

ANNUAL REPORT 2020



บริษัท อาหารสยาม จำกัด (มหาชน)
Siam Food Products Public Company Limited



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FINANCIAL HIGHLIGHTS

Unit : 1,000 Baht

	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
Statement of financial position						
Current Assets	694,126	926,324	1,551,484	949,475	1,009,784	1,700,300
Current Liabilities	223,544	169,781	303,678	216,781	153,687	463,978
Paid-up Share Capital	210,000	210,000	210,000	210,000	210,000	210,000
Shareholders' Equity	1,473,420	1,722,169	2,379,874	1,586,584	1,888,214	2,400,133
Total Liabilities	323,066	276,052	386,480	312,976	255,719	542,780
Total Assets	1,796,486	1,998,220	2,766,354	1,899,560	2,143,933	2,942,914
Profit & Loss Statement						
Total Revenues	2,081,997	1,972,011	2,430,762	2,144,558	2,091,161	2,635,236
Net Profit(Loss)	(246,571)	(467,060)	168,977	(299,452)	(320,402)	89,359
Per Share Data						
Par Value (Baht)	10.00	10.00	10.00	10.00	10.00	10.00
Book Value (Baht)	70.16	82.01	113.33	75.55	89.91	114.29
Profit(Loss)per Share (Baht)	(11.74)	(22.24)	8.05	(14.26)	(15.26)	4.26
Financial Ratio						
Return on Equity (%)	(16.73)	(27.12)	7.10	(18.87)	(16.97)	3.72
Return on Total Assets (%)	(13.73)	(23.37)	6.11	(15.76)	(14.94)	3.04
Net Profit Margin (%)	(11.84)	(23.68)	6.95	(13.96)	(15.32)	3.39
Current Ratio (Times)	3.11	5.46	5.11	4.38	6.57	4.45
Quick Ratio (Times)	1.38	2.84	3.40	1.40	3.11	2.22
Debt-Equity Ratio (Times)	0.22	0.16	0.16	0.20	0.14	0.23



Chairman's Message

2020 was another year when the company faced global economic and financial fluctuations arising from the trade war between the United States of America and China, the US's protectionist policy and the Covid-19 pandemic commencing from the end of 2019 that halted international trade as the severity of Covid-19 pandemic adversely affected many countries. The company's overall export had declined coupled with the strength of the THB which was stronger than other ASEAN countries resulting in other countries' products becoming relatively cheaper and adversely affected the company's competitiveness.

Thailand's pineapple business in 2020 slow down continuously attributable to lower pineapple output starting since the middle of 2017 until 2020 due to the drought whilst farmers had switched to planting other types of produce. Pineapple output has been declining and became insufficient to feed the factories' demand giving rise to higher prices in 2020 that rose phenomenally to 15.50 baht per kilogram. Nevertheless, selling prices could not be adjusted in line with the higher input prices as overseas customers switched to buying from Thailand's competitors who enjoyed much lower raw material cost e.g. Philippines and Indonesia had higher pineapple output and also benefited from GSP privilege granted by the EU resulting in lower import duty relative to Thailand of 3.5%. Moreover, Philippines received GSP+ status and its import duty was 18.5% lower than Thailand. Meanwhile, Thai exporters faced higher production costs and the resulting high selling prices has made it difficult to compete. Nonetheless, owing to the product quality, reputation, efficient management, close cooperation between the company's board of directors and the management in assessing business risk, importance given to service quality and continuing good customer relationship have helped the company to overcome the obstacles during the year.

In 2021, the issues of trade war between the US and China, exchange rate and shortage of pineapple, persisted since 2020 and will continue in 2021, shall remain obstacles to raising selling prices which can only be done gradually and the company's exports will continue to be affected. As a result, the company must carefully plan to source pineapple, formulate effective selling plan, control production cost and maintain appropriate inventory level to meet market demands judiciously. Additionally, the company is exploring expansion to Eastern European markets, study the feasibility to increase product lines and promote the use of innovation in creating value addition to the existing product lines.

2020 performance as of 30 September 2020 revealed revenues of 2,082 million baht with losses of 314.05 million baht. After incorporating the profits of associated company of 67.48 million baht, the losses were reduced to 246.57 million baht. As comparison, the 2019 performance of similar period ending 30 September saw revenues of 1,972.01 million baht and losses of 537.07 million baht. Upon accounting for the profits of associated company, total losses lowered to 467.06 million baht.



The associated company is Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. The share of profits in the financial statements of baht 67.48 million, decreased from the previous year by baht 2.53 million or equal to 3.6% due to decrease revenue from the sale of real estate.

The company continues to support project activities that are useful for the society, i.e. natural and environmental conservation, improvement of life quality, health, education, sport, religion for the employees and community.

On behalf of the Board of Directors, I would like to thank all shareholders, customers, both local and international, farmers and growers of the company, financial institutions, and all our employees and related parties who have supported our operation so well. The Board of Directors, Executives and all employees shall pay high attention to develop, to progress and to make our company prosperous.



(Mr. Thien Mekanontchai)

Chairman of the Board



Audit Committee Report

Dear Valued Shareholders, Siam Food Products Public Co., Ltd.

Pursuant to the notification of the Securities and Exchange Commission of Thailand, the Audit Committee of Siam Food Public Co., Ltd. comprises three fully qualified independent directors, namely Mr. Prasit Kovilaikool, as the Chairman of the Audit Committee, Mr. Chai Jroongtanapibarn and Police General Krisna Polananta.

The Audit Committee carries out its role based on the scope of duties provided in the Audit Committee Charter. During the year 2020, the audit committee held one joint meeting between the audit committee and the external auditors without the attendance of executives and four meetings of the audit committee were held between October 2019 and September 2020. The meetings were convened together with the executives, external auditor, internal auditor and related parties in order to exchange opinions and share knowledge. The Audit Committee has reported to the Board of Directors quarterly with the following significant actions:

- Review of the quarterly financial statements, the statement of financial position and income statement for the year ended September 30, 2020 of the Company and its Subsidiary. Attend meetings with the executives and auditors to consider the financial report and to use the accounting policies to ensure that the financial statements are correctly prepared based on the financial reporting standards and the data is disclosed correctly, completely and reliably.
- Review and consider any related party transactions and transactions that may give rise to a conflict of interests, to ensure that such transactions are in the normal course of business, at arm's length, suitable to the business operations and have been disclosed correctly and completely.
- Supervision of internal control system and internal audit. Committee of this section supervised to implement a good internal control system, considered a yearly internal audit plan, provided the best practice and followed up to adjust deficiencies in order to ensure system work effectively and efficiently.
- Joint review with executive management to ensure that the company complies with the law of the Securities and Exchange Commission of Thailand, requirements of the Stock Exchange and to company law.



- Selection and appointment of the external auditors and review of the auditor's fee to be recommended to the Board of Directors for approval by the shareholders. The audit committee considers the work result, independence, knowledge and experiences of the auditors to set proper compensation.

The audit committee fulfilled the duties assigned by the Board of Directors as based on the guidelines for the audit committee provided by the Stock Exchange of Thailand. The audit committee gave the opinion that the financial statements have been properly prepared based on financial reporting standards with full disclosure and that the internal control and risk management systems are adequate and sufficient to the operations of the business. Related party transactions are disclosed correctly and the company operates according to the law, rules and related requirements.



(Mr. Prasit Kovilaikool)

Chairman of the Audit Committee

24 November 2020



Report of the Remuneration and Nominating Committee

Dear Valued Shareholders, Siam Food Products Public Co., Ltd.

