class 155/2012
- Successful Formulation & Execution of Strategy class 11/2010

Position in Subsidiaries No

Workings in Other Listed Companies

- Chief Investment Officer , Kerry Express (Thailand) Public Company Limited
- Director, Team Consulting Engineering and Management Public Company Limited

Workings in Other Organizations

- Director, ICN System Co., Ltd.
- Director, TEAM Consulting International Co., Ltd.

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 20, 2018



Mr. Kanett Chatthamrak

Age : 45 years

Independent Director / member of Audit Committee /
member of Corporate Governance Committee

Education

- Master degree in Business Administration, Saint Louis University , USA.
- Bachelor degree in Economics, Thammasat University

IOD Training No

Position in Subsidiaries No

Workings in Other Listed Companies No

Workings in Other Organizations

- Managing Director, Rosso Co., Ltd.
- Managing Director, IT Grand Co., Ltd.
- Managing Director, Thammrak Co., Ltd.
- Managing Director, Touch Point Solution 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.

Dispute No

Date of Directorship April 25, 2019

Executives

(Information as of December 31, 2020)

Name	Details	
Mr. Sorapon Vongvadhanaroj	Education	• 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 Officer
	Position in Subsidiaries	• Chairman, Surapon Supreme Foods Co., Ltd. • Chairman, Surapon Finest Co., Ltd. • Chairman, Surat Seafoods Co., Ltd. • Chairman, Mobile Logistics Co., Ltd. • Director, Surapon Aquaculture Co., Ltd. • Director, Chantaburi Marine Farm Co., Ltd. • Director, BJC Marine Resources Development Co., Ltd.
	IOD Training	• Director Certification Program class 163/2012
Mr. Montai Chulatitta	Education	Bachelor Degree in Science, Mahidol University
	Position in the Company	Senior Vice President — Operations Group
	Position in Subsidiaries	• Director, Mobile Logistics Co., Ltd. • Director, Surapon Supreme Foods Co., Ltd. • Director, BJC Marine Resources Development Co., Ltd.
	IOD Training	Director Certification Program class 243/2017
Mr. Thomas Ung	Education	Bachelor Degree in Sociology, Polhems Skolan College, Sweden
	Position in the Company	Senior Vice President — International Trade
	Position in Subsidiaries	No
	IOD Training	Director Accreditation Program class 146/2018

Name	Details	
Mr. Patt Somchaikulsup	Education	• Master Degree in Economics, Thammasat University • Bachelor Degree in Economics, Thammasat University
	Position in the Company	• Vice President — Office of Chief Executive Officer • Company Secretary • Secretary of Board of Director • Corporate Human Resources Management Manager
	Position in Subsidiaries	• BJC Marine Resources Development Co. , Ltd.
	IOD Training	• Director Certification Program class 255/2018 • Company Secretary Program (CPS) class 27/2008 • Effective Minute Taking (EMT) class 15/2009 • Developing Corporate Governance Policy 2008
Mr. Sriprasert Sriprawatkul	Education	• Master Degree in Business Administration, Chulalongkorn University • Bachelor Degree in Accounting, Chulalongkorn University
	Position in the Company	Vice President — Finance and Accounting
	Position in Subsidiaries	• Director, Surat Seafoods Co., Ltd. • Director, Surapon Supreme Co., Ltd.
	IOD Training	• Director Certification Program class 300/2020

Report of Directors' Shareholding

(Information as of December 31, 2020)

	Name	Amount of Shareholding				Changes
		January 1, 2020	Proportion (%)	December 31, 2020	Proportion (%)	
1	Mr. Kosol Chantikul	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-
2	Mr. Surapon Vongvadhanaroj	8,099,970	3.00	8,099,970	3.00	-
	Spouse and Minor Children	8,141,260	3.02	8,141,260	3.02	-
3	Mr. Sithichai Kraisithisrin	14,436,000	5.35	14,436,000	5.35	-
	Spouse and Minor Children	-	-	-	-	-
4	Mr. Chokchai Jiengwareewong	9,235,090	3.42	9,235,090	3.42	-
	Spouse and Minor Children	9,000,000	3.33	9,000,000	3.33	-
5	Mr. Sathaporn Kotheeranurak	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-
6	Mr. Paiboon Kangvonkit	-	-	-	-	-
7	Miss Malai Wongwatroj	77,000	0.03	77,000	0.03	-
8	Mr. Sorapon Vongvadhanaroj	5,399,980	2.00	5,399,980	2.00	-
	Spouse and Minor Children	-	-	-	-	-
9	Mr. Issarin Patramai	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-
10	Mr. Kanett Chatthamrak	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-

Report of the Executives' Shareholding

(Information as of December 31, 2020)

	Name	Amount of Shareholding				Changes
		January 31, 2020	Proportion (%)	December 31, 2020	Proportion (%)	
1	Mr. Sorapon Vongvadhanaroj	5,399,980	2.00	5,399,980	2.00	-
	Spouse and Minor Children	-	-	-	-	-
2	Mr. Montai Chulatitta	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-
3	Mr. Thomas Ung	-	-	-	-	-
4	Mr. Patt Somchaikulsup	-	-	-	-	-
5	Mr. Sriprasert Sriprawatkul	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-



Business Type

Overall Industry and Competition

The Group of company's major products are frozen and processed shrimp and frozen and processed chicken.

Overall Situation of Frozen and Processed Shrimp Business

Overall situation of Thailand's frozen and processed shrimp business in the year 2020 is slow down from the year 2019. Thailand's total supply of shrimp cultivation quantity in the year 2020 amounts to 257,262 metric tons, decrease of 6% from the year 2019. The quantity is still be significantly lower than before the period of occurrence of EMS (Early Mortality Syndrome) epidemic in shrimp supply in the year 2012. The processors are highly required to develop its products from primarily processed shrimp to be more processed and value added to compensate higher cost of shrimp raw materials.

Thailand's export value of chilled, frozen processed shrimp in the year 2020 amounts to Baht 43,010 million, decrease of 9.64% compared to the year 2019. In the meantime, Thailand 's export value of chilled and frozen shrimp in the year 2020 amounts to Baht 21,008 million, decrease of 17.44%, whereas Thailand 's export value of processed shrimp in the year 2020 amounts to Baht 22,003 million, decrease of 2.35%.

USA is Thailand's largest export market accounted for 29.22% of Thailand's total frozen and processed shrimp export value. Other main markets are Japan accounted for 20.96%, and China accounted for 13.21% respectively. Japan is largest export market of the group of company.

Since EMS epidemic in the year 2012, the Company has been adapted and changed its business model by significantly reducing production and sale of shrimp products. Nowadays, Surat Seafoods Co., Ltd. is only shrimp production base for the Company's Group. The Company established a long time expertise in shrimp products production and still have customer base as long-term partners and still have demand for this product. Suratthani province is the most shrimp supply in Thailand. Supply of shrimp cultivation quantity in Suratthani province in the year 2020 is accounted for 15% of Thailand's total shrimp supply. However, Surat Seafoods Co., Ltd. will primarily focus on its best business model to produce and deliver the highly trusted frozen shrimp products to the customers under suitable production quantity and margin rate. Surat Seafoods Co., Ltd. has been more investing in production machines during the year 2020-2021 in order to better manage quality and production cost controls for more business competitive advantage in the markets.

Overall Situation of Frozen and Processed Chicken Business

Global broiler meat production quantity in the year 2020 amounts to 100.83 million metric tons, an increase of 1.52% from the year 2019. USA. is the world's largest production amounts to 20.26 million metric tons, followed by China amounts to 14.85 million metric tons, Brazil amounts to 13.88 million metric tons, and European Union amounts to 12.36 million metric tons. Summation of production quantity from USA., China, Brazil, and European Union is accounted for 60.84% of total global broiler meat production.

Major increase of global broiler meat production in the year 2020 is mainly from an expansion of the production quantity in USA, China, and Brazil. The significant increase is in China due to an increase of consumption demand in China. Negative factors are the decrease of demand in European and the increase of grain price. Global Production of broiler meat mainly serves domestic consumption accounted for 97.93% of total global production whereas the rest is for exporting purpose.

Thailand's broiler meat production amounts to 3.25 million metric tons or accounted for 3.22% of total global production. The production of broiler meat mainly serves domestic consumption whereas the rest is for export purpose. Main export items are processed chicken products.

The world largest exporter of chicken meat is Brazil, accounted of 32.30% of total global export value, followed by the United States accounted for 27.82%, European Union accounted for 12.05%, and Thailand 7.45% respectively.

Thailand's export value of processed chicken products in the year 2020 amounts to Baht 75,558 million or decrease of 5.91%. Main export markets are Japan, accounted for 57.96%, followed by United Kingdom, accounted for 22.14%. Japan is the world's largest import country of broiler meat amounts to 1.06 million metric tons or accounted for 10.60% of total global broiler meat import. Japan is largest export market of the group of company.

Global broiler meat business situation in the year 2021 as analyzed by USDA (United States Department of Agriculture) showing an estimated slightly increase of chicken meat production of 0.97% compared to the year 2020. Production quantity in European Union will be expected to decrease due to the decrease of domestic demands and widespread of Highly pathogenic avian influenza (HPAI) outbreaks across several Member States. In contrarily, production quantity in China will be expected to slightly increase

Overall consumption situation in the year 2021 in Japan, which is largest export market of the group of company, will be expected to be similar to the year 2020. The consequence of COVID-19 spread-out will be leading the changes in consumption behavior. The Company has been tried to adapt our business in various ways in order to maintain the business's stability by concerning the matches with customer behavior.

Sources of information:

1. Information of Shrimp is from Thai Frozen Foods Association
2. Information of Chicken is from Report of Livestock and Poultry (January 2021) : World Markets and Trade, U.S. Department of Agriculture

Structure of Revenue

Categories of Products and Services	Company	2020		2019		2018	
		Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from Sale of Owned	SSF	352,989	5.72	546,897	8.73	481,612	8.82
Products (Ready-to-Eat)	SS	504,705	8.18	539,502	8.62	524,589	9.61
	SUNIF	3,733,718	60.48	3,626,978	57.92	3,299,171	60.45
	SUP	824,157	13.35	567,438	9.06	172,712	31.6
Revenue from Sale of Owned	SSF	109,790	1.78	139,248	2.22	156,915	2.87
Products (Ready-to-Cook)	SS	51,445	0.83	49,463	0.79	56,249	1.03
Revenue from Sale of	SSF, SOFINE	472,152	7.65	651,290	10.40	636,274	11.66
Trading Products							
Revenue from Rendering of	MBL	119,227	1.93	134,704	2.15	123,227	2.26
Logistics Services							
Others		4,850	0.08	5,993	0.10	7,375	0.14
Total		6,173,033	100.00	6,261,513	100.00	5,458,670	100.00

Remarks :

- 1) Ready-to-Eat products such as Dimsum (Shumai, Bun, Hakao) Frozen Sushi, Frozen cooked shrimp, and etc.
- 2) Ready-to-Cook products such as frozen raw shrimp, Breaded seafoods and non-seafoods, and etc.
- 3) SSF = Surapon Foods PLC.
SS = Surat Seafoods Co., Ltd.
SOFINE = Surapon Finest Co., Ltd.
SUNIF = Surapon Nichirei Foods Co., Ltd.
SUP = Surapon Supreme Foods Co., Ltd.
MBL = Mobile Logistics Co., Ltd.
- 4) Surapon Nichirei Foods Co., Ltd. and Surapon Supreme Foods Co., Ltd. produce frozen and processed chicken products.
- 5) Surat Seafoods Co., Ltd. produce frozen and processd shrimp products.
- 6) The above figure is calculating for purposes of internal management and planning, not according to financial statement.

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 1989. 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 in order to serve the changes of customers' needs and consumption behavior.

Currently, revenue from sales of goods is major income. On the other hand, revenue from rendering of services is still small proportion, but there has continuously increased. There are currently many changes in pattern and nature of revenue from sales of goods from the past period:

- In term of main raw materials used : Proportion of sales value of frozen and processed chicken products has been increasing and apparently higher than frozen and processed shrimp products, which frozen and processed shrimp products were original product since the establishment of the Company.
- In term of consumption behavior : Proportion of sales value of ready-to-eat products has been clearly farther up than ready-to-cook products, which ready-to-cook products are original product since the establishment of the Company

Our production processes have been internationally accredited by GMP, BRC, HACCP, ISO 22000 and etc. These international standards show high level of trustworthy in safety, quality, and traceability in our products together with Corporate Social Responsibilities awareness.

In addition, the Company has invested in other subsidiaries such as Surat Seafoods Co., Ltd., Surapon Nichirei Foods Co., Ltd., Surapon Supreme Foods Co., Ltd., Surapon Finest Co., Ltd., Surapon Aquaculture Co., Ltd., Chantaburi Marine Farm Co., Ltd., and Mobile Logistics Co., Ltd.

Board of Directors has approved three years business objectives and targets during the year of 2018-2020 as follows:-

1. Business objectives and targets
 - 1.1 Satisfied performance
 - 1.2 Development of competitiveness and adaptability to business changes
 - 1.3 Business operations with good ethics and concerning best benefits of stakeholders.
2. Vision : Inspiring your smiles.
3. Mission : To deliver vibrant experiences.
4. Business operations shall focus on delivering good value to the stakeholders :-
 - 4.1 Financial value : Aim to develop long-term and sustainable business growth
 - 4.2 Non-financial value : Aim to deliver trustworthiness and satisfaction of our goods and services.
5. Corporate Value : Trustworthiness and Integrity.
6. Corporate Culture : "We ACT". The word of "ACT" is derived from the abbreviations of the staffs' required behaviors that they can contribute to the achievement of the Company's objectives and targets.

- 6.1 “A” stands for “Agility” refers to enthusiasm, agile, not afraid of change, challenging, participate in creating innovation that values for business, and always seeking for the new things or processes.
- 6.2 “C” stands for “Continuous Learner” refers to eager to learn new things, seek for development, observant, ask and search, regularly review and study to know and can apply to improve work, also willing to share knowledge to others.
- 6.3 “T” stands for “Think for Excellence” refers to attention on work in every detail, dedicated to providing the best service and products that beyond the expectation of customers.
- 7. The Company has conducted satisfaction survey with the internal and external stakeholders as follows
 - 7.1 Customer satisfaction survey covering the delivery vibrant experience of products and services to customers regarding to the Company’s vision and mission. Customers shall evaluate survey in various aspects of product quality, delivery, and services.
 - 7.2 Staff satisfaction survey covering evaluation in various aspects of work-life balance, work environment, safety, relationship in organization, participation, pride in organization, development, career path, performance evaluation, compensation & benefit, work responsibility, and empowerment and authority.

Important changes in the Company’s group in the year 2020 can be summarized as follows:

1. The spread-out of COVID-19 throughout the world significantly affects the global economic and changes in consumption behaviors. The Company’s major markets covered Japan, Europe, and Thailand have been significantly affected from COVID-19. Besides, the Company’s major selling channels and customers groups covered restaurant, hotel, and other food services have been affected from COVID-19. Consequently, the Company has adjusted its business operations in order to fit to the changing of COVID-19 situations through pushing more sales to less impacted COVID-19 selling channels such as supermarket and online as well as increase sales in less impacted COVID-19 countries such as Australia. In addition, new products of lower cost, which will be more matched with the current consumption, are launched to the market.

2. Business operations of one of the subsidiary; namely Surapon Supreme Foods Co., Ltd. which established in the year 2018. The Company’s performance shows its significant improvement from net loss in the year 2018-2019 to net profit in the year 2020 due to its better developments in production and quality control. The Company successfully gains more trust and confidence from the customers. Therefore, production volume and purchasing order are increased. These leads to good results of cost of production and efficiency. In addition, the Company performs its good business adaptability by supplying its products to retail channels which is less impacted from COVID-19 as well as the success of new products launch to the market.

3. Business operations of one of the subsidiary; namely Surapon Nichirei Foods Co., Ltd. shows satisfactory business performance of more net profit than the year 2019 as a result of the completion of plant renovation in December 2018. The purchasing orders have been increased and be able to fulfill production capacity continuously. In addition, the Company can manage the effective cost management together with more acquiring of new technology and machine for production. Therefore, cost of production and efficiency are well improved, leaded to satisfactory business performance.

4. Business operations of two subsidiaries; namely Surapon Finest Co., Ltd., which is the distributor of frozen food products in Thailand, and Mobile Logistics Co., Ltd. which is the provider of cold-chain logistics services for Thailand market have posted their net losses in the year 2020 due to the impact from COVID-19 which negatively affect the performance of their major food services customers such as restaurant, hotel, and other food services. In the year 2020, the Company has adjusted its business operations by pushing more sales and revenues to retail channels such as supermarkets, modern trade, and online (www.suraponfoodsonline.com), led to higher sales proportion from retail channel.



Risk Factor

Surapon Foods Public Company Limited realizes importance of the impact by significant business risks. Those affect or might affect the achievement of its business operations. Consequently, the Group of company has implemented and managed risk management measures according to risk management policy and procedure as follows:-

1. Risk from Fluctuation of Foreign Exchange

The Group's revenue is mainly the export sales in term of United States Dollar, Australian Dollar, and Japanese Yen currencies whereas cost of production mainly recorded from domestic sourcing in Thai baht. Therefore, the fluctuation of foreign exchange rate will inevitably affect the business performance. In the year 2020, Thai baht currency is fluctuated due to the effect of COVID-19 spread-out throughout the world. This factor shall lead the business impacts to the Group's operating result.

Risk Management

The Group has closely monitored and analyzed the exchange rate trend and situation with the financial institutions and business partners. To protect and mitigate the risk, the Group has implemented financial instruments, which is forward contract. However, the Group does not have the policy to speculate the exchange rate.

2. Risk from Trade Laws and Quality Control Regulations

The Group's revenue is mainly the export sales, the implementation and issuance of new trade regulations, new requirements of product quality, stricter level of product inspection/audit as well as food safety problem in some competitor countries might affect the Group's business operations. If the Group cannot keep their products quality or cannot comply with the customer's requirements or regulations.

Risk management

The Group has set up the specific function and responsible person to monitor and analyze the impact as well as define suitable actions to deal with the risks in compliance with the regulations. In addition, to ensure that all steps of business operation have been strictly controlled and managed, the Group has implemented international quality standards such as GMP, HACCP, ISO 22000, BRC and ISO 17025 in order to ensure our operational activities throughout supply chain is strictly controlled and audited that would help mitigate opportunity and impact of the risk occurrence.

3. Risk from disease outbreak and natural disaster

Environment and weather in Thailand and around the world are always changed without anticipation; high possibility of disease outbreaks in human and raw materials that can affect the production. In addition, the high severity of COVID-19 outbreaks in human, those lead the slowdown of economy throughout the world.

Risk management

The Group has set up practical procedures and corrective action plans to deal with the occurrence of disease outbreak and natural disaster. The Group also set up the Business Continuity Plan (BCP) Disaster Recovery Plan (DRP) to follow up the updated situation, to assess seriousness of the situation, and to implement business recovery

plan. The Group also develops the employee's capability to rehearse, to apply, and to implement the business recovery plan under crisis situation. In addition, the Group regularly reviews and revisits appropriateness of the plan to be proper with any changing situation. The COVID-19 follow up team is also appointed to follow up news, investigate and take prompt action with the COVID-19 in order to take care of the health and safety of employees as our priority.

4. Risk from the Effect of COVID-19 to the Business

The Group's revenue is mainly domestic business from selling to restaurant and hotel channels, and export business from selling to Japan and Europe. The mentioned selling channels and trading countries have been affected by COVID-19 spread-out and government measures of business operations control to prevent COVID-19, will lead the impact to the Group's revenue goals.

Risk management

The Group closely monitors the changing situation and impact from COVID-19 spread-out, exchange of information and business views with the trading partners and customers is also in place in order to plan and adjust selling and marketing plans with the partners by concerning the changing situation at all times. The Group's target is to push more sales to retail channels as well as other countries such as outside Europe, which is less impacted from COVID-19. In addition, the Company also tries to keep and maintain the business transaction with main and current customers by closer cooperation and communication with the partners to develop existing products with lower cost to match with the overall economic situation and consumption as well as develop new products which is more matched with the changed customers' behavior. Internal business processes in all activities have been also improved to be more flexible to better products and services propositions.

5. Risk that Shareholders might not Receive Their Returns or Rights that should be Received

The returns that the shareholders shall receive from holding the Company's share is dividend. The Company's dividend payment policy is to pay the dividend approximately 60% of annual net profit after tax from Separate Financial Statements. The dividend shall be mainly depended on and varied from the Company's performance results. The Company's performance shall rely on the business risks as mentioned above.

Risk management

The Group has policy and business guideline to focus on operating and investing in core businesses or related businesses that utilize the Company's long time experience and expertise. Decision of investment shall be taken into account with prudence and care by concerning the Company's best benefits. In addition, efficient internal control, risk management system as well as good corporate governance shall be employed as important tools to manage and mitigate business risk from making wrong decision that might affect to the Shareholders' returns.

Structure of Shareholding and Management

Structure of Shareholding

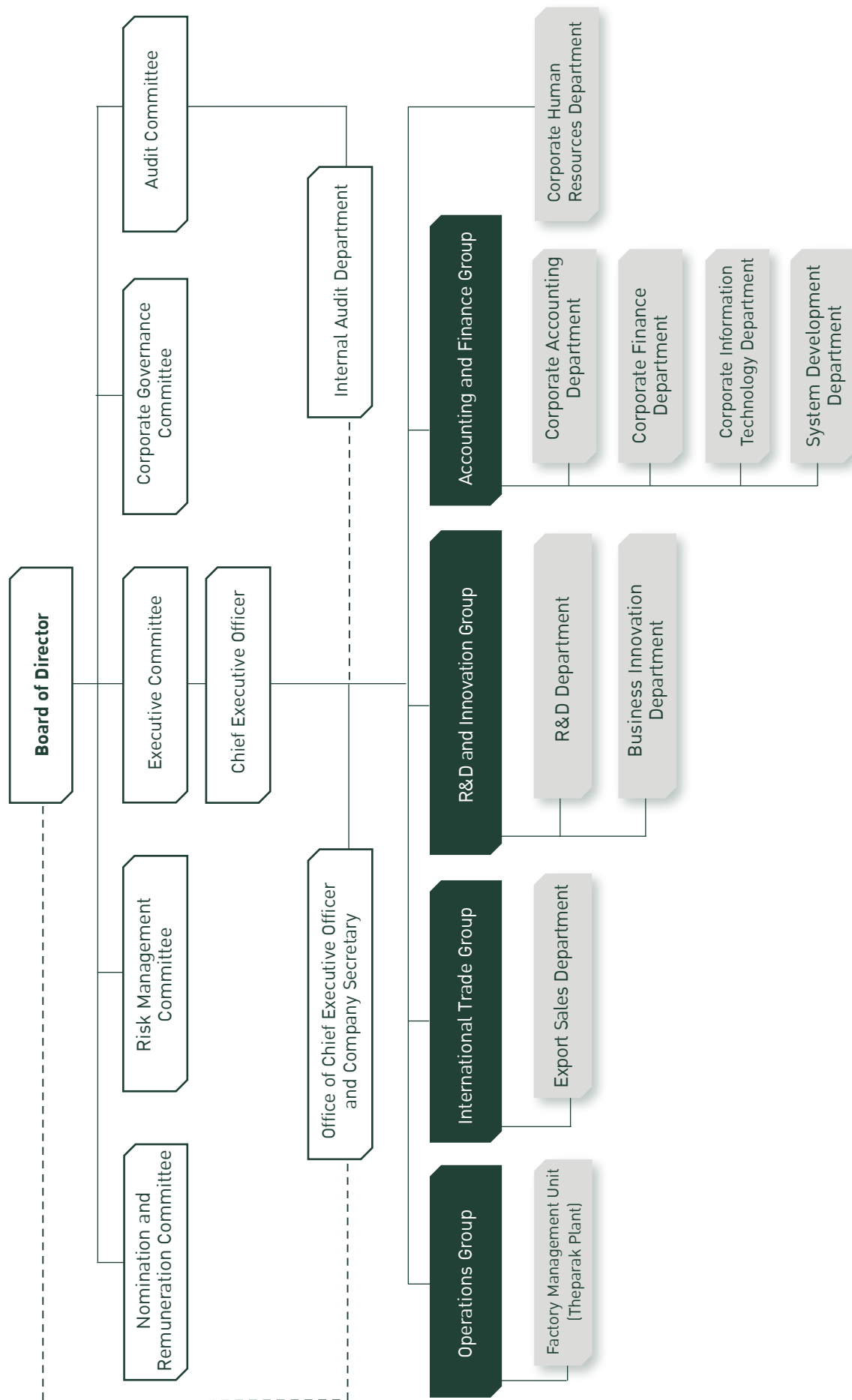
Common Stock = 269,999,000 shares (Par value = 1 Baht)

	Name of Shareholders	Amount of Shareholding	Proportion (%)
1.	Vongvadhanaroj Family	118,840,850	44.02%
	- Pokai Holdings Co., Ltd.	80,999,700	30.00%
	- Mr. Surapon Vongvadhanaroj	8,099,970	3.00%
	- Mrs. Sukanya Vongvadhanaroj	8,141,260	3.02%
	- Mr. Sorapon Vongvadhanaroj	5,399,980	2.00%
	- Mr. Sorapoom Vongvadhanaroj	5,399,980	2.00%
	- Miss Soranee Vongvadhanaroj	5,399,980	2.00%
	- Mrs. Soraya Sorakraikitikul	5,399,980	2.00%
2.	Kraisithisirin Family	35,586,000	13.18%
	- Mr. Sithichai Kraisithisirin	14,436,000	5.35%
	- Miss Sanravee Kraisithisirin	7,150,000	2.65%
	- Miss Sarin Kraisithisirin	7,000,000	2.59%
	- Miss Silawan Kraisithisirin	7,000,000	2.59%
3.	Jiengwareewong Family	34,235,090	12.68%
	- Mr. Chokchai Jiengwareewong	9,235,090	3.42%
	- 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	18,825,200	6.97%
5.	Mr. Thanathip Pichetvanichchok	12,551,200	4.65%
6.	Miss Woraran Taepaisithpong	5,000,000	1.85%
7.	Thai NVDR Co., Ltd.	3,698,470	1.37%
8.	Miss Orapun Asamongkol	3,194,900	1.18%
9.	Mr. Cheung Lawrence Lup-Kwan	1,896,000	0.70%
10.	Mr. Thiwa Jirapatanakul	1,840,700	0.68%

Source: Thailand Securities Depository Co., Ltd. (Information as of March 3, 2021)

Structure of Management

(As at February 1, 2021)



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, Risk Management Committee, and Executive 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, 2020, Board of Directors consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2020
1. Mr. Kosol	Chantikul	Chairman and Independent Director	8/8
2. Mr. Sathaporn	Kotheeranurak	Independent Director	8/8
3. Mr. Issarin	Patramai	Independent Director	7/8
4. Mr. Kanett	Chatthamrak	Independent Director	7/8
5. Mr. Surapon	Vongvadhanaroj	Director	8/8
6. Mr. Sithichai	Kraisithisirin	Director	8/8
7. Mr. Chokchai	Jiengwareewong	Director	8/8
8. Mr. Paiboon	Kangvonkit	Director	8/8
9. Miss Malai	Wongwatroj	Director	8/8
10. Mr. Sorapon	Vongvadhanaroj	Director	8/8

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 and daily operations.

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, 2020, Audit Committee consists of three Independent Directors as follow:

Name - Surname		Position	No. of the meeting attended in 2020
1. Mr. Sathaporn	Kotheeranurak	Chairman	7/7
2. Mr. Issarin	Patramai	Director	4/7
3. Mr. Kanett	Chatthamrak	Director	6/7

Thereby, Mr. Wichian Roruksa carries out duties as Secretary of Audit Committee

Remark : ^{1/} The Committees no.1 and no.2 have adequate expertise and experience to review creditability of financial report

Summary of Audit Committee's performance for the year 2020 can be summarized as follows:-

1. Review financial statements as well as consider the accounting policy and the changes in accounting policy
2. Review internal audit system as well as give the opinion of entering into related transaction and conflict of interest transaction
3. Review the correctness and adequacy of CAC Anti-corruption self-assessment
4. Review risk management system as well as audit the operations to be in compliance with regulations and consider whistle-blowing matter
5. Review internal audit and audit control policy as well as audit committee charter
6. Consider the proposals of the Company's auditor appointment as well as audit fee.

3. Corporate Governance Committee

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

As of December 31, 2020, Corporate Governance Committee consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2020
1. Mr. Chokchai	Jiengwareewong	Chairman	3/3
2. Mr. Sorapon	Vongvadhanaroj	Director	3/3
3. Mr. Kanett	Chatthamrak	Director	3/3
4. Mr. Patt	Somchaikulsup	Director	3/3

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

Summary of Corporate Governance Committee's performance for the year 2020 can be summarized as follows:-

1. Review corporate governance policy, anti-corruption policy, conflict of interest policy, whistle-blowing policy and corporate governance committee charter
2. Consider the proposals of corporate governance development in the Company as well as review of implementation and adoption of CG Code as advised by Securities and Exchange Commission
3. Monitor the laws and regulations concerning directors and executives' duties, corporate governance, and anti-corruption.

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, 2020, Nomination and Remuneration Committee consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2020
1. Mr. Chokchai	Jiengwareewong	Chairman	3/3
2. Mr. Surapon	Vongvadhanaroj	Director	3/3
3. Mr. Issarin	Patramai	Director	3/3

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

Summary of Nomination and Remuneration Committee's performance for the year 2020 can be summarized as follows:-

1. Consider the proposals of nominating the directors in replacement of the directors retired by rotation as well as the directors' remuneration
2. Review nomination and remuneration policy as well as nomination and remuneration committee charter
3. Consider CEO's remunerations
4. Monitor the laws and regulations relating to nomination and remuneration.

5. Risk Management Committee

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

As of December 31, 2020, Risk Management Committee consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2020
1. Mr. Paiboon	Kangvonkit	Chairman	4/4
2. Miss Malai	Wongwatroj	Director	3/4
3. Mr. Sorapon	Vongvadhanaroj	Director	4/4
4. Miss Soranee	Vongvadhanaroj	Director	4/4
5. Mr. Sorapoom	Vongvadhanaroj	Director	4/4
6. Mrs. Soraya	Sorakraikitikul	Director	4/4
7. Mr. Jittakorn	Chairach	Director	3/4
8. Mr. Montai	Chulatitta	Director	4/4
9. Mr. Thomas	Ung	Director	4/4
10. Mr. Sriprasert	Sriprawatkul	Director	4/4
11. Mr. Patt	Somchaikulsup	Director	4/4

Thereby, Mrs. Nawarat Surinwong carries out duties as Secretary of Risk Management Committee

Summary of Risk Management Committee's performance for the year 2020 can be summarized as follows:-

1. Review risk management policy as well as risk management manual and risk management committee charter
2. Monitor the risk factors and define the suitable management tools to control the risks into acceptable level according to COSO (Enterprise Risk Management)
3. Monitor and manage the business risk from COVID-19 spread-out, to manage the effect to the achievement of the business targets as well as the employee's health
4. Monitor the business laws and regulations which can impact the business operation as well as monitor of the operations to be in compliance with the regulations.

6. 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, 2020, Executive Committee consists of the following persons:

Name - Surname		Position	No. of the meeting attended in 2020
1. Mr. Surapon	Vongvadhanaroj	Chairman	6/6
2. Mr. Sorapon	Vongvadhanaroj	Vice Chairman	6/6
3. Mr. Paiboon	Kangvonkit	Director	6/6
4. Miss Soranee	Vongvadhanaroj	Director	6/6
5. Mrs. Soraya	Sorakraikitikul	Director	6/6
6. Mr. Sorapoom	Vongvadhanaroj	Director	6/6
7. Mr. Montai	Chulatitta	Director	6/6
8. Mr. Jittakorn	Chairach	Director	6/6
9. Mr. Thomas	Ung	Director	6/6
10. Mr. Patt	Somchaikulsup	Director	6/6

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

Details of Directors and Authorized Persons

(Information as of February 1, 2021)

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	/, //	/, //	/, //, ///			/, //	/, //	/, //
Mr. Sithichai	Kraisithisirin	/, //	/, //	/, //			/, //	/, //	
Mr. Chokchai	Jiengwareewong	/, //	/, //				/, //	/, //	
Mr. Sathaporn	Kotheeranurak	/							
Miss Malai	Wongwatroj	/, //	/, //						
Mr. Paiboon	Kangvonkit	/		/, //, X					
Mr. Sorapon	Vongvadhanaroj	/, //, X	/, //, ///	/, //	/, //, ///	/, //, ///	/, //	/, //	/, //, ///
Mr. Issarin	Patramai	/							
Mr. Kanett	Chatthamrak	/							
Mr. Chatuporn	Watcharanat		/, //					/, //	
Mr. Jittakorn	Chairach		/, //, X						
Miss Soranee	Vongvadhanaroj					/, //, X			/, //
Mrs. Soraya	Sorakraikitikul						/, //	/, //	/, //, X
Mr. Montai	Chulatitta				/, //		/, //		/, //
Mr. Sorapoom	Vongvadhanaroj				/, //, X				
Miss Yardphon	Comnungnat				/, //				
Mr. Kittikorn	Chongchere		/, //		/, //				
Mr. Sriprasert	Sriprawatkul		/, //		/, //				
Mr. Bundit	Rungratkul					/, //			
Mr. Auhtaphon	Ratana-Arporn					/, //			
Miss Yupha	Fuangraya					/, //			

Note : / = Board of Directors

X = Chief Executive Officer, Managing Director

// = Authorized Director

/// = Chairman of the Board of Directors

Remuneration of Directors and Executives

1. Directors' Remuneration

The Annual General Meeting of Shareholders No.43/2020 had passed the resolution to approve the Directors' remuneration for the year 2020 totally not exceed than Baht 6,040,000. The actual amount of payment is Bath 5,470,000

Name of Directors	Board of Directors		Audit Committee		Corporate Governance	Nomination	Total (Baht)
	Retaining Fee	Meeting Allowance	Retaining Fee	Meeting Allowance	Meeting Allowance	Meeting Allowance	
1 Mr. Kosol Chantikul	960,000.00	160,000	-	-	-	-	1,120,000
2 Mr. Sathaporn Kotheeranurak	300,000.00	120,000	180,000	70,000	-	-	670,000
3 Mr. Kanett Chatthammarak	300,000.00	105,000	120,000	30,000	10,000	-	565,000
4 Mr. Issarin Patramai	300,000.00	105,000	120,000	20,000	-	5,000	550,000
5 Mr. Chokchai Jiengwareewong	300,000.00	120,000	-	-	20,000	10,000	450,000
6 Mr. Sorapon Vongvadhanaroj	300,000.00	120,000	-	-	10,000	-	430,000
7 Mr. Surapon Vongvadhanaroj	300,000.00	120,000	-	-	-	5,000	425,000
8 Mr. Sithichai Kraisithisirin	300,000.00	120,000	-	-	-	-	420,000
9 Mr. Paiboon Kangvonkit	300,000.00	120,000	-	-	-	-	420,000
10 Miss Malai Wongwatroj	300,000.00	120,000	-	-	-	-	420,000
Total	3,660,000	1,210,000	420,000	120,000	40,000	20,000	5,470,000

2. Executives' Remunerations

Remuneration	2020		2019	
	No. of persons	Baht	No. of persons	Baht
Salary	5	17,365,175	5	17,286,000
Bonus	5	2,106,525	5	1,777,500
Other remunerations	5	147,840	5	112,672
Total	5	19,619,540	5	19,176,172

3. Directors' Retaining Fee and Meeting Allowance

Directors	2020
Monthly Retaining Fee	
- Chairman	80,000 Baht
- Board members	25,000 Baht
Meeting Allowance	
- Chairman	20,000 Baht
- Board members	15,000 Baht

4. The Sub-committees' Remunerations

Sub-committees	Position	Retaining Fee	Meeting Allowance
Audit Committee	Chairman	15,000 Baht per month	10,000 Baht
	Member	10,000 Baht per month	5,000 Baht
Corporate Governance Committee and Nomination & Remuneration Committee	Chairman	-	10,000 Baht
	Member	-	5,000 Baht
Executive Committee	Everyone member	-	-
Risk Management Committee			

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. Board of Directors has considered and reviewed the implementation and adaption of Corporate Governance Code for Listed Company, as introduced by The Securities and Exchange Commission, to the Company by concerning the Company's appropriate business context. The implementations according to Corporate Governance Code for listed companies (2018 version). The Performance in the year 2020 can be summarized as followings:

1. Establish Clear Leadership Role and Responsibilities of the Board

1.1 The Board aware of its leadership role to oversee good governance in the organization as well as contribute in consideration and approval of the Company's business objectives, target, and strategies. The Board takes vital part in considering and giving advices on the Company's three-years business objectives, target, vision, mission, and strategies. In addition, Board's meeting dated July 4, 2020 follows up the progress of implementation according to the approved strategies and action plans for the year 2020 and gives advices by concerning the always-changing situation. In addition, the Board's meeting dated December 17, 2020 considers and approves the three years business objectives, target and strategies for the years of 2021-2023 as well as business budget and action plans for the year 2021.

1.2 The Board considers and approves the Company's Corporate Governance policy, Anti-Corruption policy, Internal Audit and Internal Control Policy, Risk Management Policy, Code of Ethics, and the Board's charter, which describes all sub-committees roles and responsibilities. The Board shall annually review the appropriateness of the policies as well as supervises the Management to communicate and implement according to the policies applicable to all staffs. All mentioned policies are publicized through the Company's website and communicates to all staffs. The Management will report the progress and the implementation according to the Policies to the Board regularly.

1.3 The Board regularly monitors new laws and regulations concerning the Board's duties and responsibilities in compliance with fiduciary's duties as well as the issues that significantly affect the Company's performance. The Board promotes the directors and the executives to perform duties with care, loyalty, and comply with all business laws and regulations.

1.4 The Board ensures that code of ethics manual shall be made in written to be the clear guideline of implementations for all staffs. Communicating, monitoring the implementations, and training will be regularly done. The Board also ensure that code of ethics manual will be regularly reviewed the appropriateness. Since good corporate governance is set as the Company's high priority policy. Ethics and good corporate governance will be set as one of the criteria of performance evaluation for all executives and staffs.

1.5 The Board establishes the specific five sub-committees with clear responsibility for specific matters in order to support the Board duties. Sub-committees are comprised of Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee, and Executive committee.

1.6 The Board demonstrates a thorough understanding of the division of responsibilities and segregation of authority between the Board and the Management. The Board clearly defines the written power of authority by concerning check and balance controls.

1.7 The Board approves the policy of Board Structure Diversity. Composition of the Board will be comprised of knowledgeable and capable persons, experiences, expertise, required skills, integrity, and ethics. In addition, the board will be unqualified according to characteristics of trustworthy directors as specified in the relevant regulations. The Board will consider and appoint the director without limitations of age, sex, religion, or other limitation factors.

1.8 The Board approves Policy of Board of Directors' Structure Diversity, which identifies required skills and characteristics such as industry, commerce, service business, legal, accounting, finance, public relations, governmental administration, and etc. to be in line with the Company's target and direction.

1.9 Chairman of the Board and Chief Executive Officer positions must be posted by different person. Segregation of authority and duty between Chairman of the Board and Chief Executive Officer are clearly defined in order to ensure check and balance of power. Chairman of the Board's main duties are to chair the meetings of Shareholders and Board, to support and encourage the participation of all board members, promote relationship among board members and the Management, lead the board meeting, and to follow up the Management's performance in order to ensure the achievement of business objectives and targets. Chairman of the Board will not involve in operational management. CEO mains duties are to manage the business according to the Board's policy. CEO remuneration shall be considered and approved by Nomination and Remuneration Committee according to the Remuneration policy approved by the Board.