The Remuneration and Nominating Committee of Siam Food Products Public Company Limited consists of four directors, Mr. Prasit Kovilaikool, independent director and chairman of the Remuneration and Nominating committee, Mr. Prasert Maekwatana Mr. Sittichai Chaikriangkrai Mr. Ananta Dalodom and Police General Krisna Polananta.

The Remuneration and Nominating Committee performs its duties based on the scope of work and authority assigned from the Board of Directors. During the year 2020 from October 2019 to September 2020, the Remuneration and Nominating Committee held four meetings. The substantial matters of the work done is summarized as follows:

1. Recruit the properly qualified person to be appointed as a company director in replacement of the director who resigned and other case.
2. Consider the criteria for setting appropriate remuneration.
3. Study the market trends to ensure that the Board of Directors and Management of the company are remunerated correctly.

In the year 2020 from October 2019 to September 2020, the Remuneration and Nominating Committee fulfilled its obligations as assigned by the Board of Directors completely, carefully, independently and to the full extent of its abilities for the benefit of the company and its shareholders.



(Mr. Prasit Kovilaikool)

Chairman of Remuneration and Nominating Committee

24 November 2020



Report of the Corporate Governance Committee

Dear Valued Shareholders, Siam Food Products Public Co., Ltd.

The corporate governance committee of Siam Food Products Public Company Limited consists of three directors, Mr. Ananta Dalodom, independent director and chairman of the Corporate Governance Committee, Police General Krisna Polananta and Mrs. Chaveevarn Chandanabhumma.

The corporate governance committee fulfilled its obligations based on the scope of duties assigned by the Board of Directors. In the year 2020 during the period from October 2019 to September 2020, the corporate governance committee held two meetings. The significant works done are summarized as follows:

1. Review the corporate governance policies of the company for the year 2020, and ensure they are consistent with international guidelines and propose them to the Board of Directors for approval.
2. Review the business ethics policy and code of conduct and make sure they are consistent with international guideline and propose to the Board of Directors for approval.
3. Follow up the corporate governance procedures and report to the Board of Directors.

In the year 2020 for the period October 2019 to September 2020, the corporate governance committee fulfilled its obligations assigned from the Board of Directors completely, carefully, independently and to the full extent of its abilities for the benefit of the company and its shareholders.



(Mr. Ananta Dalodom)

Chairman of the Corporate Governance Committee

24 November 2020



Report of the Risk Management Committee

Dear Valued Shareholders, Siam Food Products Public Co., Ltd.

The Risk Management Committee of Siam Food Products Public Company Limited consists of three directors, Mr. Siripol Yodmuangcharoen as the chairman of the risk management committee, Mr. Chai Jroongtanapibarn and Mr. Charnvit Subsanyakorn.

The Risk Management Committee performed its duties based on the scope of the company's risk management policy. In the year 2020 during the period October 2019 to September 2020, the risk management committee held four meetings. The significant matters of the works done are summarized as follows:

1. Acknowledge, consider and give opinions on the risk assessment, guidelines and measures of risk management and the work plan to manage the remaining risks of the company to ensure that the company managed the risks adequately and properly.
2. Supervise and encourage the successful risk management of the organization, suggest prevention measures to reduce risk to an acceptable level, follow up the work plan to continuously reduce the risks to be suitable for the business circumstances and to ensure that risks are managed adequately and properly every quarter.
3. Give recommendations and support to develop risk management to the appropriate level of risk appetite for the organization.
4. Conduct an annual review of the risk policy and framework of risk management in the organization.
5. Report the significant risks of the organization and mitigation measures to the Board of Directors every quarter.
6. Hold an annual joint meeting with the audit committee to discuss risk management strategies.

In the year 2020 during the period from October 2019 to September 2020, the risk management committee fulfilled its obligations as assigned from the Board of Directors completely, carefully, independently and to the full extent of its abilities for the benefit of the company and shareholders.



(Mr. Siripol Yodmuangcharoen)

Chairman of the Risk Management Committee

26 October 2020

Siam Food Products Public Company Limited



Report of the Executive Management Committee

Dear Valued Shareholders, Siam Food Products Public Co., Ltd.

The Executive Management Committee of Siam Food Products Public Company Limited comprises eight members as follows:

- | | | |
|--------------------|------------------|-------------------------------------|
| 1. Mr. Thien | Mekanontchai | Chairman |
| 2. Mr. Prasert | Maekwatana | Vice Chairman |
| 3. Mr. Siripol | Yodmuangcharoen | Executive of Director |
| 4. Mr. Sittichai | Chaikriangkrai | Executive of Director |
| 5. Mrs. Chaveevarn | Chandanabhumma | Executive of Director |
| 6. Mrs. Nidda | Theerawatanachai | Executive of Director |
| 7. Mr. Charnvit | Subsanyakorn. | Executive of Director and President |

The Executive Management Committee carried out its duties based on the scope of work assigned from the Board of Directors. In the year 2020 during the period from October 2019 to September 2020, the Executive Management Committee held eleven meetings. The significant matters discussed are summarized as follows:

1. Acknowledgement and implementation of policies set by the Board of Directors and the review and monitoring of the company's operations as assigned by the Board of Directors.
2. Preparation of the strategy, the annual budget for the year 2021 and the capital investment program for approval by the Board of Directors.
3. Monitor the effectiveness and performance of the management to carry out the strategy and annual operating plan and ensure it is in accordance with the rules and regulations of the company.
4. Consider the rotation, appointment, promotion, or punishment of management and determine the annual salary adjustment, performance bonus and other benefits of employees for the year 2020.
5. Monitor the performance of the management on a monthly basis and provide advice on how to resolve any problems arising from the operation.

During the year 2020 for the period from October 2019 to September 2020, the Executive Management Committee fulfilled its obligations as assigned by the Board of Directors completely, carefully and to the full extent of its abilities for the benefit of the company and its shareholders.

Thien Mekanontchai

(Mr. Thien Mekanontchai)

Chairman of executive committee

24 November 2020



Board of Directors



Mr. Thien Mekanontchai

Chairman of the Board of Directors
and Chairman of the Executive Committee



Mr. Prasit Kovilaikul

Independent director, Chairman of Audit
Committee and Chairman of the Remuneration
and Nominating Committee



Mr. Prasert Maekwatana

Vice Chairman of Board of Directors No.1,
Vice Chairman of Executive Committee and
Director of the Remuneration and Nominating Committee



Mr. Sithichai Chaikriangkrai

Vice Chairman of Board of Directors No.2,
The Executive Committee and Director of the
Remuneration and Nominating Committee



Mr. Siripol Yodmuangcharoen

Director, The Executive Committee and
Chairman of the Risk Management Committee



Mr. Ananta Dalodom

Independent director, Chairman of the Corporate Governance Committee and Director of the Remuneration and Nominating Committee



Mrs. Chaveevarn Chandanabhumma

Director, The Executive Committee and Director of the Corporate Governance Committee



Mr. Chai Jroongtanapibarn

Independent director, Director of the Audit Committee and Director of the Risk Management Committee



Police General Krisna Polananta

Independent director, Director of the Audit Committee, Director of the Corporate Governance Committee and Director of the Remuneration and Nominating Committee



Mrs. Nidda Theerawatanachai

Director and The Executive Committee



Mr. Charnvit Subsanyakorn

Director, The Executive Committee, Director of the Risk Management Committee and President

Business Operation

1. Policy and overall business operations.

The company is a manufacturer and exporter of canned pineapple, pineapple juice and juice concentrate and other processed tropical fruits. It operates a multi-fruit processing factory in Chonburi Province and exports its produce under the brand of the company's customers.

Eastern Seaboard Industrial Estate (Rayong) Co., Ltd, is a joint venture company between Siam Food Products PCL. and Hemaraj Land and Development PCL. Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. was set up on 3 November 1994. The company has a registered and paid up capital of Baht 358 million, 40% of which is owned by Siam Food Products PCL. Its business is to develop an industrial estate in Rayong, and to build and sell public utilities to both Thai and foreign investors.

At the annual general meeting of the shareholders of Eastern Seaboard Industrial Estate (Rayong) Co., Ltd., its associate, held on 28 March 2019, the shareholders of associate approved a reduction of the authorized share capital from Baht 358 million to Baht 158 million (15,800,000 ordinary shares at Baht 10 par value). The associate registered the reduction of share capital with the Ministry of Commerce on 27 May 2019.

On 27 October 2010, the company established a subsidiary company under the name of Quality Pineapple Products Co., Ltd., or QPP, whose office is located at 1 Empire Tower, 43rd Floor, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120. QPP was established in order to support the expansion of the company's business which purchased a canned pineapple and concentrated pineapple juice factory in Hua Hin District, Prachuab Kirikhan Province.

In December 2013 the company invested in 6.88 percent of the paid-up registered capital of 4,700 million Baht of the Real Estate Investment Trust and lease rights in Ratcha Industrial "HPF" which invested in some assets of Hemaraj Industrial Estate Public Company Limited and Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.

On 26 August 2015, a subsidiary company was established under the name of Siam Food (2513) Co., Ltd. with a registered capital of 1 million Baht and using the company abbreviation "SF (2513)" with its head office located at No. 1, Empire Tower, 43rd Floor, South Sathon Road, Yannawa Sub-District, Sathon District, Bangkok 10120. The affiliate was set up to accommodate the business expansion of the company and to operate commercial and investment business such as manufacturing, supplying raw materials and expanding the investment in AEC.

The Annual General Meeting of the Shareholders No. Bor Mor Jor 24 for the year 2016 held on 22 April 2016 had considered and unanimously resolved to change ending date of Annual Accounting Period of the Company from 31st December to be 30th September of each year, starting fiscal year 2016 which will be the first year nine-month period from January to September 2016, after that a period of 12 months starting October – September for each year.

On 27 May 2019, the BOI granted promotional privilege no. 62-0535-0-00-1-0 involving industrial business type 7.8 for industrializing local area to Siam Food PCL covering 5,113 rais of land at Chonburi Province.

1.1 Vision, Mission and Common Definitions

The Board of Directors' Meeting No. 1/2021 held on November 24, 2020 has reviewed and approved the vision, mission, shared core values and short-term and long-term strategies. To guide and establish clear goals for the business of the company as follows :

The company has the following vision, mission and shared core values.

Vision

To be leader of the internationally recognized pineapple manufacturer and processed fruits.

Mission

- Increase the income of non pineapple products at least 30% by focusing on improving the original products and developing new products such as healthy products and bio-technology.
- Intend to develop the production process to be efficient and modern including with the safe products for consumption, quality as customer's specifications, preform accordingly with the relevant laws, environmental friendly and society.
- Aim to strengthen the farmers by cooperating and boosting farmer's income, provide career stability on the basis of systematic and sustainable development.
- Develop personnel and management with information technology to increasing the business operations capability.
- To be an sustainable growth organization by operating with good governance, including with responsible for social, stakeholders and environmental protection.

Common Definitions

Quality is priority

1.2 Significant developments in the preceding year

The company's developments during 2020 included purchasing pineapples of smaller size, which were ignored in the past, for manufacturing animal feed, a scheme that helped boost income of farmers as well as reduced wastage. This effort has encouraged the company to continue developing sustainably.

With regards to the Covid-19 pandemic, the company has assessed the associated risk and initiated ways to alleviate the impact on business and stakeholders in all segments via various measures consistent with the severity of the infection both locally and overseas e.g. communicating guidelines to employees and their families, specifying hygienic & safety measures for employees while performing their duty, specify similar guidelines for visitors, suppliers when entering the factory premise, assess and plan ways to alleviate the impact on export of each product, assess each customer's payment ability and logistic etc. Above all, the company is aware and accord importance to measures safeguarding the health of its employees by coordinating with state and other agencies to mitigate the risk to employees, as follows.

- Screen employees and external parties before entering the company's premise by checking their temperature < 37.5C before allowing entry
- All employees and external parties must wear safety mask
- Provide alcohol gels to wash hands inside the company.

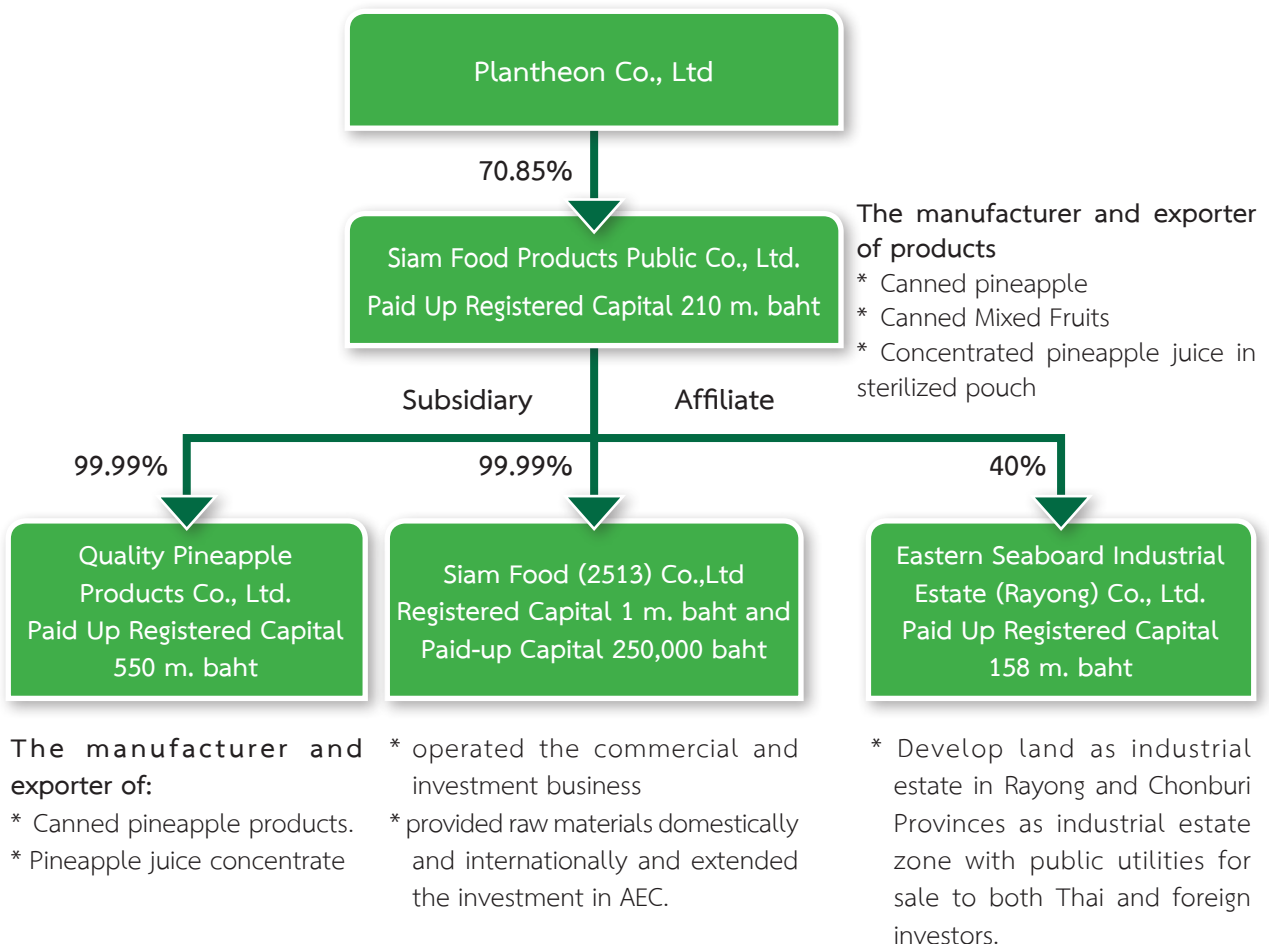
Including communication on measures to prevent the spread of Covid-19 virus and various news & updates on the Covid-19 situation to employees so they are aware and strictly abide by the guidelines. The company takes pride to report that none of its employees has contracted Covid-19. This shows that the above measures remain effective and efficient to prevent the contraction of the virus.