2. Define Objectives that Promote Sustainable Value Creation

2.1 The Board supervises and ensures that the Company has clearly defined the business objectives and targets both in short term and long term periods. The Board takes vital role in consideration and approval of the business objectives, financial and non-financial targets, strategies and important action plans by concerning the possible changes in business environment context, risk factors, stakeholders' expectations, adequacy of internal resources, and the best benefits of the Company. The Board's meeting dated December 17, 2020 approves three years business objectives for the period of year 2021-2023 ; comprised of 1) Satisfied performance 2) Development of competitiveness and adaptability to business changes and 3) Business operation with good ethics and best benefits to concerned stakeholders.

2.2 The Company put strong efforts to develop and deliver trusted products and services in order to satisfy the customers. The Company set up customer relationship management (CRM) system to implement CRM operations issue and survey the customers' satisfaction. The CRM result as well as the customers' opinions shall be taken into account for improving and developing the Company's products and services. The Company sets target of CRM development results for the period of 3 years. CRM results score in the year of 2020 equals to 86.08%, equivalent to good level.

2.3 The Board performs its top prioritized duty to monitor and evaluate the Company's performance to ensure the achievement of business targets. In case of emergency, the Board will ensure that the Management has been ready to handle with the problems and ensure that suitable corrective plans will be implemented promptly.

2.4 The Board promotes the clear establishment of corporate culture and corporate value in reflection of good corporate governance. In addition, the Board also monitors and promotes their communications applicable to all executives and staffs in order to push the operations in same direction and goal. The Company's core value is "Integrity and Trustworthiness".

2.5 The Board puts its priority to develop the Company's competitiveness and long-term business performance by promoting innovation and technology development strategies in order to well respond to business's needs and the Company's target.

3. Strengthen Board Effectiveness

3.1 The Board ensures that number of the Company's directors is suitable and well serve to perform the business operation. The Board consists of totaling 10 persons, 3 persons are Executive Directors, 3 persons are non-Executive Directors, and 4 persons are Independent Directors. The number of Independent Director is in accordance with SEC regulations and can give opinions independently.

3.2 Majority of the Board member is non-executive directors, who can independently give opinions and suggestions.

3.3 The Company's definition of Independent Directors is the person who holds the Company's share not more than 1%. Independent Director must also comply with the qualifications of Independent Director as prescribed 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 is no Independent Director or the Management been the employee or been the partner of the Company's auditor.

3.4 In nominating director process, the Board will consider the suitable person by concerning necessary qualifications, skills, experiences, and knowledge to achieve the Company's objectives and targets as well as concerning the Company's board diversity policy and required board skills matrix. The Company requires at least one of non-executive directors should be experienced in the Company's main business. Composition and profile of all directors are disclosed through annual report and website.

3.5 Nominating the director nomination will be considered by the Nomination and Remuneration Committee prior to propose to Board of Directors and/or Shareholders for consideration. The consideration will follow the policy of Nomination of Director, which publicizes through the Company's website. The Board will review the policy regularly in order to affirm that the policy shall be in line with all relevant rules and regulations as well as the Company's target and strategy.

3.6 Consideration of appointing Independent Director, who has posted in the position more than 9 years, the Board will consider the necessary and appropriateness of the appointment with very care by concerning the best benefits of the Company as well as their contributions to development of good corporate governance which shall ground the foundation of the business competitiveness in the long-run.

3.7 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.

3.8 Chairman of the Board and Chief Executive Officer positions must be posted by different person. Segregations of authority and duty between Chairman of the Board and Chief Executive Officer are clearly defined in order to ensure check and balance of power. Chairman of the Board's main duties are to chair the meetings of Shareholders and Board, to support and encourage the participation of all board members, to promote relationship among board members and the Management, and to lead the board meeting to follow up the Management's performance in order to ensure the achievement of business objectives and targets. Chairman of the Board will not involve in operational management.

3.9 Important matters must be approved by the Board such as defining of vision and mission, strategies, business plan, annual budget, significant investment of more than Baht 50 million, and etc. The consideration of important matters must be compiled with the concerned regulations.

3.10 The Board has established 5 sub-committees with responsibility for specific matters in order to support the Board duties. In 2020, Audit Committee held the meeting 7 times, Nomination and Remuneration Committee 2 times, Corporate Governance Committee 3 times, Risk Management Committee 4 times, and Executive committee 6 times. The performance report from all sub-committees will submit to the Board meeting for consideration. Summary of important performance of each subcommittee shall be disclosed in this annual report in topic of "Structure of Board of Directors".

3.11 The Board assigns Nomination and Remuneration Committee to consider directors' remunerations and submit to the Board and Shareholders' meeting for approval. Consideration of directors' remunerations shall concern duty and responsibility, the Company's business targets, and contributions from the Directors. The Directors' remunerations should be in suitable level to maintain and attract the competent directors. Directors' remuneration policy shall be disclosed through annual report and website.

3.12 The Board put its prioritized duty to develop the directors' competency and ensure that there will be adequate and suitable mechanisms to support the new director to realize and understand directorship roles and responsibilities. The Company shall provide necessary information to directors such as business objective, targets, vision, mission, updates of business and risk factors, updates of important laws and regulations through directors' orientation, directors' manual, site visit to all subsidiaries, and discussion in the Board's meeting. The Board also promotes the Boards and the Executives to participate in directorship training program, organized by IOD and/or

other organizations. In 2020, Mr. Sriprasert Sriprawatkul participates in Director Certification Program (DCP), organized by IOD.

3.13 The Board approves the policy on being directors and executives in other Companies. The Company will consider by concerning number of directors position in other companies, nature and type of business, and effectiveness of directors who hold multiple board seats, and etc. The Board requires that directors shall not inaugurate in other listed companies more than 5 companies except that person hold strongly knowledge, experiences, and competent which the Board sees it is of the Company's benefits. The Board and Executives who will post in other company's directorship must report to the Company's board for consideration. In 2020, there is no director who post in directorship in other listed company more than five companies as well as there is no executive director who post in directorship in other listed company.

3.14 The Board establishes adequate system and mechanism to ensure that no usage of internal information as well as unfair conflict of interest transaction and related transaction both direct and indirect, which are not complied with the regulations.

3.15 The Company has carefully managed conflict of interest and related transactions. The decision of transactions will be considered with care and 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 opinions for the Board's consideration. The Board and the Executives will have to inform their possible conflict of interest and related persons to the Company. In 2020, there is no entering into conflict of interest and related transactions which are not complied with the regulations. In addition, there is no financial support to non-subsidiary companies. The Company discloses policy of conflict of interest through website.

3.16 The Board establishes the policy of information usage Control to prevent the use of internal information for private interest. The Company communicates the policy to the Board, the Executives, and staffs. The policy is disclosed through website. In 2020, there is no case of usage of non-disclosed internal information for private interest. Furthermore, the Board and the Executives will 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.

3.17 The Board defines the policy of supervising and controlling subsidiaries to ensure that business operations in subsidiaries shall be performed according to the Company's best benefits. The policy covers criteria of appointing directors in subsidiaries, duty of the Company's representatives in the subsidiaries, voting in the Board's meeting and the Shareholders' meeting, significant matters to be approved by the Company prior to the decision, establishment of internal control and risk management in the subsidiaries, and important matters must be made in compliance with the regulations.

3.18 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 6 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 99.20% with very good level. Individual performance evaluation employed 10 criterias, divided into 3 categories: 1) Directors' fiduciary 2) Board's meeting and 3) Independence of the Director. The result of individual performance evaluation is 92.70%. There will be the discussion of the evaluation results to improve the Directors' performance as well as utilize these results to consider nominating directors and suitable composition of directors.

3.19 The sub-committees also conduct an annual performance evaluation in order to improve the performance. For the evaluation of CEO performance will be evaluated by the evaluation committee appointed by the Board of Directors. The criteria of CEO performance evaluation cover business performance results, efficiency and potential, implementations according to the Board's assignment.

3.20 The Board in advance schedules of the Board meeting. In 2020 there are 8 times Board of Directors meetings where all directors attended the meeting regularly more than 90% of total times of the meetings. 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 the Board 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 2020 is 96.28%. The Board discusses the results of meeting assessment in order to improve the meeting effectiveness.

3.21 Non-executive directors meeting without the management is held on November 11, 2020 to discuss their concerns. The report of meeting is reported to the Board meeting and CEO to scrutinize the points for improvement.

3.22 Chairman of the Board, CEO, and Company Secretary will together discuss to set the Board's meeting agenda. In addition, independent directors and the management can propose the agenda by informing through the Chairman or Company Secretary.

3.23 The Board encourages CEO to invite the Executives to attend the Board's meeting to present details on the agenda related matters that they are directly responsible for, and allow the Board to get familiarity with the Executives and to assist their succession planning.

3.24 The Board regularly monitors the Company's performance through reporting from the management in the Board's meeting together with the management's monthly report sent to directors so that the Board can follow up and monitor the performance continuously and promptly.

3.25 The Board can access to accurate, relevant, timely and clear information required for their respective roles from CEO or Company Secretary.

3.26 The Board appoints Mr. Patt Somchaikulsup as Company Secretary. The Board views that he possesses necessary qualifications, knowledge, and required skills for performing Company Secretary's duties and responsibilities. He possesses certificates of company secretary training programs. The Board defines its required qualifications for this position to facilitate performing directors' duties. The Board also encourages Company Secretary to enroll the training program continuously. Profile and roles and responsibilities of Company Secretary are disclosed through

annual report and form 56-1. The Board annually assesses company secretary performance which the assessment results shall be communicated to Company Secretary for performance development.

4. Ensure Effective Top Management and People Management

4.1 The Board assigns Nomination and Remuneration Committee to establish criterias and procedures of nominating and selecting CEO as well as CEO succession planning. The Board also assigns Nomination and Remuneration Committee together work with CEO to establish criterias and procedures of nominating and selecting key executives. Whereas, CEO shall regularly report progress of implementation of succession planning to the Board or the committee assigned by the Board.

4.2 The Board encourages and promotes CEO and key executives of the Company and the subsidiaries to enroll training programs to develop knowledges and experiences, which can be helpful for performing their duties. Currently, all Managing Directors of the subsidiaries attended training program in Director Certification Program (DCP), organized by IOD.

4.3 The Board establishes the policy of key executive's being directors and executives in other companies. Posting in directors' position in other companies will have to comply with the laws and regulations and must be approved by CEO prior to the appointment. Consideration of being directors in other companies will concern related factors such as permissible number of companies, types of business, duty effectiveness, and etc.

4.4 The Board considers and approves the policy of remuneration structure, criteria of employee's performance evaluation by concerning the alignment to business objectives and performance both short and long term periods. The Board assigns CEO to consider details of suitable KPIs for company-wide performance management.

4.5 The Board considers and approves the policy of CEO remuneration by concerning duty, responsibility, business type and size, comparison of CEO in same business, performance. CEO remuneration will have to link with business performance.

4.6 The Board defines and approves criterias and procedures of CEO performance evaluation and CEO remuneration. The CEO evaluation and remuneration shall be done annually by the specific committee, appointed by the Board. Whereas, the performance evaluation of key executives shall be done annually by CEO.

4.7 The Board considers its responsibilities by concerning the context of the Company's shareholders structure relationship, which may impact the management and operation of the Company. The Board supervises disclosure of significant information impacted the business controlling.

4.8 The Board ensures that the Company is properly staffed, and that human resources management aligns with the business objectives and targets. The Board also ensures that good and fair practices on employee are in place.

5. Nurture Innovation and Responsible Business

5.1 The Board prioritizes and promotes corporate culture and innovation development that create value or the Company and contributes to the achievement of business objectives and targets. Development of innovation shall focus on a development of business operations in order to respond mutual benefits of the Company and

stakeholders, which will be based on shared creating value principle and long-term sustainable business growth. In the year 2020, the operations of innovation function has emphasized the development of efficient production process, reduce waste and loss from the production, and manage the suitable cost of production that will help better products proposition to the customers.

5.2 The Board ensures that the Company establishes adequate mechanism to monitor and review business operations can meet the changes in business context by concerning business ethical conduct, stakeholders concerns. The Board shall supervise and monitor good corporate governance business conduct through corporate governance committee, risk management committee and audit committee. The Board shall supervise and monitor business performance through executive committee and the Management.

5.3 The Board approves policy of anti-corruption. The policies related anti-corruption prevention and protection comprise of Anti-Corruption Policy, Political Contribution Policy, Charity and Sponsorship Policy, Human Resource Management Policy to support anti-corruption, and Whistle Blowing Policy which include the contact channel and countermeasure controls are all publicized through the website.

5.4 The Company is certified as member of CAC (Thailand's Private Sector Collective Action Coalition Against Corruption). The Company also continuously precedes activities concerning anti-corruption promoting. In December 2020, the Company submitted their request to renew the CAC member to CAC committee.

5.5 The Board approves policy of corporate social responsibility. The policy and its details procedures which are disclosed through website are as follows:-

- 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 employee's 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

5.6 The Board ensures that policy on IT system management is established in order to ensure IT resources are suitably allocated to support business needs as well as monitor and manage IT risks. The Board assigns risk management committee to follow up and monitor the operations to be in compliance with the policy and regulations. The orientation to new staffs as well as refreshment training on IT policy are also in place.

6. Strengthen Effective Risk Management and Internal Control

6.1 The Board aware of and understand important corporate risk factors. The Board assigns risk management committee to follow up and monitor the management of significant risk factors that might affect the achievement of business targets. Risk management committee shall regularly submit an implementation report to the Board for consideration.

6.2 The Board considers and approves the policy of risk management. The Board shall also regularly review and effectiveness and efficiency of risk management system to ensure all aspects of business risks will be monitored: strategic risk, operational risk, financial risk, compliance risk, event risk, corruption risk, IT and cyber security risk. IT security policy is implemented and be reviewed the appropriateness at least once a year. The policy is disclosed through the website.

6.3 The Board assigns risk management committee to establish risk management manual, which is in compliance with COSO 2017 (The Committee of Sponsoring Organizations of the Treadway Commission). The risk management manual is implemented to be the clear guideline of risk management in the Company and subsidiaries.

6.4 The Board considers and approves policy of internal audit and internal control, which is in compliance with professional internal audit standard. The policy is to be the clear guideline for implementing in the Company and subsidiaries. The policy is disclosed through website.

6.5 The Board appoints audit committee comprised of three independent directors. All members are fully qualified according to qualifications as specified in the applicable requirements. The Board defines its clear roles and responsibilities as written specified in audit committee charter. In addition, audit committee also review adequacy and suitability of risk management and internal control system. Report of the reviews is disclosed through annual report and the website.

6.6 The Board ensures that the Company establishes mechanism and tools to support audit committee's duty. Audit committee can access information necessary for performing their duties. The Board assigns 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 works 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.

6.7 The Board prioritizes importance of controlling of internal information usage, which might affect stock price. The Board establishes policy of Internal Information Usage Controlling to prevent the use of internal information for private interest. The directors, executives, and staffs who involve in financial reports, and other persons who get important information prior to publicizing publics such as auditor, are not allowed to buy, sell, and transfer the Company's stock one month prior to disclosure of financial statement.

6.8 The Board will have to report the Board while they have the Company's stock trading transaction.

6.9 The Board considers and approves policy of preventing conflict of interest. The policy is disclosed through the website. The policy requires directors and executives report their conflict of interest as this report will be used for controlling and managing the transaction which might be conflict of interest transaction in order to ensure that the transaction is made in compliance with the regulations and be considered with care, fair, according to general business term. The substantial transaction shall be considered by audit committee and then submit audit committee's opinion to the Board for approval. In consideration of related transaction, the director who is related to that agenda will not attend the meeting as well as not vote and give opinion in that agenda item. The Company shall disclose details of related transaction which comply with the requirements through SET website.

6.10 The Board considers and approves policy of whistle-blowing and defines designated channels for reporting such as sending the postal to audit committee or whistle-blowing@surapon.com. Process and procedure of investigation as well as protecting whistleblowers, and remedial action are clearly defined.

7. Ensure Disclosure and Financial Integrity

7.1 The Board ensures that the Company has the policy to equally treat information both positive and negative. The Board shall concern the equal accession of information as well as keeping confidentiality of important information. The disclosure of information will comply with the regulatory requirements.

7.2 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.

7.3 The Board ensures that disclosure of financial and performance reports including financial status and financial difficulties are regularly and timely reported.

7.4 The Board prioritizes the control of financial liquidity and ensures that there will be monitoring financial liquidity control continuously and closely. In consideration of investment, the Company shall consciously consider an effect to financial liquidity and solvency.

7.5 The Board supervises and ensures that any person involved in the preparation and disclosure of any information of the Company is suitable. They possess relevant knowledge, skills, and experiences. The Board also supervises disclosure of important information reflect the Company's financial status and performance. The Board also promotes the inclusion of MD&A (Management Discussion and Analysis) in quarterly financial reports in order to provide investors more complete and accurate information.

7.6 The Board supervises and ensures that annual report of implementation of corporate social responsibility as well as the policy and guideline practices for all stakeholders are disclosed through the Company's website.

7.7 The Company establishes policy of communicating and disclosing information to public. The policy concerns fairness, equality, and timeliness of disclosure. The Company assigns investor relation function responsible for communication with shareholders and other stakeholders. Channel to contact is investor@surapon.com. Moreover, the board promotes the management to establish clear direction and activities of investor relation affairs.

8. Ensure Engagement and Communication with Shareholders

8.1 The Board ensures that significant decisions as well as significant impact to the Company are considered and/or approved by the Board and/or shareholders with proper opinions from the management.

8.2 The Board encourages participation of the Shareholders by establishing policy of facilitating shareholders to attend the shareholders' meeting as well as criteria of proposing shareholders' meeting agenda in advance. The Board also ensures that the Company does not establish the meeting attendance requirements or prerequisites prevent attendance by or places an undue burden on shareholders, including as a result of identification requirements that exceed applicable legal and regulatory requirements. The Company communicates shareholders to propose the shareholders' meeting agenda item during October 1, 2020 to December 31, 2020. There is no proposal from the shareholders.

8.3 The Board respects the right of all shareholders equally and responsible for taking care of shareholder's interest. The Shareholders have rights to make decision on important issues. The 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 2020, The Company postpones the organizing of AGM meeting due to COVID-19 spread-out, the Board then approves the interim dividend payment instead, the interim dividend payment is paid at the rate of Baht 0.2063 per share or equivalent to 100% of net profit after tax from separate financial statement, which is in line with the Company's dividend policy.

8.4 The Board 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, 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 utilized 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.



Internal Control and Risk Management

The Company is highly aware of the importance on internal control. The Company puts emphasis on internal control and risk management in all operation activities. Board of Directors has arranged the annual assessment program to evaluate the adequacy and suitability of Internal Control system. In 2020, the Audit Committee utilized 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.

Board of Directors also gives precedence to the Auditor's opinion given in the Auditor Report which reveals no significant weaknesses in the Company's internal control. In addition, the Management has provided best supports 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. The assessment of the Company's internal control system can be summarized as follows;

1. Environment Control

The Company has a strong commitment to operate its business loyalty and ethically. The organization structure, line of command, power of authority, segregation of duty have been set to comply with job function and key responsibilities by concerning internal control supports. Human resources function focuses on retention and development of the capable employees. The Company and subsidiaries keep emphasis 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 continuously. The Company is certified as the member of Thailand's Private Sector Coalition against Corruption (CAC).

2. Risk Assessment

The Company establishes the efficient internal control and risk management systems. The Company appoints Risk Management Committee to monitor, consider, and define the suitable 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, event 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. In addition, 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 into 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 principle.

4. Information and Communication

The Company set up communication procedure and channel both internal and external in order to support efficient risk management and internal 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 operational 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 Executives and Board of Directors.



Dividend Payment Policy

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). 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 Statements, except when investment or cash flow is needed — the Board of Directors could present the Shareholders' meeting to pay the dividend as it fits".

In addition, one of the Company's subsidiary; namely Surapon Nichirei Foods Co., Ltd. also establishes its dividend payment policy is "Dividend payment shall be entirely paid out from the whole amount of annual net profit after, except when investment or cash flow is needed — the Company's shareholders shall consider to pay the dividend as it fits".