The company is proud to announce that it was selected to be in the list of “Thailand Sustainability Investment” or “Sustainable stock” for 2020 by the SET. This is the second year in a row from 2019, it will motivate the company to continue to develop this sustainability momentum going forward.

1.3 Shareholding structures of Siam Food Products Public Co., Ltd.



Note : The Extraordinary Meeting of Shareholders No.1/2020 of Quality Pineapple Products Co., Ltd., held on October 22, 2020, resolved special resolution to approve an increase of the authorized capital for the amount of Baht 150,000,000 from the existing authorized capital of Baht 400,000,000 to be Baht 550,000,000 at the par value of Baht 10 per share.

2. Nature of Business

The Company produces and exports such products as canned pineapple, pineapple juice and juice concentrate and other processed tropical fruits under our customers' own brand and under the Company's trade mark "SIAM FOOD" ® that has been known and recognized for over 48 years. The Company owns a pineapple plantation and cannery in Chonburi.

The company has revised its long-term business plan by investment in an industrial estate since 1995 and the establishment of Eastern Seaboard Industrial Estate (Rayong), which is a 60:40 joint venture between Hemaraj and Siam Food Products Plc. This has become a fully integrated industrial center and one of the largest automotive clusters.

Two subsidiaries were established; Quality Pineapple Products Co., Ltd. and Siam Food (2513) Co., Ltd. In order to supply raw materials and enhance long-term sustainable growth.

Business operation goal

The Company has a goal to continuously grow the pineapple business. In the year 2020, the Company planned to process more pineapple than the previous year by expanding the manufacturing base and increasing the production of the affiliate company as well as expanding the cultivation area for farmers and farms of the company both at our country and abroad and supporting contract farmers through the Siam Food Project Model in order to encourage farmers to cultivate high quality pineapple with a higher productivity per rai.

In the year 2020, the Company together with its subsidiary had market share of raw materials for production increase of 15.10% of the whole country (13.60% in the year 2019)

On marketing, the company continued to apply a strategy to focus on the maintenance of the existing customer base and increase for customer in the new market by offering the products in good quality and good service as well as delivery of the products as being required to cause maximum satisfaction of the customer as well as trying to buy new products to increase the revenue base of the company.

Export Sales in the year 2020 (Oct'19 – Sep'20) to each territory as below:

- Europe : 46%
- USA : 39%
- Asia : 10%
- Oceania: 3%
- Middle East, Africa : 2%

Industrial trend and circumstance of competition in the future

In 2021, it is expected that the overall pineapple supply in the country will increase from the prior year due to the high prices in 2020 will encourage farmers to expand plantation. As for the factories, there will be intense competition to source raw materials to meet demand.

The Covid-19 situation will be the main factor affecting the global demand as restaurants/hotels and industry consumption will slow down but it is expected that the consumption in the retail sector will increase to cushion the severity to some extent.



As far as competition in the markets against main competitors such as Indonesia and the Philippines is concerned, Thailand is disadvantaged in terms of import tariff as the EU canceled GSP privilege for Thailand making importers in Europe which import from Thailand pay higher duty by 3.5% whereas Indonesia is exempted as well as Philippines which is also granted GSP+.

In addition, the strengthening baht relative to competitors' currencies remain the key adverse factor for Thailand export going forward.

Income Structure (Consolidated Financial Statement)

Unit : 1,000 Baht

Product	Consolidated financial statements					
	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Pineapple and other fruits	1,938,756	93.12	1,913,813	97.05	2,367,600	97.40
Other	2,431	0.12	3,996	0.20	8,465	0.35
Total sales	1,941,187	93.24	1,917,809	97.25	2,376,065	97.75
Investment income	10,610	0.51	19,059	0.97	24,879	1.02
Other income	130,200	6.25	35,143	1.78	29,818	1.23
Total Revenue	2,081,997	100.00	1,972,011	100.00	2,430,762	100.00

2.1 Business Operation of each product line

Siam Food Products Public Co., Ltd., is engaged in the business of fruit processing using agricultural products, such as, pineapple and other tropical fruits. Most products are export for sale abroad. The products of the company are as follows: -

- (1) Pineapple packed in cans, pouches and cups.
- (2) Concentrated pineapple juice in aseptic bag
- (3) Canned tropical fruits

2.2 Marketing and competitiveness

(a) Marketing

All of the company's product were exported to global countries where the main important markets are Europe, North America, Asia, Middle East and others respectively, by selling directly to the end user, through importers or local agents. Most product were manufactured under the customers' trademark while some was manufactured and sold under SIAM FOOD brand.

All products of the company were manufactured under international standards, with high quality and accepted by global customers as the company has manufactured and exported for more than 48 years. All products of the company were accredited by several standards, such as, GMP, HACCP, BRC, ISO 9001, ISO 14001, Amfori BSCI, SMETA Sedex

(b) Competition

(1) In 2020, the competition was very intense attributable to overseas competitors (Indonesia and Philippines), with lower cost of production than Thailand, had increased their production capacity and tried to capture higher market share. Nevertheless, Thailand was able to maintain its dominant market position by emphasizing on fruit quality and consistent volume, technological edge and higher production skill.

(2) Production cost and export is likely to increase. Cost of cultivation (fertilizer), minimum wage for personnel at the plant and farm coupled with transportation cost, all are forecast to go up, will be challenges facing export growth in the future. In addition, the strengthening baht vis-à-vis USD will also have a direct impact on export.

(3) The company focuses on the importance of increasing production efficiency, improving product quality and effective management including applying latest innovations to the production process to maintain its leadership in manufacturing and attainment of maximum customer satisfaction.

(4) The operating success of pineapple business in Thailand largely depends on the volume and price of pineapple cultivated each year and weather conditions. If the price is good, farmers will switch to cultivating pineapple and there will be oversupply. When the price is unattractive less land area will be devoted to pineapple plantation. As a result, canned pineapple price varies greatly depending on the demand and supply situation. Note that in 2019 Thailand has less raw materials than in 2018 while competing countries have lower cost enabling them to offer attractive prices that led to customers delaying purchases from Thailand. Consequently, the company could only succeed in minimally adjust selling prices.

2.3 Product procurement

(a) Total manufacturing capacity

Manufacturing capacity and manufacturing quantity of canned pineapple

	2020 (Oct 19- Sep 20)	2019 (Oct 18- Sep 19)	2018 (Oct 17- Sep 18)	2017 (Oct 16- Sep 17)	2016 (Jan- Sep)	2015
Manufacturing capacity (one thousand standard cases)	5,500	5,500	5,500	5,500	3,850	5,500
Actual manufacturing quantity (one thousand standard Cases)	1,774	2,539	3,271	3,755	2,281	3,604
Manufacturing capacity rate (%)	32.25	46.17	59.48	68.27	59.24	65.52
Increasing rate of manufacturing capacity (%)	(30.15)	(22.38)	(12.87)	15.24	(9.62)	27.08



Manufacturing capacity and quantity of concentrated juice

	2020 (Oct 19- Sep 20)	2019 (Oct 18- Sep 19)	2018 (Oct 17- Sep 18)	2017 (Oct 16- Sep 17)	2016 (Jan- Sep)	2015
Manufacturing capacity (ton)	17,500	17,500	17,500	17,500	12,250	17,500
Actual manufacturing quantity (ton)	3,780	6,011	7,798	8,677	5,448	7,256
Manufacturing capacity rate (%)	21.60	34.35	44.56	49.58	44.48	41.46
Increasing rate of manufacturing capacity (%)	(37.12)	(22.91)	(10.13)	11.48	(1.17)	12.11

Raw material and the seller

The company procures raw material and other materials used in manufacturing both from within the country and from abroad whereby approx. 98% are raw materials in Thailand, such as, pineapple, fruits, can, paper box and label and other 2% are imported, such as, retortable pouch.

(b) Environmental impact

The industry of manufacturing of pineapple in sealed containers generates waste water from the manufacturing processes which the operator is required to comply with the requirements of Factory Department, Ministry of Industry to determine Biochemical Oxygen Demand value (BOD) or oxygen value. Microorganisms are required to digest organic substances in the water so that organic substances do not exceed 20 mg./litre and the Chemical Oxygen Demand (COD) does not exceed 120 mg./Litre.

The company has a treatment capacity of 4,000 m.3/day to treat waste water with stabilization ponds on approximately 180 rai of land separated into nine treatment ponds for five processes, i.e., pump sump, three anaerobic ponds, four facultative ponds, water hyacinth pond and a polishing pond. Wastewater shall pass along the nine ponds to adjust its pH value to achieve the standard of the Department of Industrial Factory before draining to natural source. The company has installed devices to measure the BOD outside the system on line. In addition, since November 2013 the company covered the 1st Anaerobic pond to keep the biogas to use as fuel instead of using fossil fuels. This saves about 12 million Baht per year in fuel costs, and also controls unpleasant odors.

3. Risk factors

The company operates processed fruits business with the main products being canned pineapple, pineapple in plastic cups, pineapple in germ-free bag, concentrated pineapple juice in germ-free bag, mixed fruits (pineapple, red papaya, yellow papaya, guava) and seasonal fruits (mangoes, papaya, jackfruit).

Thailand is one of the largest growers of pineapple. The production volume each year depends on planting areas and weather conditions. If the price is high, farmers will switch from growing other plants to pineapple and excess supply will result. When the price is low, the opposite is true and

there will be insufficient supply in the market as farmers switch to planting other produce. Prices will fluctuate wildly that will affect the canned pineapple prices. Accurate forecast of volume and raw material prices are key factors in managing the company's business soundly, 5 key risk factors in 2020 are outlined below:

1. Risk of pineapple raw material: Pineapple, being an agricultural produce, the key risk is the availability of raw material which, among other things, is subject to weather conditions each year. In 2020, pineapple output had declined resulting in the company having to pay higher prices despite having own plantations. Pineapple makes up 18% of total raw materials required, the ability to source contract farmers of more than 1,000 by promoting and developing the farmers' yield to come close to the company's level and having good relationship with them dating back for 49 years enable the company to manage the planting process right from cultivation until the final output of high quality pineapple that is ready to enter the factory for processing. The company endeavored to raise the plantation areas by renting arable land, increase the number of contract farmers, organize projects to promote pineapple plantation e.g. raw materials, fertilizers etc. This enabled the farmers to feed the factories with good quality pineapple continuously. Moreover, in 2020, the company embarked on the program to buy small-size pineapple for the first time to process into animal feed. The program not only contributed to higher revenues for the company but raised the farmers' income. In addition, the company used information technology to help analyze plantation areas to forecast output at each area more accurately. The company plans to create new products using its own resources to enhance production efficiency with the objective to raise income from other products.

2. Production risk: In the last financial year, pineapple output for the entire country recorded the lowest level in a decade, deemed a critical situation. This gave rise to continuous increase in pineapple prices that boosted farmers' income as well as expansion of plantation areas. During 2019-2020, the raw material prices rose throughout the year, it is expected that the pineapple output in 2021 will increase in the latter half year but still remaining below the national average and may not lead to any significant reduction in pineapple prices. The company plans the set production level to synchronize with customers' orders and delivery schedule to achieve the lowest unit cost including managing personnel and machinery run-time at appropriate level.

3. Strategy risk: The company endeavored to create new products using its own resources to achieve cost-efficient production process with the aim to achieve higher revenues from new products.

4. Market risk: As sales are mostly from exports with importers arranging and importing from different countries around the world, sales transactions are carried out based on future delivery of between 3-6 months and sometimes up to 1 year. Meanwhile, raw material prices may go up if pineapple output declines. To accurately forecast the finished goods price in advance, both short and long term, the company must take into account the volume required by customers, raw materials required and the production volume of other factories, locally and overseas, including major producing countries such as Indonesia and Philippines.



In addition to the above, the marketing needs to contemplate the global economy as to projecting the sales volume in each region and the risk of customers' payment. Nevertheless, most of the customers are in the long-term business relationship, thus having proven records. To reduce market risk, the company plans to:

- Manage sales and sales target by taking into account the quantity and quality of raw materials and the production plan for the whole year.
- Analyze and evaluate the value of Thai baht continuously.
- Set credit limit for each customer to prevent risk in case of default.
- Visiting Exhibitions both domestic and international to follow the global market situation and find new customers.
- Visiting foreign customers to tighten the relationship and a long-term partner.
- The currencies of rivals such as in Indonesia and Philippines have weakened vis-à-vis USD making their products cheaper than Thailand. Given this, the company must maintain its high standards and add value to the products to be able to compete.

5. Financial risk: The product sales of the company are mostly for the export, accounting for 95% of the total sales, and mainly traded in the U.S. currency, with some in Euro and Pound sterling currency. In 2019, Thai baht has strengthened considerably against the U.S. Dollar. This adversely affected the company's revenues and profits. In order to reduce exchange rate risk, the company has wisely made forward contracts with the bank.

This year we focus on strategy to reduce risk by

- Reduce production cost and focus on increasing efficiency.
- Endeavor to sell at prices higher than competitors
- Sale more product such as Mango, Rambutan, Jackfruit, Tropical fruit cocktail, pineapple peel.
- Manage sales and delivery period appropriately to maximize profits..

The activity to control risk meets the target.

4. Operating Assets

(1) Major operating assets of the Company.