Related Transaction

In business operations, the Company might have related transaction with related person and/or juristic person. The Company, however, carefully makes decision of the related transaction by concerning the Company' best benefit with care and fair by concerning at arm's length basis principle as well as 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 the Board of Directors' meeting no.4/2008, the meeting has passed the resolution of entering into related transaction that the Board of Directors approves in principle to allow the Company and subsidiaries can enter into related transaction with the director, executive or related persons. The management can approve in case general trading conditions as specified by the Notification of the Board of Governors of the Stock Exchange of Thailand.

In 2020, the Company reported the related transaction to SET. Board of Directors' meeting has passed the resolution to approve the related transaction in rental contract of office room between Pokai Holding Co., Ltd. ("lessor") and Surapon Finest Co., Ltd. ("renter") for two years period (November 1, 2020 to October 31, 2022) as Surapon Finest Co., Ltd. need the workplace for the staffs in sales and marketing functions. Pokai Holding Co., Ltd. is 100% shared by six members of Vongvadhanaroj family, who hold all together 44.02% shareholding in Surapon Foods PLC. Value of this transaction in comparison with the net tangible asset showed that its size was 0.24%, which was considered to be the medium-size connected transaction as specified in the Notification of SET. The Company already reported details of this transaction to SET on August 14, 2020.



Management Discussion and Analysis

Overall performance in the year 2020

The profit for the year 2020 of Surapon Foods Public Company Limited and its subsidiaries (or “the Company and its subsidiaries”) was Baht 411.6 million (2019: Baht 302.8 million), increased by Baht 108.8 million or 35.9% compared to the year 2019. Profit attributable to owners of the parent amounting to Baht 148.5 million (2019: Baht 75.5 million), increased by Baht 73.0 million or 96.7%.

In the year 2020, COVID-19 pandemic significantly impacted domestic and global economies, led to slowdown of consumption. Many countries implemented the preventive measures to restrict and control the operations of some businesses in the countries, impacted to the Company and the subsidiaries’ main customers. However, the Company and the subsidiaries’ revenue from sales of goods and rendering of services in the year 2020 can maintain at the same level as the year 2019. Revenue from sales of goods and rendering of services in the year 2020 was Baht 5,879.4 million, increased by Baht 12.5 million or 0.2% from the year 2019. The main driving factor of this revenue increase is from the increase of sales in frozen and processed chicken business through two subsidiaries, which are Surapon Supreme Foods Company Limited (“SUP”) and Surapon Nichirei Foods Company Limited (“SUNIF”). The products of these two subsidiaries are very well accepted from the markets and customers especially retail channel which has been growing in reflection of changing consumption behavior during COVID-19 spread-out situation.

Gross profit margin was increased from 14.6% in the year 2020 to 11.8% in the year 2019. The increase of gross profit margin was due to the increase of gross profit in SUP and SUNIF due to their increase of production quantity and more efficiency of operational management, led to more efficient production cost management. In the meantime, cost of chicken raw materials was decreased as well as the depreciation of Thai Baht was more favorable to the performance result.

Operating result for the year 2020

Revenue from sale of goods

Revenue from sale of goods according to consolidated financial statement for the year 2020 was Baht 5,797.4 million, an increase of Baht 27.7 million or increased by 0.5%, compared to the year 2019. Such increase is from the change of sales of goods of the Company and subsidiaries as follows:

1. Revenue from sale of goods of Surapon Foods Public Company Limited (“SSF”) was decreased by Baht 265.1 million or decreased by 36.2% compared to the year 2019. The main reasons can be prescribed as below:
 - Revenue from sales in Thailand was decreased by Baht 112.1 million or decreased by 38.4%, compared to the year 2019. This was due to the impact from COVID-19 spread-out, affecting the slowdown of Thai economy and domestic consumption spending. Consequently, SSF’s revenue from sales of goods through one of the subsidiary; namely Surapon Finest Company Limited was decreased.
 - Revenue from export sales was decreased by Baht 153.0 million or decreased by 38.4%, compared to the year 2019. The main decrease was sales to main markets; England and Japan. Sales to those markets especially selling through restaurant channel was significantly affected from COVID-19 spread-out, due to the fact that the government in those countries has implemented

preventive measures to control the business hour of operations of the restaurant. Consequently, the customers in those markets decreased and/or delay their purchasing orders placing.

2. Revenue from sale of goods of Surapon Finest Company Limited (“SOFINE”) was decreased by Baht 179.7 million or decreased by 27.6%, compared to the year 2019. The decrease of revenue is mainly from main customers in restaurant, hotel, and wholesale channels have been significantly impacted from COVID-19 spread-out due to the slowdown of domestic consumption and tourism sector. However, SOFINE has been adjusted its business in response to the COVID-19 situation by pushing more sales to other selling channels, which is less impacted from COVID-19 such as retail shop, supermarket, and sales through E-commerce platforms. Sales revenue to those channels has been increasing.

3. Revenue from sale of goods of Surat Seafoods Company Limited (“SS”) was decreased by Baht 33.5 million or 5.6%, compared to the year 2019. The decrease of revenue is mainly from sales to Japan and Thailand, which were significantly impacted from COVID-19 spread-out. The customers in those markets slow down their placement of purchasing orders. However, SS has been continuously adjusted its business in response to the COVID-19 situation by pushing more sales to other markets, which are less impacted from COVID-19 such as Australia and Taiwan. Sales revenue to those markets then has been increasing.

4. Revenue from sale of goods of SUP was increased by Baht 256.3 million or 45.1%, compared to the year 2019. This was due to the continuous development of its product’s quality. Main customers in Japan then trust its food quality and increase the placement of purchasing order to SUP in the year 2020. The increase of purchasing order is mainly from retail channel, which is less impacted from COVID-19 than other selling channels.

5. Revenue from sale of goods of SUNIF was increased by Baht 106.7 million or 2.9%, compared to the year 2019. The increase of purchasing order is mainly from retail channel in response to the change in consumption behavior during COVID-19 spread-out.

Revenue from rendering of services

One of the subsidiary, namely Mobile Logistic Company Limited (or “MBL”) posted its revenues from cold storage and transportation services in the year 2020 amounting to Baht 82.0 Million (2019: Baht 97.2 million), decreased by Baht 15.2 million or 15.6% compared to the year 2019. The occurrence of COVID-19 pandemic impacted MBL’s customers, led to the decrease of MBL’s cold storage and transportation transactions. On the other hand, MBL can increase its revenue from new customers and new products but this increase is still not compensated to the decrease of revenue from existing customers.

Gross profit margin

Gross profit margin of revenue from sales of goods and rendering of services was increased from 14.6% in the year 2020 to 11.8% in the year 2019. The increase is mainly from the increase of profit margin in SUP and SUNIF as described above.

Distribution cost

Distribution cost in the year 2020 was Baht 213.2 million, decreased by Baht 12.4 million or 5.5% compared to the year 2019 due to more strictly control of cost and expense management in response to the situations in order to balance with the overall performance and liquidity.

Administrative expenses

Administrative expenses in the year 2020 was Baht 244.5 million, decreased by Baht 27.2 million or 10.0% compared to the year 2019.

1. In 2020, the Company and its subsidiaries implemented its more strictly control of cost and expense management in response to the situations in order to balance with the overall performance and liquidity.
2. As a result of adoption of the amended Labor Protection Act in the year 2019 whereby the labor who has worked for twenty years consecutively or longer shall be paid not less than four hundred days of the most recent wage rate received, the Company and its subsidiaries have therefore amended its retirement plan and recognized the additional expense in the year 2019. However, those amended issue have not impacted in the year 2020.

Financial position

Assets

Total assets of the Company and its subsidiaries as at 31 December 2020 was Baht 4,180.9 million, a decrease of Baht 24.5 million or 0.6%, compared to as at 31 December 2019. The significant changes can be summarized as follows:

1. Cash and cash equivalent amounting to Baht 593.0 million, increased by Baht 118.6 million or 25.0%. During the year 2020, there was a net cash from operating activities amounting to Baht 877.1 million, net cash used in investing activities and financing activities amounting to Baht 264.6 million and Baht 493.9 million, respectively.
2. Trade accounts receivable was Baht 246.7 million, a decrease of Baht 38.7 million or 13.6%. The average collection period in the year 2020 was 17 days, while 16 days in the year 2019. Most of such outstanding receivables amounting to Baht 224.4 million were within credit term. The Company and its subsidiaries have policies to strictly consider granting receivable facility to the customers and debt collection has been also closely monitoring.
3. The inventories balance was Baht 492.6 million, a decrease of Baht 91.7 million or 15.7%, mainly due to the decrease of finished goods amounting to Baht 90.8 million. Average inventories turnover of the year 2020 and 2019 was equally 40 days.
4. Right of use assets was Baht 89.4 million while it was no balance as at 31 December 2019. This was due to the first adoption of Thai Financial Reporting Standards no.16 Leases ("TFRS 16") on January 1st 2020, accordingly the Company and its subsidiaries have started to recognize right of use assets in the year 2020. This recognition in the year 2020 was mainly the transfer in property, plant and equipment account amounting to Baht 103.0 million.
5. Outstanding balance of net property, plant and equipment was Baht 2,517.4 million, a decrease of Baht 87.2 million or 3.3%. The main reasons are as followings:
 - 5.1 As a result of first adoption of TFRS 16, the Company and its subsidiaries transferred out the net book value of Baht 103.0 million to right of use assets account during the year 2020.
 - 5.2 Purchase plants and equipment during the year 2020 amounting to Baht 281.5 million.
 - 5.3 Depreciation expenses in the year 2020 amounting to Baht 272.9 million.

Liabilities

Total liabilities of the Company and its subsidiaries as at 31 December 2020 was Baht 1,813.4 million, a decrease of Baht 156.8 million or 8%. The significant changes can be summarized as follows:

1. Short-term loans from financial institutions amounting to Baht 299.8 million, a decrease of Baht 28.7 million or 8.7%
2. Trade accounts payable amounting to Baht 267.7 million, a decrease of Baht 11.0 million or 4.0%. Average repayment period of the year 2020 was 20 days, while 17 days in the year 2019.
3. Long-term loans from financial institutions amounting to Baht 642.0 million, a decrease of Baht 113.9 million or 15.1%, due to repayment of long term loan during the year 2020.

Equity

Total equity of the Company and its subsidiaries as at 31 December 2020 was Baht 2,367.4 million, an increase of Baht 132.3 million or 5.9% mainly due to the profit in the year 2020 was posted at Baht 411.6 million, the dividend payment by the Company of Baht 55.7 million, the dividend payment by subsidiaries to the non-controlling interests of Baht 229.1 million.

Liquidity

Detail of cash flow statements of the Company and its subsidiaries for the year ended 31 December 2020 can be summarized as follows:

1. Net cash from operating activities was Baht 877.0 million, an increase of Baht 280.1 million or 46.9% comparing to the year 2019, mainly due to an increase of profit in the year 2020 and an increase of cash received from change in trade accounting receivable and inventories.
2. Net cash used in investing activities was Baht 264.6 million, an increase of Baht 59.0 million or 28.7% comparing to the year 2019, mainly due to the higher acquisition of plant and equipment in the year 2020 amounting to Baht 54.7 million.
3. Net cash used in financing activities was Baht 493.9 million, a decrease of Baht 97.9 million or 16.5% comparing to the year 2019, mainly due to a decrease of net cash used in repayment short term loans and long term loans in the year 2020 amounting to Baht 134.3 million.

In the year 2020, the Company and its subsidiaries can suitably manage its capital, together with finding for suitable sources of fund by concerning appropriate finance costs and financial liquidity.

The Company and its subsidiaries' current and future businesses mainly rely on main raw materials of agricultural products such as chicken, shrimp, fish, and etc. Quantity and price of agricultural products are always fluctuated according to season, environment, weather, and many factors affecting to consumption demands throughout the world. Therefore, raw materials sourcing ability as well as production cost management will definitely affect the Company and its subsidiaries' profitability. Consequently, the Company and its subsidiaries have strong push efforts to secure the adequacy of raw materials by always increase number of additional suppliers together with developing the substituted raw materials, which are less fluctuated in order to mitigate business risks and maintain business continuity.

In addition, the Company and its subsidiaries' business mainly depend on export revenue, which contributes to more than 90% of total revenues. Therefore, economic, social, and political factors both domestic and global will definitely impact the fluctuation of foreign exchange rate, leading to significant impacts to the Company and its subsidiaries' revenues and performances. The Company and its subsidiaries therefore manages this business risk by entering into forward contract of foreign exchange in order to manage production and selling planning, offering selling price to the prospect customers to be matched with exchange rate situation in each period, as well as monitoring the fluctuation of foreign exchange situation at all time.



Report of Audit Committee to the Shareholders

The Company's Audit Committee consists of three Independent Directors namely Mr. Sathaporn Kotheeranurak; Chairman of Audit Committee, Mr. Issarin Patramai, and Mr. Kanett Chatthamrak as members of the Committee whereas Mr. Wichian Roruksa, serves as the Secretary. All members are knowledgeable and have qualifications as required by the Audit Committee charter which is in compliance of 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.

Summary of the 2020 performance can be summarized as follow:

1. Financial Statements Review and Audit

There are meetings with external auditor, the management, and internal auditor to consider financial statements, accounting policy, changes in important accounting policy, discuss with the management before submitting for Board of Directors' approval. Besides, there is 1 time meeting without the Management to consult and seek advices from external certified auditor. Audit committee considers and views that financial statements as at December 31, 2020 is correct and adequate according to Generally-accepted Accounting Principles. Certified Auditor has operated and shown independent opinion on Financial Statements.

2. Internal Control System Review

To consider efficiency and effectiveness of internal control system by considering quarterly internal audit report, which covered important activities, together with the report from external certified auditor. The result of internal control system report is not found any significant weakness. The Audit committee views that the Company's internal control system is adequate, appropriate, and efficient according to the objectives and compositions of internal control system.

3. Operational Review to be in Compliance with Laws and Regulations

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

4. Related Transaction and Conflict of Interest Transactions Reviews

The Audit Committee gives an opinion that consideration of related transaction and conflict of interest transaction has transparent and equitable process in order to ensure that the decision is made by concerning overall benefit of the Company. The disclosure of information is accurate and adequate.

5. Internal Audit System Review

Audit Committee considers independence, scope of work, duty and responsibility of Internal Audit function concordantly with international professional standard. The Audit Committee also reviews internal auditor charter, considers the internal auditor's self-assessment, approves annual audit plan; which has been settle based upon the risk assessment, reviews the auditor report and also evaluates performance of Internal Auditor unit and head of Internal Audit function including considering the appropriateness of head of Internal Audit function's qualifications and in-duty competencies. Audit Committee views that the Company's internal audit system is independent, adequate, and efficient. The Company's internal audit system was set to be in line with the business target as well as the professional standard.

6. Risk Management System Review

To follow up an efficiency of risk management system by reviewing the quarterly minutes of Risk Management Committee meeting. The Audit Committee views that risk management system is appropriate and adequate.

7. Considerations of the Company's auditor and auditing fee for the year 2020

To appoint the Company's auditor, The Audit Committee considers the reliability, working standard, independence, quality of works and services. The Audit Committee also considers the suitable auditing fee before proposing to Board of Directors and Shareholders' meetings for their approvals. The Audit Committee recommends to appoint KPMG Phoomchai Audit Ltd. to be the Company's auditor for the year 2020.

8. Whistle-Blowing

In the year 2020, there is no whistle-blowing case submitted to the Audit Committee for consideration as specified in the Company's Whistle-Blowing policy.

9. Annual Performance Assessment of Audit Committee for the year 2020

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

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



(Mr. Sathaporn Kotheeranurak)
Chairman of Audit Committee



(Mr. Issarin Patramai)
Member of Audit Committee



(Mr. Kanett Chatthamrak)
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 policy pursued is 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, 2020.



Mr. Kosol Chantikul
Chairman



Mr. Sorapon Vongvadhanaroj
Chief Executive Officer

Audit Fee

The Company's Certified Auditor in the year of 2020 named Miss Orawan Sirirattanawong CPA No. 3757 of KPMG Phoomchai Audit Ltd. Actual payment to the Auditor in the year of 2020 is as follows:-

Auditor's Remuneration	Amount (Baht)
Audit Fee for Surapon Foods PLC.	
■ Audit Fee	1,191,000
■ Audit Fee of BOI	63,000
Audit Fee for 7 subsidiaries	
■ Audit Fee	2,229,000
■ Audit Fee of BOI	315,000
Non Audit Fee	-
Total	3,798,000



Independent Auditor's Report

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 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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 2020 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 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 8 to the financial statements	
The key audit matter	How the matter was addressed in the audit
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.	My audit procedures included, among others: • 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 sampling 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 valuation of inventories; • testing on a sampling basis to assess net realisable value of inventories by testing the accuracy of sample information and 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.

Emphasis of Matter

I draw attention to note 3 which describe the impact of the adoption of certain new accounting policies from 1 January 2020 on the Group and the Company. My opinion is not modified in respect of this matter.

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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:

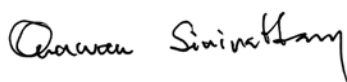
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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
 24 February 2021

Statement of financial position

Surapon Foods Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	7	593,003,876	474,436,039	14,880,706	3,533,087
Trade accounts receivable	6, 30	246,653,629	285,344,683	64,318,490	91,205,297
Other receivables	6	25,099,070	41,219,755	3,190,717	5,349,372
Other current financial assets	30	6,708,013	-	288,475	-
Short-term loans to related parties	6	-	-	7,000,000	43,400,000
Inventories	8	492,569,101	584,299,247	103,000,496	136,664,068
Total current assets		1,364,033,689	1,385,299,724	192,678,884	280,151,824
Non-current assets					
Investment in an associate	6, 9	21,920,852	21,843,646	17,150,000	17,150,000
Investments in subsidiaries	6, 10	-	-	844,127,375	844,127,375
Other non-current financial assets (2019: Other long-term investments)	3, 12, 30	3,821,066	2,000,000	3,821,066	200,000
Long-term loan to related party	6	-	-	53,250,000	-
Investment properties	13	124,466,766	124,502,123	5,000,000	5,000,000
Property, plant and equipment	3, 14	2,517,359,176	2,604,578,312	628,246,945	681,637,111
Right-of-use assets	3, 15	89,380,604	-	9,638,445	-
Intangible assets	16	22,436,178	24,117,003	7,763,518	7,981,081
Deferred tax assets	27	7,305,574	6,227,671	-	-
Non-current non-cash financial assets pledged as collateral	32	2,000,000	-	-	-
Other non-current assets	17	28,138,048	36,805,840	11,973,887	11,744,669
Total non-current assets		2,816,828,264	2,820,074,595	1,580,971,236	1,567,840,236
Total assets		4,180,861,953	4,205,374,319	1,773,650,120	1,847,992,060

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

Statement of financial position

Surapon Foods Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	18	299,759,637	328,495,886	1,139,537	92,000,886
Trade accounts payable	6	267,659,566	278,686,420	55,524,204	49,665,949
Other payables	6, 19	225,571,707	228,031,657	39,223,295	36,832,057
Current portion of long-term loans					
from financial institutions	18	271,810,010	252,421,350	55,200,000	55,200,000
Short-term Loans from related parties	6, 18	5,000,000	16,500,000	-	-
Current portion of lease liabilities (2019: Current portion of finance lease liabilities)	3, 18	31,119,227	24,832,676	3,344,450	2,008,597
Income tax payable		17,942,664	12,269,850	-	-
Total current liabilities		1,118,862,811	1,141,237,839	154,431,486	235,707,489
Non-current liabilities					
Long-term loans from financial institutions	18	370,176,280	503,450,750	31,400,000	86,600,000
Long-term loans from related parties	6, 18	17,750,000	-	-	-
Lease liabilities (2019: Finance lease liabilities)	3, 18	56,219,146	67,055,324	5,167,000	2,057,138
Deferred tax liabilities	27	93,900,220	94,411,178	54,689,995	53,235,754
Non-current provisions for employee benefits	20	156,517,645	164,120,275	25,418,653	33,881,157
Total non-current liabilities		694,563,291	829,037,527	116,675,648	175,774,049
Total liabilities		1,813,426,102	1,970,275,366	271,107,134	411,481,538
Equity					
Share capital					
Authorised share capital					
Ordinary shares 270,000,000 shares, Baht 1 par value		270,000,000	270,000,000	270,000,000	270,000,000
Issued and paid-up share capital					
Ordinary shares 269,999,000 shares, Baht 1 par value		269,999,000	269,999,000	269,999,000	269,999,000
Share premium on ordinary shares	21	270,000,000	270,000,000	270,000,000	270,000,000
Retained earnings					
Appropriated for legal reserve	22	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		774,358,413	677,747,855	697,475,875	631,443,411
Other component of equity	22	371,204,664	371,204,664	238,068,111	238,068,111
Equity attributable to owners of the parent		1,712,562,077	1,615,951,519	1,502,542,986	1,436,510,522
Non-controlling interests	11	654,873,774	619,147,434	-	-
Total equity		2,367,435,851	2,235,098,953	1,502,542,986	1,436,510,522
Total liabilities and equity		4,180,861,953	4,205,374,319	1,773,650,120	1,847,992,060