As At 30 September 2020, the company had major operating assets used in the business as follows:

Description of assets	Type of Rights	Book value (in million Baht)	Obligation
1. Land Location <u>Land's Factory</u> - Banbung, Chonburi 1,324-1-78 Rai <u>Land's Plantation</u> - Banbung, Chonburi 12,154-1-49 Rai - Khon buri, Nakhon Ratchasima 2,893-1-45 Rai - Chai Badan, Lop Buri 2,015-1-37 Rai Total 18,387-2-9 Rai	Owned assets	177.12 23.94 38.32 52.01 62.85	 No No No No
2. Land Location <u>Land's Plantation</u> - Kaokanthong, Siracha, Chonburi 677-0-0 Rai - Nong Suea Chang, Nong yai, Chonburi 2,143-1-67 Rai - Khlong Kio, Banbung, Chonburi 49-0-38 Rai Total 2,859-2-05 Rai	Leased assets (2-3 years)	-	-
3. Head Office 195 Empire Tower 43rd Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok.	Leased asset (3 years)	-	-
4. Factory Office and Warehouse - 218 Moo 4 Chachoeng sao-Sattahip Nong I-run,Banbung,Chonburi	Owned assets	25.34	No
5. Plantation Office - 160/1 Moo 6 Chachoeng sao-Sattahip (Km 72 Nong Prue) Khlong Kio, Banbung,Chonburi - 15 Moo 7 Nikhom Lam Narai, Chai	Owned assets Owned assets	4.63 0.96	No No
6. Machine and equipment	Owned assets	313.27	No



(2) Investment Policy in subsidiary and holding company

Since the company had a large number of plots of land in Chon Buri and Rayong Province, some parts located in the Eastern Industrial Estate development zone which Government invested in public facilities, therefore the company sold part of its land to Land Development Company and holding in Eastern Seaboard Industrial Estate (Rayong) Co.,Ltd. in proportion of 40% at first of 358 million baht registered capital and having company director join as director in holding company as following position:1 President, 2 directors, total 3 person from 7 directors.

The previous company performance was good even during the depression in the general real estate business, but Automobile industrial still grow and also worldwide automobile company such as GM, Ford-Mazda, has invested in project of holding company,leading to other industries such as food, packaging also invested in the industrial estate

Previous business performance of Eastern Seaboard Industrial Estate (Rayong) Co.,Ltd. is as follows:

2020 Net Profit (Oct 19-Sep 20)	168.70	million Baht
2019 Net Profit (Oct 18-Sep 19)	175.03	million Baht
2018 Net Profit (Oct 17-Sep 18)	513.87	million Baht
2017 Net Profit (Oct 16-Sep 17)	438.70	million Baht
2016 Net Profit (Jan-Sep)	178.51	million Baht
2015 Net Profit	88.50	million Baht
2014 Net Profit	659.79	million Baht
2013 Net Profit	1,869.39	million Baht
2012 Net Profit	213.59	million Baht
2011 Net Profit	150.61	million Baht
2010 Net Profit	150.66	million Baht
2009 Net Profit	59.11	million Baht
2008 Net Profit	304.09	million Baht
2007 Net Profit	215.19	million Baht
2006 Net Profit	148.38	million Baht
2005 Net Profit	203.16	million Baht

5. Legal dispute

-None -

6. General Information

The Company Name	: Siam Food Products Public Company Limited
Business Type	: A producer and distributor of processed agricultural products for export.
Head Quarter Location	: 1 Empire Tower, 4rd Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok
Company Registration Number	: 0107536000072
Homepage	: www.siamfood.co.th
Telephone Number	: 0-2287-7000
Fax Number	: 0-2670-0154
Registered Capital	: 300,000,000 baht
Paid-up Capital	: 210,000,000 baht
Type of Stock	: Common Stock
Paid-up Common Stock	: 21,000,000 shares
Par value	: 10 baht per share

Other material information

Siam Food Products Public Co., Ltd., had invested in other company as the holder of share over 10% upwards in 3 companies as follows: -

As at 30 September 2020

Company's Name	Type of Business		Investment Amount	Investment Proportion	Registered Capital	Paid Up Capital
			(m. baht)	(%)	(m. baht)	(m. baht)
Quality Pineapple Products Co., Ltd.	Subsidiary company	222 Moo 3 Bann Nongnoknoi, Tumbol Hinlexfai, Amphur Hua Hin, Prachuabkirikhan. Thailand. Postal Code 77110, Manufacture and distributor of canned pineapple, concentrate pineapple juice for export	550	99.99	550	550

Company's Name	Type of Business		Investment Amount	Investment Proportion	Registered Capital	Paid Up Capital
			(m. baht)	(%)	(m. baht)	(m. baht)
Siam Food (2513) Co., Ltd.	Subsidiary company	1 Empire Tower, 43rd Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok. Thailand. Postal Code 10120, Operated the commercial and investment business Provided raw materials domestically and internationally and extended the investment in AEC.	0.25	99.99	1	0.25
Eastern Seaboard Industrial estate (Rayong) Co., Ltd.	Associated company	Located in Pluak Daeng District, Rayong Province, and comprise an area of 9,726 rai (3,890 acres) ESIE is a joint venture company between Hemaraj Land and Development PCL. and Siam Food Products PCL. (60:40), EISE was set up on 10 November 1994. Its business is to develop an industrial estate in Rayong, and to build and sell public utilities to both Thai and foreign investors.	63.20	40	158	158

Reference

Security Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel: 0-2009-9000

External Auditor:

KPMG Phoomchai Audit Ltd.

1 Empire Tower, 50th – 51st floor, South Sathorn road, Yannawan, Sathorn district,

Bangkok 10120

Tel. 0-2677-2000

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Banker

1. Kasikorn Bank Public Company Limited (Head Office) 1 Radburana Road, Radburana, Bangkok 10140
Tel : 0-2871-3650 to 5
2. Thai Military Bank Public Company Limited (Head Office) 3000 Phaholyotin Road, Jatujak, Bangkok 10900
Tel : 0-2242-3980 to 1
3. Bangkok Bank Public Company Limited (Head Office) 333 Silom Road, Bangrak, Bangkok 10500
Tel : 0-22626-3327
4. United Overseas Bank (Thai) Public Company Limited (Head Office) 191 South Sathorn Road, Sathorn, Bangkok 10120
Tel : 0-2343-3000
5. Bank of Ayudhya Public Company Limited (Head Office) 1222 Rama III Road, Bangpongpan, Yannawa, Bangkok 10120
Tel : 0-2296-3915 to 6
6. Krungthai Bank Public Company Limited (Yaowaraj Branch) 260 Yaowaraj Road, Chakrawad, Samphanthawong, Bangkok 10100
Tel : 0-2222-0131 to 45

Investors can learn more about Siam Food Products Public Company Limited in the disclosure report concerning additional information (Form 56-1) of companies listed in the www.sec.or.th or www.siamfood.co.th



Management and supervision

7. Data of the securities and shareholding

7.1 Authorized Capital and Paid-up Capital

Authorized Capital 300,000,000 Baht Paid-up Capital 210,000,000 Baht No. of Listed Share 21,000,000 Shares at Value 10.00 Baht

7.2 Shareholders

The company's 10 Major shareholders as of 30 September, 2020.

No.	Shareholder's Name	Number of Shares	Equity Stake (%)
1	Plantheon Co., Ltd.	14,877,767	70.85%
2	BANK OF SINGAPORE LIMITED-THB SEG AC	1,047,155	4.99%
3	DBS BANK LTD.	1,045,850	4.98%
4	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	1,044,000	4.97%
5	Chokanun Business Co.,Ltd.	1,030,000	4.90%
6	Prestige 2015 Co.,Ltd.	1,021,500	4.86%
7	Kasikorn Bank Public Company Limited.	200,000	0.95%
8	Yodkij Business Co.,Ltd.	84,900	0.40%
9	Mrs. Phoranee Chaikittisin	81,375	0.39%
10	Mr. Numchai Numchaisiri	56,840	0.27%

- Note :
1. Data from Department of Business Development Ministry of Commerce
Plantheon Co., Ltd. was held shares by TCC Land Co., Ltd. at 99.99%
 2. Restriction of foreign shareholders
Limit Foreign shareholders of Siam Food Products PLC, at 49% of its paid-up capital. As of September 30, 2020, foreign shareholders hold 19.89% of the paid-up capital.

7.3 Data of the Subsidiary and shareholding

Quality Pineapple Products Co., Ltd.

Authorized Capital 550,000,000 Baht Paid-up Capital 550,000,000 Baht No. of Listed Share 55,000,000 Shares at Value 10.00 Baht because The Extraordinary Meeting of Shareholders No.1/2020 of Quality Pineapple Products Co., Ltd., held on October 22, 2020, resolved special resolution to approve an increase of the authorized capital for the amount of Baht 150,000,000 from the existing authorized capital of Baht 400,000,000. Therefore, at present the company has 3 shareholders as follows:

No.	Shareholder's Name	Number of Shares	Equity Stake (%)
1	Siam Food Products PLC,	54,999,997	99.999994%
2	Plantheon Co.,Ltd.	2	0.000004%
3	Plantheon Trading Co.,Ltd.	1	0.000002%

Siam Food (2513) Co., Ltd.

Authorized Capital 1,000,000 Baht Paid-up Capital 250,000 Baht No. of Listed Share 100,000 Shares at Value 10.00 Baht, the company has 4 shareholders as of 30 September, 2018.

No.	Shareholder's Name	Number of Shares	Equity Stake (%)
1	Siam Food Products PLC,	99,997	99.999%
2	Mrs. Chaveevan Chandanabhumma	1	0.001%
3	Mrs. Nidda Theerawatanachai	1	0.001%
4	Mr. Kiartisak Lertsiriamorn	1	0.001%

7.4 Dividend payment policy

The company and Subsidiary have policy to pay dividend from net profit in each accounting period after deduction of legal reserves and retained loss brought forward (if any). Such dividend payment is subject to the cash flow, investment plan, terms and condition of contracts which is binding the company including the necessity and other suitability in the future. When the Board of Directors resolves to approve the annual dividend payment, the company shall propose to the annual general meeting of shareholders for approval, except for interim dividends, the Board of Directors is authorized to approve dividends payment and inform at the next annual general meeting of shareholders.



8. Structure of Management

The management structure of Siam Food Products Public Company Limited comprises the Board of Directors of the Company, the Audit Committee, the Remuneration and Nominating Committee, Corporate Governance Committee, the Risk Management Committee. Each respective Committee and Sub-Committee has the duties and responsibilities as detailed below:

8.1 Board of Directors

The roles, duties and responsibilities of the Board of Directors shall be as being provided by law, Memorandum of Association, Articles of Association and resolution of the shareholders' meeting. The Board of Directors must perform the duties faithfully (Fiduciary Duties), supervise the business management of the company carefully (Duty of Care) with skills by adhering to the reasons, ethical principles, focusing on the benefits and value addition for the company. Therefore, it is necessary to supervise the management efficiently to cause the effectiveness for the company.

The Board of Directors plays important roles to provide the policies of the company jointly with the top executives, plan the short-term and long-term working as well as provides the financial policies, risk management and perspective of the organization with important roles of supervision, examination and assessment, operation of the company and performance result of the top executives to correspond with the plan systematically.

During the year 2020, the directors were changed, 2 directors resigned as follows:

- Ms. Pornpimol Chirtchoochai; director, resigned from being director since 1st March 2020.
- Mr. Graeme Anthony Cox, director, member of the risk management committee and President, resigned from being director and vacates office from the member of the risk management committee and President, effective from 1st July 2020.
- The company thus appointed Mr. Charnvit Subsanyakorn, director, member of the risk management committee and President, of the company since 3rd July 2020.

As of 30 September 2020, the Board of Directors comprised eleven members as follows:

1. Mr. Thien Mekanontchai	Chairman
2. Mr. Prasit Kovilaikool	Independent Director and Chairman of the Audit Committee
3. Mr. Prasert Maekwatana	Vice Chairman No. 1
4. Mr. Sithichai Chaikriangkrai	Vice Chairman No. 2
5. Mr. Siripol Yodmuangcharoen	Director
6. Mr. Ananta Dalodom	Independent Director
7. Mr. Chai Jroongtanapibarn	Independent Director and Director of the Audit Committee
8. Mrs. Chaveevan Chandanabhumma	Director
9. Police General Krisna Polananta	Independent Director and Director of the Audit Committee
10. Mrs. Nidda Theerawatanachai	Director
11. Mr. Charnvit Subsanyakorn	Director and President

Directors authorized to sign on the Company's behalf are "two directors sign the names and affix seal of the company except Mr. Prasit Kovilaikool, Mr. Chai Jroongtanapibarn, Mr. Ananta Dalodom and Police General Krisna Polananta"

Authorities and Duties of the company's Board of Directors

1. The company's Board of Directors are required to adhere to the laws, objectives and regulations of the company, and the resolutions of the shareholders' meeting, while performing their duties with loyalty and honesty and maintaining the benefits of shareholders in the short and long run. The board must also perform its duties in accordance with the rules and regulations of The Stock Exchange of Thailand (SET) and The Securities and Exchange Committee (SEC).
2. Responsible for the shareholders in terms of business operations and overseeing the management to ensure that the goals and methods lead to the achievement of maximum shareholder benefits, the Board of Directors also has to perform its duties ethically and fairly.
3. Consideration and approval of matters important to company operations, such as vision, mission, financial goal strategies, risks, work plans and budgets, etc.
4. Following up to ensure the efficient and effective implementation of the policies and plans established and monitor financial liquidity and debt repayment capability, include a plan or mechanism to resolve the problem.
5. Monitor and manage potential conflicts of interest between the Company and its shareholders, Board of Directors or management supervise the prevention of unauthorized use of property and transactions with connected persons in an unreasonable manner.
6. Ensure that the Company complies with the disclosure policy. Ensure that confidential information is managed properly and does not not leak. This may affect market price information (market sensitive information)
7. Supervise and support the creation of value-added innovations for the company, along with creating benefits for stakeholders.
8. Supervise the management of information technology and maintenance measures.
9. Ensure that the system of financial reporting and disclosure of important events is accurate, adequate, timely and in accordance with relevant rules and guidelines.
10. Internal Control and Risk Management Include a mechanism to receive complaints and actions to address clues.
11. Continuing business continuity Including employee development plan. Succession Plan.

The Board of Directors has four Independent directors as follows:

1. Mr. Prasit Kovilaikool
2. Mr. Ananta Dalodom
3. Mr. Chai Jroongtanapibarn
4. Police General Krisna Polananta



Orientation for new company director

The Board of Directors determines the orientation for all new company directors in order to provide them opportunity to build knowledge and understanding about the company's business, industrial condition, business operation direction, policies of the company including also roles, duties and responsibilities of the company directors. The Board of Directors assigned the Company Secretary to orientation for the new director, the orientation shall be in form of explanation documents, seminar, training and visiting all facilities of company's such as Head office, Factory and Plantation of the company, projects in order to provide them to experience actual operation condition of the company.

In 2020, Mr. Charnvit Subsanyakorn, a new Director, took his role and attended orientation programmed organized by the company on 4 July 2020.

The Board of Directors has a policy to promote knowledge in several fields to all company directors and the company secretary, such as, to promote them to attend seminars and useful courses arranged by the Thai Institute of Director (IOD). and/or the Stock Exchange of Thailand.

In 2020 the company attended the seminar as follows.