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

Statement of comprehensive income

Surapon Foods Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenue					
Revenue from sale of goods	6, 23	5,797,434,392	5,769,741,414	467,661,253	732,751,144
Revenue from rendering of services	6, 23	81,972,878	97,190,259	-	-
Interest income and dividend income	6	2,482,497	5,545,908	222,801,864	142,708,601
Net foreign exchange gain		3,356,470	108,771,244	-	8,394,968
Other income	6, 24	64,448,869	61,540,342	52,760,896	60,824,980
Total revenue		5,949,695,106	6,042,789,167	743,224,013	944,679,693
Expenses					
Cost of sale of goods	6	4,929,827,694	5,072,308,906	496,795,689	738,397,510
Cost of rendering of services		89,037,843	101,616,876	-	-
Distribution costs	6	213,178,825	225,602,451	25,601,711	37,526,578
Administrative expenses	6	244,490,789	271,659,113	94,412,196	106,499,939
Net foreign exchange loss		-	-	3,702,676	-
Total expenses		5,476,535,151	5,671,187,346	620,512,272	882,424,027
Profit from operating activities		473,159,955	371,601,821	122,711,741	62,255,666
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with TFRS 9		(1,229,293)	-	5,926	-
Finance costs	6	(28,013,695)	(38,736,332)	(4,379,560)	(7,204,992)
Share of profit of an associate accounted for using equity method	6, 9	77,206	485,154	-	-
Profit before income tax expense		443,994,173	333,350,643	118,338,107	55,050,674
Tax expense (benefit)	23, 27	32,364,056	30,576,146	534,134	(655,892)
Profit for the year	23	411,630,117	302,774,497	117,803,973	55,706,566
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	20	-	4,299,102	-	3,496,716
Income tax relating to items that will not be reclassified	27	-	(1,666,975)	-	(699,343)
Total items that will not be reclassified to profit or loss		-	2,632,127	-	2,797,373
Other comprehensive income for the year, net of tax		-	2,632,127	-	2,797,373
Total comprehensive income for the year		411,630,117	305,406,624	117,803,973	58,503,939

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

Statement of comprehensive income

Surapon Foods Public Company Limited and its Subsidiaries

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the parent		148,536,602	75,466,252	117,803,973	55,706,566
Non-controlling interests	11	263,093,515	227,308,245	-	-
Profit for the year		411,630,117	302,774,497	117,803,973	55,706,566
Total comprehensive income attributable to:					
Owners of the parent		148,536,602	80,889,559	117,803,973	58,503,939
Non-controlling interests		263,093,515	224,517,065	-	-
Total comprehensive income for the year		411,630,117	305,406,624	117,803,973	58,503,939
Basic earnings per share	28	0.55	0.28	0.44	0.21

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



Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements					Total equity
		Retained earnings		Other component of equity	Equity attributable to owners of the parent	Non-controlling interests	
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus (in Baht)	
Year ended 31 December 2019		269,999,000	270,000,000	27,000,000	696,865,925	371,204,664	2,157,817,068
Balance at 1 January 2019		-	-	-	(100,007,629)	-	522,747,479
Transactions with owners, recorded directly in equity		-	-	-	(100,007,629)	-	-
<i>Distributions to owners of the parent</i>		-	-	-	-	-	-
Dividends to owners of the parent	29	-	-	-	-	-	(100,007,629)
<i>Total distributions to owners of the parent</i>		-	-	-	-	-	(100,007,629)
<i>Changes in ownership interests in subsidiaries</i>		-	-	-	-	-	(128,117,110)
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	(128,117,110)
<i>Total changes in ownership interests in subsidiaries</i>		-	-	-	(100,007,629)	-	(228,124,739)
Total transactions with owners, recorded directly in equity		-	-	-	-	-	-
Comprehensive income for the year		-	-	-	75,466,252	-	302,774,497
Profit		-	-	-	5,423,307	-	2,632,127
Other comprehensive income		-	-	-	80,889,559	-	305,406,624
Total comprehensive income for the year		-	-	-	80,889,559	-	224,517,065
Balance at 31 December 2019		269,999,000	270,000,000	27,000,000	677,747,855	371,204,664	2,235,098,953

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



Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

Consolidated financial statements									
	Note	Retained earnings					Other component of equity		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation surplus (in Baht)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2020									
Balance at 31 December 2019 - as reported		269,999,000	270,000,000	27,000,000	677,747,855	371,204,664	1,615,951,519	619,147,434	2,235,098,953
Impact of changes in accounting policies	3	-	-	-	3,774,750	-	3,774,750	1,696,280	5,471,030
Balance at 1 January 2020		269,999,000	270,000,000	27,000,000	681,522,605	371,204,664	1,619,726,269	620,843,714	2,240,569,983
Transactions with owners, recorded directly in equity									
Distributions to owners of the parent									
Dividends to owners of the parent	29	-	-	-	(55,700,794)	-	(55,700,794)	-	(55,700,794)
Total distributions to owners of the parent		-	-	-	(55,700,794)	-	(55,700,794)	-	(55,700,794)
Changes in ownership interests in subsidiaries									
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	(229,063,455)	(229,063,455)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	(229,063,455)	(229,063,455)
Total transactions with owners, recorded directly in equity		-	-	-	(55,700,794)	-	(55,700,794)	(229,063,455)	(284,764,249)
Comprehensive income for the year									
Profit		-	-	-	148,536,602	-	148,536,602	263,093,515	411,630,117
Total comprehensive income for the year		-	-	-	148,536,602	-	148,536,602	263,093,515	411,630,117
Balance at 31 December 2020									
		269,999,000	270,000,000	27,000,000	774,358,413	371,204,664	1,712,562,077	654,873,774	2,367,435,851

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



Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

	Note	Issued and paid-up share capital	Share premium	Separate financial statements			Other components of equity	Total equity
				Legal reserve	Retained earnings (in Baht)	Unappropriated	Revaluation surplus	
Year ended 31 December 2019		269,999,000	270,000,000	27,000,000	672,947,101	238,068,111		1,478,014,212
Balance at 1 January 2019		-	-	-	(100,007,629)	-	-	(100,007,629)
Transactions with owners, recorded directly in equity	29	-	-	-	(100,007,629)	-	-	(100,007,629)
Distributions to owners		-	-	-	-	-	-	-
Dividends to owners of the Company		-	-	-	-	-	-	-
Total distributions to owners		-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity		-	-	-	-	-	-	-
Comprehensive income for the year		-	-	-	55,706,566	-	-	55,706,566
Profit		-	-	-	2,797,373	-	-	2,797,373
Other comprehensive income		-	-	-	58,503,939	-	-	58,503,939
Total comprehensive income for the year		-	-	-	631,443,411	-	-	631,443,411
Balance at 31 December 2019		269,999,000	270,000,000	27,000,000	672,947,101	238,068,111		1,478,014,212

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



Statement of changes in equity

Surapon Foods Public Company Limited and its Subsidiaries

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated (in Baht)	Revaluation surplus	
Year ended 31 December 2020							
Balance at 31 December 2019 - as reported		269,999,000	270,000,000	27,000,000	631,443,411	238,068,111	1,436,510,522
Impact of changes in accounting policies	3	-	-	-	3,929,285	-	3,929,285
Balance at 1 January 2020		269,999,000	270,000,000	27,000,000	635,372,696	238,068,111	1,440,439,807
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	29	-	-	-	(55,700,794)	-	(55,700,794)
<i>Total distributions to owners</i>		-	-	-	(55,700,794)	-	(55,700,794)
Total transactions with owners, recorded directly in equity		-	-	-	(55,700,794)	-	(55,700,794)
Comprehensive income for the year							
Profit		-	-	-	117,803,973	-	117,803,973
Total comprehensive income for the year		-	-	-	117,803,973	-	117,803,973
Balance at 31 December 2020		269,999,000	270,000,000	27,000,000	697,475,875	238,068,111	1,502,542,986

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	2020	2019	2020	2019
	(in Baht)			
Cash flows from operating activities				
Profit for the year	411,630,117	302,774,497	117,803,973	55,706,566
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (benefit)	32,364,056	30,576,146	534,134	(655,892)
Finance costs	28,013,695	38,736,332	4,379,560	7,204,992
Depreciation	305,396,799	283,475,965	60,695,967	59,740,790
Amortisation	4,601,633	5,461,161	1,467,059	1,526,259
Dividend income	(800,078)	-	(220,836,623)	(141,082,890)
Employee benefits	15,995,177	63,897,723	2,578,659	8,174,892
Unrealised (gain) loss on exchange	3,015,551	(20,498,372)	40,172	(225,531)
Share of profit of an associate accounted for using equity method	(77,206)	(485,154)	-	-
Gain on sale of current investments	-	(171,516)	-	(171,516)
(Reversal of) impairment loss of trade and other receivables	1,229,293	(446,642)	(5,926)	(446,642)
(Reversal of) losses on inventories devaluation	1,610,195	(1,924,199)	(2,304,488)	3,049,726
Reversal of impairment loss on equity instrument	(98,000)	-	(98,000)	-
Loss on disposal of equity instrument	93,000	-	93,000	-
Reversal of impairment loss on assets	(167,242)	(45,861)	-	-
(Gain) loss on disposal and written-off plant and equipment	(50,357)	1,118,335	(662,245)	515
Loss on disposal and written-off of right-of-use assets	142,661	-	-	-
Loss from rent concession	10,539	-	-	-
Interest income	(1,682,420)	(5,545,908)	(1,965,241)	(1,625,711)
	801,227,413	696,922,507	(38,279,999)	(8,804,442)
Changes in operating assets and liabilities				
Trade accounts receivable	37,336,907	(60,282,145)	26,874,706	590,811
Other receivables	22,279,796	(7,977,919)	3,236,472	3,515,276
Inventories	90,119,951	(59,585,752)	35,968,060	(7,575,682)
Other non-current assets	(9,525,882)	(16,422,201)	77,755	58,755
Trade accounts payable	(11,039,479)	78,348,620	5,847,116	708,009
Other payables	1,324,483	27,300,723	2,067,904	(2,264,438)
Employee benefit obligations paid	(23,597,807)	(19,455,988)	(11,041,163)	(5,503,106)
Net cash generated from (used in) operating	908,125,382	638,847,845	24,750,851	(19,274,817)
Taxes paid	(31,100,284)	(41,935,911)	(1,154,319)	(1,788,962)
Net cash from (used in) operating activities	877,025,098	596,911,934	23,596,532	(21,063,779)

Statement of cash flows

Surapon Foods Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
Note	2020	2019	2020	2019
	(in Baht)			
Cash flows from investing activities				
Proceeds from sale of current investments	-	100,171,516	-	100,171,516
Acquisitions of current investments	-	(100,000,000)	-	(100,000,000)
Proceeds from sale of equity instrument	5,000	-	5,000	-
Proceeds from sale of plant and equipment	2,270,713	3,449,003	667,795	156,584
Acquisitions of plant and equipment	(266,112,119)	(211,424,864)	(8,105,283)	(42,416,416)
Proceeds from sale of right-of-use assets	11,002	-	-	-
Proceeds from sale of intangible assets	39	-	-	-
Acquisitions of intangible assets	(3,323,138)	(3,433,138)	(810,379)	(98,922)
Acquisitions of investment in a subsidiary	-	-	-	(113,650,000)
(Increase) decrease in loans to related parties	-	-	(16,850,000)	85,300,000
Dividends received	800,078	-	220,836,623	141,082,890
Interest received	1,755,821	5,694,246	1,938,829	1,640,707
Net cash from (used in) investing activities	(264,592,604)	(205,543,237)	197,682,585	72,186,359
Cash flows from financing activities				
Proceeds from short-term loans from financial institutions	2,752,495,653	3,379,464,873	239,699,932	374,364,873
Repayment of short-term loans from financial institutions	(2,781,231,902)	(3,541,796,987)	(330,561,281)	(282,363,987)
Proceeds from loans from related parties	30,250,000	-	-	-
Repayment of loans from related parties	(24,000,000)	-	-	-
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(38,184,568)	(41,112,968)	(4,106,198)	(7,415,330)
Proceeds from long-term loans from financial institutions	139,110,000	-	-	-
Repayment of long-term loans from financial institutions	(262,344,560)	(123,951,000)	(55,200,000)	(55,986,000)
Dividends paid to owners of the Company	(55,700,794)	(100,007,629)	(55,700,794)	(100,007,629)
Dividends paid to non-controlling interests	(229,063,455)	(128,117,110)	-	-
Interest paid	(25,195,031)	(36,239,979)	(4,063,157)	(6,913,872)
Net cash used in financing activities	(493,864,657)	(591,760,800)	(209,931,498)	(78,321,945)
Net increase (decrease) in cash and cash equivalents	118,567,837	(200,392,103)	11,347,619	(27,199,365)
Cash and cash equivalents at 1 January	474,436,039	674,828,142	3,533,087	30,732,452
Cash and cash equivalents at 31 December	593,003,876	474,436,039	14,880,706	3,533,087
Non-cash transactions				
Plant and equipment purchased during the year are detailed as follows:				
Plant and equipment purchased during the year	281,522,411	149,306,110	8,849,046	34,749,436
Less: assets acquired by way of finance lease	-	(807,862)	-	(807,862)
advance payment for assets in prior period	(17,897,521)	(704,500)	(617,950)	(524,500)
interest capitalised	(269,860)	(12,615)	-	-
(Increase) decrease in payables on purchases of plant and equipment	(2,833,640)	60,110,185	(475,813)	3,984,592
Decrease in retention payables	5,590,729	3,533,546	350,000	5,014,750
Net purchase of plant and equipment paid by cash	266,112,119	211,424,864	8,105,283	42,416,416

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 2020

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Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

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 24 February 2021.

1 General information

Surapon Foods Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in September 1989. The Company has its registered offices located at the following addresses:

- (a) Registered office : 247 Moo 1, Teparak Road, Tambon Teparak, Amphur Muang, Samutprakarn Province.
- (b) Factory : 247 Moo 1, Teparak Road, Tambon Teparak, Amphur Muang, Samutprakarn Province.

The Company’s major shareholders during the financial year are as follows:

- Pokai Holdings Company Limited and Vongvadhanaroj Family Hold total 44% shareholding which Pokai Holdings Company Limited was incorporated in Thailand
- Kraisithisirin Family Hold 13 % shareholding
- Jiengwareewong Family Hold 13 % shareholding

The principal activities of the Company and its subsidiaries are the manufacturing and distribution of seafood, finished and semi-finished frozen foods; and cold storage warehouse and logistic services. Details of the Company’s direct subsidiaries as at 31 December 2020 and 2019 are given in note 10.

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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(c) 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 the Group's accounting policies. 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:

4(k) and 15 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;

5 Impact of COVID-19 outbreak;

9 Equity-accounted investees: whether the Group has significant influence over an investee; and

10 Consolidation: whether the Group has de facto control over an investee.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(k) Determining the incremental borrowing rate to measure lease liabilities;

5 Impact of COVID-19;

20 Measurement of defined benefit obligations; key actuarial assumptions;

27 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

30 Measurement of ECL allowance for trade receivables; key assumptions in determining the weighted-average loss rate; and

30 Determining the fair value of financial instruments on the basis of significant unobservable inputs.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

		Consolidated financial statements	Separate financial statements
	<i>Note</i>	Retained earnings (in thousand Baht)	Retained earnings
At 31 December 2019 - as reported		677,748	631,443
<i>Increase (decrease) due to:</i>			
Adoption of TFRS - Financial instruments standards			
Classification of financial instruments	A(1)	6,354	4,849
Related tax		(883)	(920)
Less Non-controlling interests		(1,696)	-
Adoption of TFRS 16 - net of tax	(B)	-	-
At 1 January 2020		681,523	635,372

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d) and 4(l). The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, derivatives are measured at FVTPL. Previously, the Group recognised the derivatives by translating 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 following table shows classification and measurement categories under previous standards and TFRS 9.

Consolidated financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	FVTPL	FVOCI	Amortised cost - net
		<i>(in thousand Baht)</i>		
Financial assets				
Derivative assets	5,352	9,885	-	-
Other long-term investments				
- Non-marketable equity instruments	2,000	3,821	-	-
Total	7,352	13,706	-	-
Separate financial statements				
Classification under previous standards at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	FVTPL	FVOCI	Amortised cost - net
		<i>(in thousand Baht)</i>		
Financial assets				
Derivative assets	579	1,807	-	-
Other long-term investments				
- Non-marketable equity instruments	200	3,821	-	-
Total	779	5,628	-	-

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

The Group and the Company intends to hold non-marketable equity securities. The Group has designated them as measured at FVTPL.

B. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- exclude initial direct costs from measuring the right-of-use asset.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in property, plant and equipment	(102,954)	(13,680)
Increase in right-of-use assets	118,960	16,400
Decrease in finance lease liabilities	(91,888)	(4,066)
Increase in lease liabilities	107,894	6,786
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	14,948	3,043
Recognition exemption for leases of low-value assets	(1,012)	(360)
Extension options reasonably certain to be exercised	3,596	-
Contracts reassessed as service agreements	(1,324)	-
Others	590	203
	16,798	2,886
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	16,006	2,720
Finance lease liabilities recognised as at 31 December 2019	91,888	4,066
Lease liabilities recognised at 1 January 2020	107,894	6,786
Weighted-average incremental borrowing rate (% per annum)	4	4

Right-of-use assets and lease liabilities shown above were presented as part of manufacturing and distribution of seafood, finished and semi-finished frozen foods; and cold storage warehouse and logistic services segments, respectively.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

4 Significant accounting policies

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

(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 associate.

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 associate.

Associate is the entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associate are accounted for using the equity method. They are initially recognised 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 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 associate 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) *Investments in subsidiaries and associate*

Investments in subsidiaries and associate in the separate financial statements of the Company are measured at cost less allowance for impairment losses. Investment in an associate in the consolidated financial statements is accounted for using the equity method.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company 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.



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For the year ended 31 December 2020

(c) *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.

(d) *Financial instruments*

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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For the year ended 31 December 2020

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 January 2020

Investments in mutual fund and equity securities

Investments in mutual fund which are marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value and changes therein, other than impairment losses, 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.

Derivatives

Derivatives 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.

(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 “Non-current non-cash financial assets pledged as collateral” in the statement of financial position.

(f) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration.

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A receivable is measured at transaction price less allowance for expected credit loss (*2019: allowance for doubtful accounts*) which is determined based on an 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 the first-in, first-out method. Work in progress and finished goods are calculated using the 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 is calculated using standard cost adjusted to approximate average cost and includes an appropriate share of production overheads based on normal operating capacity.

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) *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 measured 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.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

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:

Land improvement	5 to 20 years
Buildings and shrimp farm equipment	3 to 20 years

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

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are measured 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.

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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.

Any 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 in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation surplus is reclassified to retained earnings.

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. Land was reappraised every three years.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in “Revaluation surplus” in other component of 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 of plant and equipment, 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	10 to 20 years
Buildings and improvements	5 to 20 years
Freezing buildings and equipment	5 to 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.

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(j) *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.

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.

(k) *Leases*

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be



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readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'other income'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Accounting policies applicable before 1 January 2020

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

Assets held under other leases were classified as operating leases and lease payments 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.

As a lessor, 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.

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(l) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables and loans to related parties).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in the operating results of the debtor or existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss.



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Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

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 exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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.

Reversal 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.

(m) Impairment of non-financial assets

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.

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Calculation of recoverable amount

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

Reversal of impairment

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) Employee benefits

Contribution plan

Obligations for contributions to contribution plan are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of 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 recognised 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 recognised in profit or loss in the period in which they arise.

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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.

(o) 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.

(p) Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 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 or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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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.

(q) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

(r) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(s) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

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 periods of time to be prepared for its intended use or sale.



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(t) 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 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 temporary differences relating to investments in subsidiaries 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(u) 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.

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(v) *Related parties*

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(w) *Segment reporting*

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

5 Impact of COVID-19 outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand has enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours. This affected to temporarily shutting down or reducing operating hours of certain customers of the Group, resulting to decline in the Group's revenue. However, management make effort to reduce such impact by targeting other distribution channel to maintain revenue from sale of the Group. At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) Impairment of assets

The Group considered impairment of trade accounts receivables under provision matrix using historical loss rate and did not take forward-looking information into account.

(b) Fair value measurement

The Group elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

(c) Lease modifications

During the year ended 31 December 2020, the Group was granted some rent concession as a result of the COVID-19 situation. The Group has deducted lease liabilities in proportion to the reduced rental, reversed depreciation of ROU assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences to profit or loss for the year ended 31 December 2020.

6 Related parties

Relationships with subsidiaries and associate are described in notes 9 and 10. Other related parties that the Group had significant transactions with during the year 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.

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Name of entities	Country of incorporation/ nationality	Nature of relationships
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.
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.
Pokai Holdings Company Limited	Thailand	Shareholding by Vongvadhanaroj family and joint director
BSC So In Company Limited	Thailand	Joint director of a subsidiary
I.D.F. Company Limited	Thailand	Shareholder of a subsidiary
Saha Pathanapibul Public Company Limited	Thailand	Shareholder of a subsidiary
I.C.C. International Public Company Limited	Thailand	Shareholder of a subsidiary
International Laboratory Company Limited	Thailand	Shareholder of a subsidiary
Saha Pathana-Interholding Public Company Limited	Thailand	Shareholder of a subsidiary

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

Transactions	Pricing policies
Sales of raw materials and 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
Rental income	Contractually agreed prices
Transportation income	Contractually agreed prices
Storage warehouse income	Contractually agreed prices
Service income	Contractually agreed prices
Technical assistance fee	Contractually agreed prices
Management assistance fee	Contractually agreed prices
Marketing support fee	Contractually agreed prices
Guarantee income	0.5% of guarantee amount for short-term loan and 0.5% of outstanding balance of long-term loan
Labor cost	Contractually agreed prices
Sale of plant and equipment	Net book value plus margin
Sale of intangible assets	Net book value plus margin
Rental expense	Contractually agreed prices
Transportation expense	Contractually agreed prices
Storage warehouse expense	Contractually agreed prices
Key management personnel compensation	As defined by the Nomination and Remuneration Committee and the Company's policy

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of raw materials and goods	-	-	221,550	332,358
Dividend income	-	-	220,037	141,083
Management, selling and marketing assistance income	-	-	34,893	40,430
Guarantee income	-	-	7,647	8,381
Storage warehouse income	-	-	2,880	4,128
Rental income	-	-	780	743
Transportation income	-	-	257	232
Service income	-	-	620	-
Interest income	-	-	1,955	1,580
Labor cost	-	-	-	1,167
Purchases of raw materials and goods	-	-	3,021	11,695
Storage warehouse expense	-	-	44	870
Rental expense	-	-	12	7
Transportation expense	-	-	162	185
Sale of plant and equipment	-	-	-	53
Associate				
Shares of profit of associate	77	485	-	-
Interest expense	113	112	-	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	28,204	26,976	25,089	24,511
Post-employment benefits	456	426	456	426
Total key management personnel compensation	28,660	27,402	25,545	24,937
Other related parties				
Sales of raw materials and goods	4,640,341	4,269,068	75,646	101,543
Dividend income	800	-	800	-
Purchases of raw materials and goods	31,624	69,411	-	-
Technical assistance fee	18,956	18,259	-	-
Management assistance fee	4,480	4,312	-	-
Rental expense	1,528	1,798	-	-
Interest expense	474	244	-	-
Storage warehouse expense	-	367	-	-
Transportation expense	-	112	-	-

In February 2020, a subsidiary (Surapon Nichirei Foods Company Limited) declared dividend totaling Baht 449.1 million. Such dividend was paid to the Company of Baht 220.0 million and non-controlling interests of Baht 229.1 million in March 2020.

In March 2019, a subsidiary (Surapon Nichirei Foods Company Limited) declared dividend totaling Baht 249.2 million. Such dividend was paid to the Company of Baht 122.1 million and non-controlling interests of Baht 127.1 million in March 2019.

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In April 2019, a subsidiary (Surat Seafoods Company Limited) declared dividend totaling Baht 20.0 million. Such dividend was paid to the Company of Baht 19.0 million and non-controlling interests of Baht 1.0 million in May 2019.

As at 31 December 2020, the Company had commitments for the purchase of investment in a subsidiary (Chantaburi Marine Farm Company Limited) which have not yet been called-up totaling Baht 6.8 million (31 December 2019: Baht 6.8 million).

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

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	56,028	71,007
Other related parties	167,622	147,263	3,928	7,020
Total	167,622	147,263	59,956	78,027

The normal credit term granted to related parties of the Group ranges from 30 days to 75 days.

<i>Other receivables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	1,463	1,763
Other related party	46	-	-	-
Total	46	-	1,463	1,763

<i>Loans to</i>	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
<i>(in thousand Baht)</i>					
2020					
<i>At call</i>					
Subsidiaries	3.00	43,400	349,200	(385,600)	7,000
<i>Long-term</i>					
Subsidiary	3.37	-	53,250	-	53,250
2019					
<i>At call</i>					
Subsidiaries	1.65 - 2.12	128,700	246,400	(331,700)	43,400

In July 2020, a subsidiary entered into a long-term loan agreement with the Company of Baht 53.25 million. This loan bears fixed interest rate prescribed in the agreement. The loan will be repayable in July 2022. The interest will be paid on monthly.

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<i>Trade accounts payable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Subsidiaries	-	-	648	81
Other related parties	2,493	3,098	-	-
Total	2,493	3,098	648	81

<i>Other payables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Subsidiaries	-	-	114	169
Other related parties	23,648	22,712	-	-
Total	23,648	22,712	114	169

<i>Loans from</i>	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			(in thousand Baht)		
2020					
<i>At call</i>					
Associate	2.25	5,000	-	-	5,000
Other related party	-	11,500	12,500	(24,000)	-
Total		16,500			5,000
<i>Long-term</i>					
Other related parties	3.37	-	17,750	-	17,750
2019					
<i>At call</i>					
Associate	2.25	5,000	-	-	5,000
Other related party	2.12	11,500	-	-	11,500
Total		16,500			16,500

In July and August 2020, a subsidiary entered into the long-term loan agreements with other related parties totaling of Baht 17.75 million. These loans bear fixed interest rate prescribed in the agreements. The loans will be repayable in July 2022. The interest will be paid on monthly.

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

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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 expiry 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.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	201	244	50	50
Cash at banks - current accounts	20,744	17,229	1,887	1,808
Cash at banks - savings accounts	172,034	89,938	12,944	1,675
Cash at banks - fixed deposits	400,025	367,025	-	-
Total	593,004	474,436	14,881	3,533

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	249,598	340,385	17,779	33,442
Work in progress	21,297	60,977	4,551	10,894
Raw materials	168,330	132,917	65,284	74,635
Packing materials and supplies	54,315	46,551	9,117	9,511
Goods in transit	10,357	13,187	8,958	13,175
Total	503,897	594,017	105,689	141,657
Less allowance for decline in value of inventories	(11,328)	(9,718)	(2,689)	(4,993)
Net	492,569	584,299	103,000	136,664



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9 Investment in an associate

Investment in an associate as at 31 December 2020 and 2019, and dividend income from this investment for the years then ended was as follows:

Consolidated financial statements										
Associate	Type of business	Ownership interest (%)		Paid-up capital		Cost		Equity method		Dividend income for the year
		2020	2019	2020	2019	2020	2019	2020	2019	
BIC Marine Resources Development Company Limited	Assets lessor and culturing prawn	50	50	94,400	94,400	50,950	50,950	21,921	21,844	-
Total						50,950	50,950	21,921	21,844	-

(in thousand Baht)

Separate financial statements										
Associate	Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		Dividend income for the year
		2020	2019	2020	2019	2020	2019	2020	2019	
BIC Marine Resources Development Company Limited	Assets lessor and culturing prawn	50	50	94,400	94,400	50,950	50,950	(33,800)	(33,800)	-
Total						50,950	50,950	(33,800)	(33,800)	-

(in thousand Baht)

An associate was incorporated and mainly operate in Thailand.

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

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Associate

The following table summarises the financial information of an associate as included in its 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 this company:

	BJC Marine Resources Development Company Limited	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	403	1,422
Profit from continuing operations	154	970
Total comprehensive income (100%)	154	970
Percentage hold	50	50
Group's share of total comprehensive income	77	485
Current assets	18,017	17,883
Non-current assets	25,947	25,947
Current liabilities	(123)	(143)
Net assets (100%)	43,841	43,687
Percentage hold	50	50
Group's share of net assets	21,921	21,844
Carrying amount of interest in associate	21,921	21,844

10 Investments in subsidiaries

	Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	1,267,560	1,153,909
Acquisitions	-	113,651
Less impairment losses	(423,432)	(423,432)
At 31 December	844,128	844,128

In May 2019, the Company had invested the increased share capital of Surapon Supreme Foods Company Limited, a subsidiary, of Baht 113.7 million. Such subsidiary registered the increase of share capital from Baht 286.4 million (2,863,500 shares, of Baht 100 par value) to Baht 400 million (4,000,000 shares, of Baht 100 par value).

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Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income from those investments for the years then ended were as follows:

Separate financial statements												Dividend income for the year		
Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment (in thousand Baht)		At cost - net		2020	2019	2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019				
Subsidiaries														
Surapon Supreme Foods Company Limited	100	100	400,000	400,000	400,000	400,000	(18,692)	(18,692)	381,308	381,308	-	-	-	-
Surapon Finest Company Limited	100	100	30,000	30,000	30,000	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	-	-	-	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	220,037	122,096		
Total					1,267,560	1,267,560	(423,432)	(423,432)	844,128	844,128	220,037	141,083		

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

All subsidiaries were incorporated and operated in Thailand.

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11 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 2020			
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries (in thousand Baht)	Intra-group eliminations	Total
Non-controlling interest percentage	51			
Current assets	871,214			
Non-current assets	1,087,648			
Current liabilities	(504,659)			
Non-current liabilities	(261,358)			
Net assets	1,192,845			
Carrying amount of non-controlling interest	606,341	47,941	592	654,874
Revenue	3,733,718			
Profit	523,771			
Other comprehensive income	-			
Total comprehensive income	523,771			
Profit (loss) allocated to non-controlling interest	267,150	(4,648)	592	263,094
Other comprehensive income allocated to non-controlling interest	-	-	-	-
Cash flows from operating activities	688,022			
Cash flows from investing activities	(227,788)			
Cash flows from financing activities (dividends to non-controlling interest: Baht 229.1 million)	(389,445)			
Net increase in cash and cash equivalents	70,789			

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	31 December 2019			
	Surapon Nichirei Foods Company Limited	Other individually immaterial subsidiaries	Intra-group eliminations	Total
	<i>(in thousand Baht)</i>			
Non-controlling interest percentage	51			
Current assets	809,787			
Non-current assets	1,008,464			
Current liabilities	(437,775)			
Non-current liabilities	(265,604)			
Net assets	<u>1,114,872</u>			
Carrying amount of non-controlling interest	568,341	52,626	(1,820)	619,147
Revenue	3,626,978			
Profit	457,380			
Other comprehensive income	(6,163)			
Total comprehensive income	<u>451,217</u>			
Profit (loss) allocated to non-controlling interest	233,287	(4,159)	(1,820)	227,308
Other comprehensive income allocated to non-controlling interest	(3,143)	352	-	(2,791)
Cash flows from operating activities	595,602			
Cash flows from investing activities	(137,305)			
Cash flows from financing activities (dividends to non-controlling interest: Baht 127.1 million)	(640,496)			
Net decrease in cash and cash equivalents	<u>(182,199)</u>			

12 Other long-term investments

	Consolidated financial statements 2019	Separate financial statements 2019
	<i>(in thousand Baht)</i>	
At 1 January	18,098	16,298
Less impairment losses	(16,098)	(16,098)
At 31 December	<u>2,000</u>	<u>200</u>



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Other long-term investments as at 31 December 2019, and dividend income from those investments for the year then ended were as follows:

Consolidated financial statements						
	Type of business	Ownership interest (%)	Paid-up capital	Cost	Impairment (in thousand Baht)	At cost - net
Pure Refined Oil Company Limited	Palm oil producer	6.0	250,000	15,000	(15,000)	-
In Arm Group Company Limited	Shrimp farm	10.0	10,000	1,000	(1,000)	-
Shrimp Culture Research and Development Company Limited	Research and development	0.4	30,000	98	(98)	-
Independent Consultant Company Limited	Insurance consulting	10.0	2,000	2,000	-	2,000
Total				18,098	(16,098)	2,000
						Dividend income For the year
						-
Separate financial statements						
	Type of business	Ownership interest (%)	Paid-up capital	Cost	Impairment (in thousand Baht)	At cost - net
Pure Refined Oil Company Limited	Palm oil producer	6.0	250,000	15,000	(15,000)	-
In Arm Group Company Limited	Shrimp farm	10.0	10,000	1,000	(1,000)	-
Shrimp Culture Research and Development Company Limited	Research and development	0.4	30,000	98	(98)	-
Independent Consultant Company Limited	Insurance consulting	10.0	2,000	200	-	200
Total				16,298	(16,098)	200
						Dividend income For the year
						-

In the year 2020, other long-term investments are classified to “Other non-current financial assets” and are measured at FVTPL on initial application of TFRS-Financial instruments standards (see notes 3(A) and 30).

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

13 Investment properties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	326,106	326,106	5,000	5,000
At 31 December	326,106	326,106	5,000	5,000
Accumulated depreciation and impairment losses				
At 1 January	201,604	201,547	-	-
Depreciation charge for the year	35	57	-	-
At 31 December	201,639	201,604	-	-
Net book value				
At 31 December	124,467	124,502	5,000	5,000

Information relating to leases are disclosed in note 15.

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Year ended 31 December		
Amounts recognised in profit or loss		
Rental income	3,700	3,700

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.

The fair value of investment properties as at 31 December 2020 of Baht 215.4 million for consolidated financial statements and Baht 12.8 million for separate financial statements (2019: Baht 215.4 million for consolidated financial statements and Baht 12.8 million for separate financial statements) was determined by General Valuation and Consultants Company Limited, an independent professional valuer, at open market values of land and replacement cost on an existing of constructions as shown in the appraiser's report in May 2018. The fair value of investment properties has been categorised as a Level 3 fair value.

Valuation techniques and significant unobservable inputs

Type of asset	Valuation technique
Land	Market Comparison Approach
Constructions	Cost approach; estimating current cost to replace the existing asset, called replacement cost, deduct depreciated replacement cost which is from physical depreciation, functional depreciation and economic obsolescence depreciation to obtain value at appraisal date.

The significant unobservable inputs used in measuring the fair value of investment properties is quoted prices and the purchasing and selling price of comparable investment properties, adjusted with other different factors.



For the year ended 31 December 2020

Consolidated financial statements

Revaluation									
	At 1 January 2019	-	-	-	-	-	-	-	770,996
	At 31 December 2019	-	-	-	-	-	-	-	770,996
	and 1 January 2020	-	-	-	-	-	-	-	770,996
	At 31 December 2020	-	-	-	-	-	-	-	770,996
Cost									
At 1 January 2019	46,170	826,498	539,708	2,577,215	361,040	55,000	253,324	10,718	4,669,673
Additions	-	10,679	909	41,148	4,757	814	12,388	78,611	149,306
Transfers	-	7,316	1,544	28,405	3,628	-	13,924	(54,817)	-
Disposals/ written-off	-	(6,960)	(8,250)	(59,441)	(2,686)	(5,308)	(12,672)	-	(95,317)
At 31 December 2019									
and 1 January 2020	46,170	837,533	533,911	2,587,327	366,739	50,506	266,964	34,512	4,723,662
Transfer to right-of-use asset on initial application of TFRS 16 (see note 3(B))	-	-	-	(121,420)	-	(20,663)	-	-	(142,083)
At 1 January 2020 - as adjusted	46,170	837,533	533,911	2,465,907	366,739	29,843	266,964	34,512	4,581,579
Additions	-	3,452	900	68,688	1,862	4,225	8,721	193,675	281,523
Transfers	-	13,859	-	185,665	7,134	-	4,634	(211,292)	-
Transfers from right-of-use asset	-	-	-	13,975	-	5,721	-	-	19,696
Disposals/ written-off	-	(4,129)	(2,286)	(30,457)	(1,292)	(5,170)	(6,353)	-	(49,687)
At 31 December 2020	46,170	850,715	532,525	2,703,778	374,443	34,619	273,966	16,895	4,833,111



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Consolidated financial statements									
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems <i>(in thousand Baht)</i>	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
<i>Accumulated depreciation and impairment losses</i>									
<i>Cost</i>									
At 1 January 2019	39,373	431,635	180,963	1,654,999	173,348	36,223	180,915	-	2,697,456
Depreciation charge for the year	1,527	32,642	21,967	178,832	18,657	5,691	24,103	-	283,419
Reversal of impairment losses	-	(16)	-	(29)	-	-	-	-	(45)
Disposals/ written-off	-	(6,784)	(8,248)	(55,373)	(2,686)	(5,053)	(12,606)	-	(90,750)
At 31 December 2019	40,900	457,477	194,682	1,778,429	189,319	36,861	192,412	-	2,890,080
and 1 January 2020									
Transfer out of depreciation of right-of-use asset on initial application of TFRS 16 (see note 3(B))	-	-	-	(28,645)	-	(10,484)	-	-	(39,129)
At 1 January 2020 - as adjusted	40,900	457,477	194,682	1,749,784	189,319	26,377	192,412	-	2,850,951
Depreciation charge for the year	993	32,774	21,879	170,844	19,351	2,469	24,638	-	272,948
Reversal of impairment losses	-	-	-	(167)	-	-	-	-	(167)
Transfers from right-of-use asset	-	-	-	5,283	-	5,200	-	-	10,483
Disposals/ written-off	-	(3,814)	(2,277)	(29,231)	(1,156)	(4,771)	(6,218)	-	(47,467)
At 31 December 2020	41,893	486,437	214,284	1,896,513	207,514	29,275	210,832	-	3,086,748



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Consolidated 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
Net book value									
At 1 January 2019									
Owned assets	777,793	394,863	358,745	800,760	187,692	5,483	72,409	10,718	2,608,463
Assets under finance leases	-	-	-	121,456	-	13,294	-	-	134,750
	<u>777,793</u>	<u>394,863</u>	<u>358,745</u>	<u>922,216</u>	<u>187,692</u>	<u>18,777</u>	<u>72,409</u>	<u>10,718</u>	<u>2,743,213</u>
At 31 December 2019 and 1 January 2020									
Owned assets	776,266	380,056	339,229	716,123	177,420	3,466	74,552	34,512	2,501,624
Assets under finance leases	-	-	-	92,775	-	10,179	-	-	102,954
	<u>776,266</u>	<u>380,056</u>	<u>339,229</u>	<u>808,898</u>	<u>177,420</u>	<u>13,645</u>	<u>74,552</u>	<u>34,512</u>	<u>2,604,578</u>
At 1 January 2020 - as adjusted									
Owned assets	776,266	380,056	339,229	716,123	177,420	3,466	74,552	34,512	2,501,624
At 31 December 2020									
Owned assets	775,273	364,278	318,241	807,265	166,929	5,344	63,134	16,895	2,517,359



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

		Separate financial statements							
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems <i>(in thousand Baht)</i>	Transportation equipment	Furniture, fixtures and office equipment	Assets under construction and installation	Total
Revaluation									
At 1 January 2019	312,535	-	-	-	-	-	-	-	312,535
At 31 December 2019 and 1 January 2020	312,535	-	-	-	-	-	-	-	312,535
At 31 December 2020	312,535	-	-	-	-	-	-	-	312,535
Cost									
At 1 January 2019	12,780	238,735	61,458	423,697	68,597	16,074	43,412	452	865,205
Additions	-	3,546	41	18,062	1,037	808	832	10,423	34,749
Transfers	-	1,450	-	9,285	8	-	88	(10,831)	-
Disposals/ written-off	-	(4,947)	(523)	(9,997)	(2,238)	(1,628)	(2,186)	-	(21,519)
At 31 December 2019 and 1 January 2020	12,780	238,784	60,976	441,047	67,404	15,254	42,146	44	878,435
Transfer to right-of-use asset on initial application of TFRS 16 (see note 3(B))	-	-	-	(12,918)	-	(12,969)	-	-	(25,887)
At 1 January 2020 - as adjusted	12,780	238,784	60,976	428,129	67,404	2,285	42,146	44	852,548
Additions	-	1,174	-	5,759	613	-	431	872	8,849
Transfers	-	714	-	202	-	-	-	(916)	-
Transfers from right-of-use asset	-	-	-	12,918	-	4,684	-	-	17,602
Disposals/ written-off	-	(992)	(132)	(1,228)	-	(3,084)	(292)	-	(5,728)
At 31 December 2020	12,780	239,680	60,844	445,780	68,017	3,885	42,285	-	873,271



For the year ended 31 December 2020

Accumulated depreciation and impairment losses	
Cost	
At 1 January 2019	
Depreciation charge for the year	
Disposals/ written-off	
At 31 December 2019 and 1 January 2020	
Transfer out of depreciation of right-of-use asset on initial application of TFRS 16 (see note 3(B))	
At 1 January 2020 - as adjusted	
Depreciation charge for the year	
Transfers from right-of-use asset	
Disposals/ written-off	
At 31 December 2020	



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

	Separate financial statements							Assets under construction and installation	Total
	Land and improvements	Buildings and improvements	Freezing buildings and equipment	Machinery and equipment	Electrical and water systems <i>(in thousand Baht)</i>	Transportation equipment	Furniture, fixtures and office equipment		
Net book value									
At 1 January 2019									
Owned assets	315,263	143,289	10,884	162,981	43,703	29	13,222	452	689,823
Assets under finance leases	-	-	-	9,854	-	8,237	-	-	18,091
	315,263	143,289	10,884	172,835	43,703	8,266	13,222	452	707,914
At 31 December 2019 and 1 January 2020									
Owned assets	314,991	135,922	8,586	159,645	38,500	21	10,248	44	667,957
Assets under finance leases	-	-	-	8,347	-	5,333	-	-	13,680
	314,991	135,922	8,586	167,992	38,500	5,354	10,248	44	681,637
At 1 January 2020 - as adjusted									
Owned assets	314,991	135,922	8,586	159,645	38,500	21	10,248	44	667,957
At 31 December 2020									
Owned assets	314,718	125,418	6,365	141,337	33,092	151	7,166	-	628,247

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

The gross carrying amount of fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 1,932.1 million for the Group and Baht 337.6 million for the Company (2019: Baht 1,867.7 million for the Group and Baht 324.4 million for the Company).

Capitalised borrowing costs relating to the acquisition of machinery and the construction of the new factory of the Group amounted to Baht 0.27 million (2019: Baht 0.01 million for the Group) with capitalisation rates ranging from 0.43% to 2.75% per annum (2019: ranging from 2.18% to 2.26% per annum).

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

The fair value of land was determined by General Valuation and Consultant Company Limited, an independent professional valuer, at market comparison approach as shown in the appraiser's report dated 4 May 2018. The fair value of land has been categorised as a Level 3 fair value. 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	2018	Market comparison method	312,535	14,950	312,535	14,950
Surat Seafoods Company Limited	2018	Market comparison method	18,000	1,546	-	-
Surapon Nichirei Foods Company Limited	2018	Market comparison method	277,171	43,765	-	-
Mobile Logistic Company Limited	2018	Market comparison method	114,570	113,733	-	-
Surapon Supreme Foods Company Limited	2015	Market comparison method	48,720	25,970	-	-
			<u>770,996</u>	<u>199,964</u>	<u>312,535</u>	<u>14,950</u>

Valuation technique and significant unobservable inputs

The independent professional valuer applied the Market Comparison Approach to measure fair value of land.

The significant unobservable inputs used in measuring the fair value of land is quoted prices and the purchasing and selling price of comparable land, adjusted with other different factors.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

15 Leases

As a lessee

At 31 December 2020

Right-of-use assets

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Buildings	3,120	-
Machinery and equipment	62,676	-
Vehicle	23,585	9,638
Total	89,381	9,638

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 29.23 million and Baht 8.10 million, respectively.

The Group leases a number of building for 2 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

During 2020, the Group leased machine, equipment and vehicles. Most of the lease agreements are repayable at fixed lease payment in 48 months and 60 months. These payment terms are common in Thailand.

Extension options

Some property leases contain extension options exercisable by the Group up to 30 days before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>For the year ended 31 December 2020</i>		
<i>Amounts recognised in profit or loss</i>		
Depreciation of right-of-use assets:		
- Buildings	1,761	-
- Machinery and equipment	21,916	-
- Vehicles	8,736	3,497
Interest on lease liabilities	3,428	339
Expenses relating to short-term leases	401	180
Expenses relating to leases of low-value assets	1,288	220

In 2020, total cash outflow for leases of the Group and the Company were Baht 38.2 million and Baht 4.1 million, respectively.

As a lessor

The leases of investment properties comprise a number of commercial properties, plant and equipment of prawn farm that are leased to third parties. Each of the leases contains an initial period of 2 years and the rental income is fixed under the contracts. These agreements are effective until terminated by either party by giving advance written notice as prescribed in the agreements.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Maturity of operating lease payments

(2019: Minimum lease payments under non-cancellable operating)

At 31 December

Within 1 year

1 - 2 years

Total

Consolidated financial statements

2020 2019

(in thousand Baht)

3,325 3,517

2,017 1,125

5,342 4,642

16 Intangible assets

Consolidated financial statements Separate financial statements

Computer software
(in thousand Baht)

Cost

At 1 January 2019

61,093 32,427

Additions

3,126 83

At 31 December 2019 and 1 January 2020

64,219 32,510

Additions

2,687 1,020

Disposals

(17) -

At 31 December 2020

66,889 33,530

Accumulated amortisation

At 1 January 2019

34,874 23,232

Amortisation charge for the year

5,228 1,297

At 31 December 2019 and 1 January 2020

40,102 24,529

Amortisation charge for the year

4,368 1,238

Disposals

(17) -

At 31 December 2020

44,453 25,767

Net book value

At 31 December 2019

24,117 7,981

At 31 December 2020

22,436 7,763

17 Other non-current assets

Consolidated financial statements Separate financial statements

2020

2019

2020

2019

(in thousand Baht)

Advance payment for fixed assets

11,391 18,282 - 618

Deposit

2,066 3,089 1,031 1,024

Deferred charges

2,139 1,395 517 602

Restricted fixed deposits

at financial institution

- 2,000 - -

Others

12,542 12,040 10,426 9,501

Total

28,138 36,806 11,974 11,745

At 31 December 2019, restricted fixed deposits at financial institution represented fixed deposits at financial institution of a subsidiary with a local financial institution of Baht 2.0 million, which has been pledged as collateral for bank guarantees issued by the said financial institution (2020: presented as "Non-current non-cash financial assets pledged as collateral" in the statement of financial position).

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

18 Interest-bearing liabilities

	Note	Consolidated financial statements					
		Secured	2020 Unsecured	Total (in thousand Baht)	Secured	2019 Unsecured	Total
Short-term loans from financial institutions		198,620	101,140	299,760	236,495	92,001	328,496
Loans from related parties	6	-	22,750	22,750	-	16,500	16,500
Long-term loans from financial institutions		363,972	278,014	641,986	418,350	337,522	755,872
Lease liabilities (2019: Finance lease liabilities)		71,636	15,702	87,338	91,888	-	91,888
Total interest-bearing liabilities		634,228	417,606	1,051,834	746,733	446,023	1,192,756

	Separate financial statements					
	Secured	2020 Unsecured	Total (in thousand Baht)	Secured	2019 Unsecured	Total
Short-term loans from financial institutions	-	1,140	1,140	-	92,001	92,001
Long-term loans from financial institutions	-	86,600	86,600	-	141,800	141,800
Lease liabilities (2019: Finance lease liabilities)	6,231	2,280	8,511	4,066	-	4,066
Total interest-bearing liabilities	6,231	90,020	96,251	4,066	233,801	237,867

As at 31 December 2020, short-term loans from financial institutions of the Group and the Company bore interest at rates ranging from 0.7% to 3.6% per annum (2019: ranging from 1.6% to 2.8% per annum).

Long-term loans from financial institutions

In August 2017, the Company entered into a long-term loan agreement with a local financial institution for loan facility of Baht 220 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan is repayable in monthly installments totaling forty-eight installments which the first to the forty-seventh installment will be paid each installment of Baht 4.6 million and the remaining amount will be paid in the last installment. The first repayment of loan was commencing in August 2018 and the loan should be fully paid within five years since the first drawdown date. The interest will be paid on monthly. The Company has to comply with certain conditions and restrictions prescribed in the loan agreement such as no land and building subjected to pledge, mortgage, lease or other right of retention affecting third parties have superficies over land and buildings.

In November 2020, two subsidiaries entered into long-term loan agreements with a local financial institution for loan facility of Baht 10 million and Baht 9.1 million, respectively. These loans bear interest based on MLR interest rate and are repayable in monthly installment. The first repayment of loans was commencing in November 2020 and December 2020, respectively. The loans should be fully paid within 36 months commencing from the first drawdown month. The interest will be paid on monthly. The subsidiaries must comply with certain conditions and restrictions prescribed in the loan agreements. At 31 December 2020, one subsidiary had undrawdown balance of loan of Baht 7.3 million.



Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

In July 2020, a subsidiary entered into a long-term loan agreement with a local financial institution of Baht 10 million. This loan bears interest based on MLR interest rate and is repayable in monthly installments. The first repayment of loan is commencing in July 2020 and the loan should be fully paid within June 2023. The interest will be paid on monthly. The subsidiary must comply with certain conditions and restrictions prescribed in the loan agreement.

In March 2020, a subsidiary entered into two long-term loan agreements with a local financial institution and a local branch of a foreign financial institution for each loan facility of Japanese Yen 200 million, totaling of Japanese Yen 400 million. These loans bear interest based on fixed interest rate prescribed in the loan agreements. The loans are repayable every six-month period totaling four installments of Japanese Yen 50 million for each installment. The first repayment of loans will be commencing in September 2021 and the loans should be fully paid within March 2023. The interest will be paid every three-month period and six-month period. The subsidiary must comply with certain conditions and restrictions prescribed in the loan agreements.

In March 2018 and May 2018, a subsidiary entered into two long-term loan agreements with a local financial institution for each loan facility of Japanese Yen 300 million, totaling of Japanese Yen 600 million. These loans bear interest based on fixed interest rate prescribed in the loan agreements. The loans are repayable every six-month period totaling four installments of Japanese Yen 75 million for each installment. The first repayment of loans was commencing in September 2019 and November 2019, respectively. The loans should be fully paid within March 2021 and May 2021, respectively. The interest will be paid every six-month period. The subsidiary has to comply with certain conditions and restrictions prescribed in the loan agreements.

In March 2018, a subsidiary entered into two long-term loan agreements with a local branch of a foreign financial institution for each loan facility of Japanese Yen 150 million, totaling of Japanese Yen 300 million. These loans bear interest based on fixed interest rate prescribed in the loan agreements. The loans are repayable every nine-month period totaling three installments of Japanese Yen 50 million for each installment. The first repayment of loans was commencing in December 2019 and March 2020, respectively. The loans should be fully paid within June 2021 and September 2021, respectively. The interest will be paid every three-month period. The subsidiary has to comply with certain conditions and restrictions prescribed in the loan agreements.

In March 2017, a subsidiary entered into a long-term loan agreement with a local financial institution for loan facility of Baht 276 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan is repayable every three-month period totaling twenty-four installments. However, in August 2017 and December 2018, the subsidiary requested such financial institution to amend repayment term to monthly installment and amend repayment amount of each installment according to new repayment schedule which will be fully paid within March 2024. The interest will be paid on monthly. The loan is guaranteed by the Company. The subsidiary has to comply with certain conditions and restrictions prescribed in the loan agreement.

In January 2016, a subsidiary entered into long-term loan agreement with a local financial institution for Baht 225 million. This loan bears interest based on MLR interest rate prescribed in the loan agreement. The loan is repayable in monthly installments of Baht 3.75 million for each installment which will be fully paid in 73 months commencing from the first drawdown date. However, in January 2018, such subsidiary requested to amend repayment term and schedule and repayment amount of each installment with such financial institution. 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. In 2021, the subsidiary requests to amend repayment term and schedule of such loan agreement which will be fully paid within October 2025.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

As at 31 December 2020, unutilised credit facilities totaled Baht 2,925.7 million and U.S. Dollars 45.1 million for the Group and Baht 1,854.8 million and U.S. Dollars 15.1 million for the Company (31 December 2019: Baht 3,092.9 million and U.S. Dollars 70.1 million for the Group and Baht 1,978.4 million and U.S. Dollars 27.0 million for the Company).

The Company and subsidiaries are committed to comply with certain conditions and restrictions prescribed in the loan agreements such as mortgages of land and buildings are not allowed, no authorised capital decrease (see note 14), etc.

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

	Consolidated financial statements			Separate financial statements		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
Financial lease liabilities						
At 31 December 2019						
Within 1 year	27,686	(2,853)	24,833	2,145	(136)	2,009
1 – 5 years	70,436	(3,381)	67,055	2,124	(67)	2,057
Total	98,122	(6,234)	91,888	4,269	(203)	4,066

As at 31 December 2019, 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 2023, and bear interest at rates ranging from 1.70% to 42.35% per annum. Most of the agreements are repayable in 48 installments and 60 installments starting from December 2014.

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.

Changes in liabilities arising from financing activities

	Consolidated financial statements			Total
	Short-term loans	Long-term loans	Lease liabilities (2019: Finance lease liabilities) (in thousand Baht)	
2020				
Balance at 1 January 2020	344,996	755,872	107,894	1,208,762
Changes from financing cash flows	(40,236)	(105,485)	(38,185)	(183,906)
The effect of changes in foreign exchange rates	-	9,349	-	9,349
Other changes:				
Finance leases	-	-	4,405	4,405
Other non-cash movement	-	-	13,224	13,224
Balance at 31 December 2020	304,760	659,736	87,338	1,051,834
2019				
Balance at 1 January 2019	507,328	895,403	125,727	1,528,458
Changes from financing cash flows	(162,332)	(123,951)	(41,113)	(327,396)
The effect of changes in foreign exchange rates	-	(15,580)	-	(15,580)
Other changes:				
Finance leases	-	-	6,466	6,466
Other non-cash movement	-	-	808	808
Balance at 31 December 2019	344,996	755,872	91,888	1,192,756

Notes to the financial statements

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	Separate financial statements			
	Short-term loans	Long-term loans	Lease liabilities (2019: Finance lease liabilities) (in thousand Baht)	Total
2020				
Balance at 1 January 2020	92,001	141,800	6,786	240,587
Changes from financing cash flows	(90,861)	(55,200)	(4,106)	(150,167)
Other changes:				
Finance leases	-	-	450	450
Other non-cash movement	-	-	5,381	5,381
Balance at 31 December 2020	1,140	86,600	8,511	96,251
2019				
Balance at 1 January 2019	-	197,786	11,068	208,854
Changes from financing cash flows	92,001	(55,986)	(7,415)	28,600
Other changes:				
Finance leases	-	-	(395)	(395)
Other non-cash movement	-	-	808	808
Balance at 31 December 2019	92,001	141,800	4,066	237,867

19 Other payables

	Consolidated financial statements		Separate financial statements	
Note	2020	2019	2020	2019
	(in thousand Baht)			
Related parties	6	23,648	22,712	114
Other parties				
Accrued wage and bonus expenses		82,452	83,806	13,430
Accrued operating expenses		39,463	41,767	1,246
Other payables		34,214	30,719	14,516
Asset payables		25,033	22,835	2,365
Retention payables		1,392	6,983	14
Others		19,370	19,210	7,538
		201,924	205,320	39,109
Total		225,572	228,032	36,832

20 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Post-employment benefits		151,810	159,373	25,214
Other long-term benefits		4,708	4,747	205
Total		156,518	164,120	25,419

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

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Defined benefit plan

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 right and length of service and long service award according to the Group's policy. The defined benefit plan exposes the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
At 1 January		164,120	123,978	33,881	34,706
Included in profit or loss:	25				
Current service cost		11,887	29,104	1,813	2,137
Past service cost		-	31,660	-	9,006
Interest on obligation		4,109	3,133	871	849
		15,996	63,897	2,684	11,992
Transfers to subsidiary		-	-	(105)	(3,817)
		15,996	63,897	2,579	8,175
Included in other comprehensive income:					
Actuarial gains					
- Demographic assumptions		-	(5,470)	-	(2,256)
- Financial assumptions		-	(12,952)	-	(1,696)
- Experience adjustment		-	14,123	-	455
		-	(4,299)	-	(3,497)
Benefit paid		(23,598)	(19,456)	(11,041)	(5,503)
At 31 December		156,518	164,120	25,419	33,881

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

Principal actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in percentage)</i>				
Discount rate	1.84 - 2.71	1.84 - 2.71	1.84 - 2.02	1.84 - 2.02
Future salary growth	1.34 - 5.95	1.34 - 5.95	2.54 - 4.47	2.54 - 4.47
Employee turnover rate	4.00 - 67.00	4.00 - 67.00	8.00 - 65.00	8.00 - 65.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligations was 9 years (2019: 9 years).

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(5,748)	(5,892)	6,111	6,268
Future salary growth	6,412	5,802	(6,082)	(5,515)
Employee turnover rate	(7,190)	(6,510)	7,629	6,893

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(818)	(908)	862	956
Future salary growth	983	931	(940)	(893)
Employee turnover rate	(1,110)	(1,042)	1,169	1,095

21 Share premium

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

22 Reserves

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

Legal reserve

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

Other components of equity

Revaluation surplus

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

23 Segment information and disaggregation of revenue

Management determined that the Company operates in a single line of business which is manufacturing and distribution of finished and semi-finished frozen foods and the Group has two reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Manufacturing and distribution of seafood, finished and semi-finished frozen foods.
- Segment 2 Cold storage warehouse and logistic service.

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Consolidated financial statements

	Manufacturing and distribution of seafood, finished and semi-finished frozen foods		Cold storage warehouse and logistic service		Total	
<i>For the year ended 31 December</i>	2020	2019	2020	2019	2020	2019
			<i>(in thousand Baht)</i>			
Information about reportable segments						
External revenue	5,797,434	5,769,741	81,973	97,190	5,879,407	5,866,931
Inter-segment revenue	260,650	403,674	37,254	37,514	297,904	441,188
Total revenue	6,058,084	6,173,415	119,227	134,704	6,177,311	6,308,119
Timing of revenue recognition						
At a point in time	6,058,084	6,173,415	-	-	6,058,084	6,173,415
Over time	-	-	119,227	134,704	119,227	134,704
Total revenue	6,058,084	6,173,415	119,227	134,704	6,177,311	6,308,119
Segment profit (loss) before income tax						
	457,189	351,864	(15,870)	(12,713)	441,319	339,151
Tax expense (benefit)	32,359	30,747	5	(171)	32,364	30,576
Total segment profit (loss)	424,830	321,117	(15,875)	(12,542)	408,955	308,575
Segment assets	3,762,696	3,759,678	418,166	445,696	4,180,862	4,205,374
Segment liabilities	1,609,270	1,735,915	204,156	234,360	1,813,426	1,970,275

Reconciliation of reportable segment revenue and profit or loss

	Consolidated financial statements			
	Revenue		Profit or loss	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Reportable segments	6,177,311	6,308,119	408,955	308,575
Elimination of inter-segment transactions	(297,904)	(441,188)	2,598	(6,286)
Unallocated amounts:				
- Share of profit of associate	-	-	77	485
Total	5,879,407	5,866,931	411,630	302,774

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for manufacturing of ready-to-eat frozen foods, finished and semi-finished frozen foods, aquatic animals frozen and cold storage warehouse and logistic service. The Group has been granted several privileges including exemption and reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

<i>Year ended 31 December</i>	Consolidated financial statements					
	2020			2019		
	Promoted businesses	Non- promoted businesses	Total (in thousand Baht)	Promoted businesses	Non- promoted businesses	Total
Export sales	4,377,882	933,928	5,311,810	4,116,891	975,586	5,092,477
Local sales	16,355	729,920	746,275	26,668	1,054,270	1,080,938
Services	79,162	40,064	119,226	104,135	30,569	134,704
Eliminations	(51,385)	(246,519)	(297,904)	(60,858)	(380,330)	(441,188)
Total revenue	4,422,014	1,457,393	5,879,407	4,186,836	1,680,095	5,866,931

<i>Year ended 31 December</i>	Separate financial statements					
	2020			2019		
	Promoted businesses	Non- promoted businesses	Total (in thousand Baht)	Promoted businesses	Non- promoted businesses	Total
Export sales	113,848	131,287	245,135	147,843	250,264	398,107
Local sales	124	222,402	222,526	613	334,031	334,644
Total revenue	113,972	353,689	467,661	148,456	584,295	732,751

24 Other income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		(in thousand Baht)			
Income from sales of raw material scraps		38,452	40,565	595	553
Management, selling and marketing assistance income	6	-	-	34,893	40,430
Rental income		4,438	6,258	5,196	7,922
Gain on disposal of fixed assets		1,100	1,110	663	62
Others		20,459	13,607	11,414	11,858
Total		64,449	61,540	52,761	60,825

25 Employee benefit expenses

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		(in thousand Baht)			
Salaries and wages		987,732	1,049,666	189,437	251,596
Defined benefit plans	20	15,996	63,897	2,579	8,175
Others		144,313	143,632	32,698	29,921
Total		1,148,041	1,257,195	224,714	289,692

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Contribution plan

The contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 2% of their basic salaries and by the Group at the rate of 2% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

26 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		130,467	(33,218)	22,006	(7,199)
Raw materials and consumables used		3,083,309	3,264,298	207,903	355,292
Employee benefit expenses	25	1,148,041	1,257,195	224,714	289,692
Depreciation		305,397	283,476	60,696	59,741
Amortisation		4,602	5,461	1,467	1,526
Others		804,719	893,975	100,024	183,372
Total cost of sale of goods, rendering of services, distribution costs and administrative expenses		5,476,535	5,671,187	616,810	882,424

27 Income tax

<i>Income tax recognised in profit or loss</i>		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		34,836	33,819	-	-
Adjustment for prior year		-	(149)	-	-
		34,836	33,670	-	-
Deferred tax expense					
Movements in temporary differences		(2,472)	(3,094)	534	(656)
Total tax expense (benefit)		32,364	30,576	534	(656)

		Consolidated financial statements				
		2020		2019		
<i>Income tax recognised in other comprehensive income</i>	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Defined benefit plan actuarial gains	-	-	-	4,299	(1,667)	2,632
Total	-	-	-	4,299	(1,667)	2,632

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

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Separate financial statements								
<i>Income tax recognised in other comprehensive income</i>	Before tax	2020 Tax expense	Net of tax (in thousand Baht)	Before tax	2019 Tax expense	Net of tax		
Defined benefit plan actuarial gains	-	-	-	3,496	(699)	2,797		
Total	-	-	-	3,496	(699)	2,797		

Consolidated financial statements				Separate financial statements			
2020		2019		2020		2019	
<i>Reconciliation of effective tax rate</i>	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)
Profit before tax expense		443,994		333,351		118,338	
Income tax using the Thai corporation tax rate	20	88,799	20	66,670	20	23,668	20
Profit from promotional privileges		(74,323)		(58,821)		-	
Current year tax losses from promotional privileges for which no deferred tax assets was recognised		14,249		16,710		10,115	
Current year tax losses for which no deferred tax assets was recognised		14,797		15,468		12,294	
Dividend income not subject to tax		(160)		-		(44,167)	
Additional expenses for tax purposes		(9,012)		(4,790)		(108)	
Expenses not deductible for tax purposes		(1,842)		(4,512)		(1,268)	
Recognition of previously unrecognised tax losses		(144)		-		-	
Over provided in prior year		-		(149)		-	
Total tax expense (benefit)	7.3	32,364	9.2	30,576	0.5	534	(1.2)

Consolidated financial statements				Separate financial statements			
Assets		Liabilities		Assets		Liabilities	
2020	2019	2020	2019	2020	2019	2020	2019
<i>(in thousand Baht)</i>							
Total	29,072	28,310	(115,666)	(116,493)	5,765	7,907	(60,455)
Set off of tax	(21,766)	(22,082)	21,766	22,082	(5,765)	(7,907)	5,765
Net deferred tax assets (liabilities)	7,306	6,228	(93,900)	(94,411)	-	-	(54,690)

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

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	At 1 January	Consolidated financial statements (Charged) / Credited to:		At 31 December
		Profit or loss	Other comprehensive income	
<i>Deferred tax</i>		(in thousand Baht)		
2020				
Deferred tax assets				
Trade accounts receivable (allowance for expected credit loss)	23	247	-	270
Other receivables (allowance for expected credit loss)	320	(1)	-	319
Inventories (allowance for decline in value)	1,106	395	-	1,501
Investment properties (impairment losses)	4,491	-	-	4,491
Property, plant and equipment (depreciation gap)	236	-	-	236
Right-of-use assets (depreciation gap)	-	33	-	33
Derivatives	-	1	-	1
Provision for employee benefit obligations	22,134	87	-	22,221
Total	28,310	762	-	29,072
Deferred tax liabilities				
Right-of-use assets (depreciation gap)	(1,678)	1,356	-	(322)
Property, plant and equipment (revaluation)	(114,206)	-	-	(114,206)
Derivatives	(768)	354	-	(414)
Equity instruments	(724)	-	-	(724)
Total	(117,376)	1,710	-	(115,666)
Net	(89,066)	2,472	-	(86,594)

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

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	At 1 January	Consolidated financial statements (Charged) / Credited to:		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2019				
Deferred tax assets				
Trade accounts receivable (allowance for doubtful accounts)	23	-	-	23
Other receivables (allowance for doubtful accounts)	410	(90)	-	320
Inventories (allowance for decline in value)	695	411	-	1,106
Investment properties (impairment losses)	4,491	-	-	4,491
Property, plant and equipment (depreciation gap)	262	(26)	-	236
Provision for employee benefit obligations	20,921	2,880	(1,667)	22,134
Unrealised loss on derivatives	29	(29)	-	-
Total	26,831	3,146	(1,667)	28,310
Deferred tax liabilities				
Property, plant and equipment (depreciation gap)	(1,977)	299	-	(1,678)
Property, plant and equipment (revaluation)	(114,206)	-	-	(114,206)
Unrealised gain on derivatives	(258)	(351)	-	(609)
Total	(116,441)	(52)	-	(116,493)
Net	(89,610)	3,094	(1,667)	(88,183)

Notes to the financial statements

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<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to:		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2020				
Deferred tax assets				
Other receivables <i>(allowance for expected credit loss)</i>	320	(1)	-	319
Inventories <i>(allowance for decline in value)</i>	811	(448)	-	363
Provision for employee benefit obligations	6,776	(1,693)	-	5,083
Total	7,907	(2,142)	-	5,765
Deferred tax liabilities				
Right-of-use assets <i>(depreciation gap)</i>	(1,534)	1,364	-	(170)
Property, plant and equipment <i>(revaluation)</i>	(59,517)	-	-	(59,517)
Derivatives	(288)	244	-	(44)
Equity instruments	(724)	-	-	(724)
Total	(62,063)	1,608	-	(60,455)
Net	(54,156)	(534)	-	(54,690)
2019				
Deferred tax assets				
Other receivables <i>(allowance for doubtful accounts)</i>	410	(90)	-	320
Inventories <i>(allowance for decline in value)</i>	333	478	-	811
Provision for employee benefit obligations	6,941	534	(699)	6,776
Total	7,684	922	(699)	7,907
Deferred tax liabilities				
Property, plant and equipment <i>(depreciation gap)</i>	(1,280)	(253)	-	(1,534)
Property, plant and equipment <i>(revaluation)</i>	(59,517)	-	-	(59,517)
Unrealised gain on derivatives	(79)	(13)	-	(92)
Total	(60,876)	(266)	-	(61,143)
Net	(53,192)	656	(699)	(53,236)

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Tax losses	<u>187,042</u>	<u>162,007</u>	<u>101,616</u>	<u>80,153</u>

The Group incurred a tax loss which will be expire in 2021-2025. Management estimates the probable of future taxable profits and ability of the Group to utilise those losses in the future to support the recognition of deferred tax assets and it is uncertain that future taxable profits would be available against which such tax losses can be utilised. Therefore, the Group had not recognised deferred tax assets from tax losses.

28 Basic earnings per share

	Consolidated financial statements		Separate Financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht/ thousand shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit for the year attributable to ordinary shareholders of the Company (Basic)	<u>148,537</u>	<u>75,466</u>	<u>117,804</u>	<u>55,707</u>
Number of ordinary shares outstanding	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>	<u>269,999</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.55</u>	<u>0.28</u>	<u>0.44</u>	<u>0.21</u>

29 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<i>2020</i>				
Interim dividend	31 March 2020	April 2020	<u>0.2063</u>	<u>55.7</u>
<i>2019</i>				
Annual dividend	25 April 2019	May 2019	<u>0.3704</u>	<u>100.0</u>

30 Financial instruments

(a) Carrying amounts and fair values

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

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Surapon Foods Public Company Limited and its Subsidiaries

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At 31 December 2020	Carrying amount Financial instruments measured at FVTPL	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
Financial assets					
Other financial assets					
Equity instruments	3,821	-	-	3,821	3,821
Derivative assets	6,708	-	6,708	-	6,708
Total financial assets	10,529				

At 31 December 2020	Carrying amount Financial instruments measured at FVTPL	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
Financial assets					
Other financial assets					
Equity instruments	3,821	-	-	3,821	3,821
Derivative assets	288	-	288	-	288
Total financial assets	4,109				

At 31 December 2019	Note	Carrying amount	Consolidated financial statements			
			Fair value			Total
			Level 1	Level 2	Level 3	
			(in thousand Baht)			
Financial assets						
Other financial assets						
Derivative assets	3	5,352	-	9,885	-	9,885
Total financial assets		5,352				

At 31 December 2019	Note	Carrying amount	Separate financial statements			
			Fair value			Total
			Level 1	Level 2	Level 3	
			(in thousand Baht)			
Financial assets						
Other financial assets						
Derivative assets	3	579	-	1,807	-	1,807
Total financial assets		579				

Derivative assets of the Group as at 31 December 2019 were presented under “Other receivables” in the statement of financial position.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non-marketable equity securities	Adjusted net asset as of the reporting date.

Most of financial assets and financial liabilities of the Group were short-term. The fair value of financial assets and financial liabilities approximates to the carrying amount as determined in the statement of financial position.

The fair value of long-term loan receivables, long-term loans and lease liabilities approximates to the carrying amount due to interest rates specified in the contract approximate to market rate.

(b) *Financial risk management policies*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) *Trade accounts receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed on six-month period.

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Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

	Consolidated financial statements		Separate financial statements	
	Trade accounts receivable - carrying amount	Allowance for expected credit loss (in thousand Baht)	Trade accounts receivable - carrying amount	Allowance for expected credit loss
At 31 December 2020				
Within credit terms	224,365	-	62,502	-
Overdue:				
1-30 days	18,517	-	1,816	-
31-60 days	376	-	-	-
61-90 days	66	-	-	-
More than 90 days	4,681	1,351	-	-
Total	248,005	1,351	64,318	-
Less allowance for expected credit loss	(1,351)		-	
Net	246,654		64,318	

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Trade accounts receivables		
At 31 December 2019		
Within credit terms	261,874	89,402
Overdue:		
1-30 days	22,308	1,803
31-60 days	205	-
61-90 days	34	-
More than 90 days	1,040	-
	285,461	91,205
Less allowance for doubtful accounts	(116)	-
Net	285,345	91,205

The normal credit term granted by the Group ranges from 30 days to 75 days.

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Movement of allowance for expected credit loss of trade accounts receivable		
At 31 December 2019	116	-
Addition	1,235	-
At 31 December 2020	1,351	-

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Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Company has issued a guarantee to certain banks in respect of credit facilities granted to the subsidiaries (see note 18).

(b.2) 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.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
Contractual cash flows					
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	Total
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	267,660	267,660	-	-	267,660
Other payables	225,572	225,572	-	-	225,572
Loans from financial institutions	941,746	584,889	210,616	169,511	965,016
Loans from related parties	22,750	5,711	18,083	-	23,794
Lease liabilities	87,338	33,691	29,481	28,950	92,122
Total	1,545,066	1,117,523	258,180	198,461	1,574,164
Separate financial statements					
Contractual cash flows					
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	Total
<i>Non-derivative financial liabilities</i>					
Trade accounts payable	55,524	55,524	-	-	55,524
Other payables	39,223	39,223	-	-	39,223
Loans from financial institutions	87,740	58,176	31,705	-	89,881
Lease liabilities	8,511	3,621	2,322	3,137	9,080
Total	190,998	156,544	34,027	3,137	193,708

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Surapon Foods Public Company Limited and its Subsidiaries

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<i>At 31 December 2019</i>	Effective interest rate (% per annum)	Consolidated financial statements			
		Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
Financial liabilities					
Short-term loans from financial institutions	1.64 - 2.80	328,496	-	-	328,496
Loans from related parties	2.12 - 2.25	16,500	-	-	16,500
Long-term loans from local financial institutions	3.53 - 4.50	126,600	433,550	-	560,150
Long-term loans (foreign currency) from financial institutions	0.45	125,821	69,901	-	195,722
Total		597,417	503,451	-	1,100,868

<i>At 31 December 2019</i>	Effective interest rate (% per annum)	Separate financial statements			
		Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
Financial liabilities					
Short-term loans from financial institutions	1.64 - 1.90	92,001	-	-	92,001
Long-term loans from financial institutions	3.53	55,200	86,600	-	141,800
Total		147,201	86,600	-	233,801

(b.3) Market risk

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 derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases, sales and loans 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 subsequent period.

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For the year ended 31 December 2020

<i>Exposure to foreign currency at 31 December</i>	Consolidated financial statements					
	2020			2019		
	United States Dollars	Japanese Yen	Total (in thousand Baht)	United States Dollars	Japanese Yen	Total
Cash and cash equivalents	1	2	3	18	2	20
Trade accounts receivable	51,038	133,022	184,060	77,035	117,010	194,045
Trade accounts payable	(14,961)	(2,780)	(17,741)	(13,153)	(2,818)	(15,971)
Other payables	(5,772)	(5,481)	(11,253)	(2,265)	(6,937)	(9,202)
Long-term loans	-	(191,415)	(191,415)	-	(195,722)	(195,722)
Gross statement of financial position exposure	30,306	(66,652)	(36,346)	61,635	(88,465)	(26,830)
Estimated forecast sales	260,041	828,489	1,088,530	337,822	492,920	830,742
Estimated forecast purchases of goods and assets	(20,444)	-	(20,444)	(9,426)	-	(9,426)
Gross exposure	269,903	761,837	1,031,740	390,031	404,455	794,486
Currency forward contracts						
Forward purchase contracts	9,500	-	9,500	6,660	-	6,660
Forward selling contracts	(49,012)	(401,494)	(450,506)	(211,043)	(470,866)	(681,909)
Net exposure	230,391	360,343	590,734	185,648	(66,411)	119,237

<i>Exposure to foreign currency at 31 December</i>	Separate financial statements					
	2020			2019		
	United States Dollars	Japanese Yen	Total (in thousand Baht)	United States Dollars	Japanese Yen	Total
Cash and cash equivalents	-	-	-	17	-	17
Trade accounts receivable	8,271	-	8,271	16,476	3,725	20,201
Trade accounts payable	(12,643)	(640)	(13,283)	(13,153)	-	(13,153)
Other payables	(4,499)	-	(4,499)	(30)	-	(30)
Gross statement of financial position exposure	(8,871)	(640)	(9,511)	3,310	3,725	7,035
Estimated forecast sales	30,252	19,204	49,456	75,687	20,983	96,670
Estimated forecast purchases of goods and assets	(16,668)	-	(16,668)	(9,426)	-	(9,426)
Gross exposure	4,713	18,564	23,277	69,571	24,708	94,279
Currency forward contracts						
Forward purchase contracts	8,969	-	8,969	6,660	-	6,660
Forward selling contracts	(13,876)	(9,735)	(23,611)	(100,327)	(15,645)	(115,972)
Net exposure	(194)	8,829	8,635	(24,096)	9,063	(15,033)

(b.3.2) 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 because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 18). Management, however, consider that the interest rate risk is not material hence, the Group has no hedging agreements to protect against such risk.

For exposure to interest rate risk at 31 December 2019, please see the table under topic: liquidity risk.

Notes to the financial statements

Surapon Foods Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

31 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 from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitment				
<i>Contracted but not provide for</i>				
Buildings and other constructions	2,224	1,791	-	-
Machinery and equipment	24,418	75,907	-	-
Vehicle	2,070	-	-	-
Total	28,712	77,698	-	-
Other commitments				
Short-term and low-value asset lease commitments (2019: Future minimum lease payments under non-cancellable operating leases)				
- Within 1 year	910	9,322	452	1,077
- 1- 5 years	201	5,626	156	1,966
Unused letters of credit for purchase goods and supplies	14,669	-	14,669	-
Bank guarantees	5,439	2,968	1,700	1,700
Total	21,219	17,916	16,977	4,743

Short-term and low-value asset lease commitments and lease agreements covered office equipment for periods from one to four years expiring up to January 2024.

At 31 December 2020, non-current non-cash financial assets pledged as collateral are fixed deposits at financial institution of a subsidiary with a local financial institution of Baht 2.0 million which has been pledged as collateral for bank guarantees issued by such financial institution.

As at 31 December 2020 and 2019, the Group had outstanding forward exchange contracts covering periods less than one year as follows:

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Surapon Foods Public Company Limited and its Subsidiaries

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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)
At 31 December 2020				
Forward contracts to sell foreign currencies				
Japanese Yen	1,352.63	401.49	33.28	9.74
United State Dollars	1.60	49.01	0.45	13.88
Australian Dollars	0.48	10.89	-	-
Total		461.39		23.62
Forward contracts to buy foreign currency				
United State Dollars	0.31	9.50	0.30	8.97
At 31 December 2019				
Forward contracts to sell foreign currencies				
Japanese Yen	1,729.37	470.87	57.46	15.65
United State Dollars	7.04	211.04	3.35	100.33
Total		681.91		115.98
Forward contracts to buy foreign currency				
United State Dollars	0.22	6.66	0.22	6.66

33 Contingent liabilities

As at 31 December 2020, the Group had contingent liabilities for joint guarantee for credit facilities which financial institution extended to certain subsidiaries totaling approximately Baht 1,379.1 million and USD 5.0 million.

34 Event after the reporting period

At the Board of Directors meeting of the Company held on 24 February 2021, the Board approved the appropriation of dividends based on the operating profit for the year 2020 of Baht 0.3272 per share, amounting to Baht 88.34 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2021.



SURAPON



GMP Certificate

HACCP Certificate

BRC Certificate

ISO 22000

ISO / IEC 17025

Prime Minister's Export Award 1994

Prime Minister's Export Award 1998

Superbrands Thailand 2005

E.U. Number of both Fisheries and Poultry

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