Ms. Tanaporn Nuntawowart Senior Vice President of Finance & Administration: TLCA CFO Professional Development Program (TLCA CFO CPD) No. 2/2020 "Transfer pricing"

8.2 The Board of Executive Directors

As of 30 September 2020, the Board of Executive Directors comprises 7 members as follows:

- | | |
|-----------------------------------|--|
| 1. Mr. Thien Mekanontchai | Chairman of Executive Director |
| 2. Mr. Prasert Maekwatana | Vice Chairman of Executive Director |
| 3. Mr. Sithichai Chaikriangkrai | Executive Director |
| 4. Mr. Siripol Yodmuangcharoen | Executive Director |
| 5. Mrs. Chaveevarn Chandanabhumma | Executive Director |
| 6. Mrs. Nidda Theerawatanachai | Executive Director |
| 7. Mr. Charnvit Subsanyakorn | Executive Director and President (Being appointed to instead of Mr. Graeme Antjony Cox on 3 July 2020) |

Authorities and Duties of the Board of Executive Directors

1. Implement the policy of the Board.
2. Consider the allocation of the annual budget and various investments for approval by the company's Board of Directors.
3. Manage the company's regular operations.
4. Perform any other task assigned by the Board.
5. Monitor and coordinate with the employees at all levels in carrying on the performance in accordance with the company's regulations, including the authorities to rotate, appoint, promote, demote, dismiss, punish, put on parole, and determine salary, bonus, and other benefits of all employees.
6. Command of sales, production, planting, including any necessary and proper change to meet the company's interests.

8.3 The Audit Committee

As of 30 September 2020, the Audit Committee comprises 3 Independent directors with 3 years term. The Audit Committee comprises 3 members as follows:

- | | | |
|----|---------------------------------|---------------------------------|
| 1. | Mr. Prasit Kovilaikool | Chairman of the Audit Committee |
| 2. | Mr. Chai Jroongtanapibarn * | Director of the Audit Committee |
| 3. | Police General Krisna Polananta | Director of the Audit Committee |

Note: *The Audit Committee member with experiences in accounting to review the financial statements.

Authorities and Duties of the Audit Committee

1. to review the Company's financial reporting process to ensure that it is accurate and adequate;
2. to review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of and internal audit unit or any other unit in charge of an internal audit;
3. to review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. to consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration. To recommend to dismiss and replace the auditor of the Company.
5. to attend a non-management meeting with an auditor at least once a year.
6. to review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the company;
7. to prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and

(h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and

8. to perform any other act as assigned by the Company's board of directors, with the approval of the audit committee, in its performance of duties under the first paragraph.

The audit committee must be directly responsible to the Company's board of directors, while the Company's board of directors shall remain responsible to third parties for the operations of the Company.

8.4 The Remuneration and Nominating Committee

As of 30 September 2020, the Remuneration and Nominating Committee comprises 5 members with 3 years term as follows :

- | | |
|------------------------------------|---|
| 1. Mr. Prasit Kovilaikool | Chairman of the Remuneration and Nominating Committee |
| 2. Mr. Prasert Maekwatana | Director of the Remuneration and Nominating Committee |
| 3. Mr. Sithichai Chaikriangkrai | Director of the Remuneration and Nominating Committee |
| 4. Mr. Ananta Dalodom | Director of the Remuneration and Nominating Committee |
| 5. Police General Krisna Polananta | Director of the Remuneration and Nominating Committee (Being appointed on 1 st April 2020) |

Authorities and Duties of the Nomination Committee

1. Determine the transparent process and criteria for the nomination of directors by preparing the table of composition and expertise of the directors and President (skills matrix) in accordance with the company's business strategy.
2. Select appropriate directors to propose to the Board of Directors taking the composition, knowledge, ability and experience that is beneficial to the company, whilst ensuring there is no conflict of interest. Select the President and the chief financial officer (CFO) for approval by the Board of Directors.
3. Consider and nominate the directors to serve in subcommittees who have the knowledge and ability for the specific duties. Propose suitable directors to the board of directors for appointment.
4. Review and evaluate the performance of the company's Board of Directors.
5. Perform other duties as assigned by the Board of Directors.

The process of nomination is as follows:

1. The nomination committee determines the qualifications of the directors to be nominated for the composition and relevant legal / regulatory requirements and eligibility criteria.
2. The nomination committee will report suitable persons for the board of directors with reasons and propose to the Board of Directors to get approval.
3. The Board of Directors will select qualified persons in the list proposed by the nomination committee for appointment as directors or proposed to the annual general meeting of shareholders for approval.

Authorities and Duties of the Remuneration Committee

1. Establish criteria for remuneration.
2. Follow up on the changes and trends of director's and manager's remuneration, with the aim to possibly adjust remuneration policy accordingly, to stimulate business operations for future progress and keep highly efficient people with the company.
3. Perform other duties as assigned by the Board of Directors.

8.5 Corporate Governance Committee

As of 30 September 2020, the Corporate Governance Committee comprises 3 members with 3 years term as follows :

- | | |
|------------------------------------|---|
| 1. Mr. Ananta Dalodom | Chairman of the Corporate Governance Committee
(Mr Ananta Dalodom was promoted to the Chairman of the Board of Director responsible for good corporate governance on 24 February 2020 to replace Mr. Prasith Kovilaikul who resigned and withdrew his candidacy from re-election for another term) |
| 2. Mrs. Chaveevan Chandanabhumma | Director of the Corporate Governance Committee |
| 3. Police General Krisna Polananta | Director of the Corporate Governance Committee |

Authorities and Duties of the Corporate Governance Committee

1. Propose corporate governance (CG) guidelines to the Board.
2. Advise the Board on CG matters.
3. Ensure that the duties and responsibilities of directors and the management conform to CG principles.
4. Revise guidelines for SFP's CG against those of international organizations and present its recommendations to the Board.
5. Delegate corporate governance policies to the Corporate Governance Task Force.
6. Monitor the CG and report its findings to the Board.

8.6 The Risk Management Committee

As of 30 September 2020, the Risk Management Committee comprises 3 members with 3 years term. as follows :

1. Mr. Siripol Yodmuangcharoen Chairman of the Risk Management Committee
2. Mr. Chai Jroongtanapibarn Director of the Risk Management Committee
3. Mr. Charnvit Subsanyakorn Director of the Risk Management Committee
(Being appointed to instead of Mr. Graeme Antjony Cox on 3 July 2020)

Authorities and Duties of the Risk Management Committee

1. Provide the policies and guidelines of risk management and submit to the Board of Directors to grant consideration, opinions and approval.
2. Consider and give opinions to provide the acceptable risk level, risk appetite or deviation of the risk tolerance of the organization as well as the risk level, which affects against the company and affiliate company on the strategy, finance and work performance before submitting to the Board of Directors in order to grant consideration, opinions and approval.
3. Acknowledge, consider and give opinions on the risk assessment result, guidelines and measures of risk management and action plan to manage the remaining risks of the company to ensure that the company has the adequate and proper risk management.
4. Maintain and support the risk management, successful organization, suggest the prevention and reduction of the risk level to be acceptable, follow up the action plan to reduce the risks in a suitable way according to the business circumstances, to ensure that the risk is managed adequately and suitably.
5. Recommend the risk management in the organizational level as well as support and encourage the improvement and development of the risk management system within the organization continuously and regularly.
6. Support and encourage the examination and review of the policy and risk management framework of the organization at least every year.
7. Report the important risk of the organization as well as the status of the risk, guidelines for the risk management, progress and result of the risk management to the Board of Directors.
8. Communicate and exchange the data, provide coordination about the risks and internal control with the audit committee at least 1 time per year.

8.7 Management

The Management Team

As at 30 September 2020, the Company's current management team are as follows:

1. Mr. Charnvit Subsanyakorn Director and President
2. Mr. Kiartisak Lertsiriamorn Executive Vice President
3. Ms. Sutiporn RungsirisiriKul Executive Vice President
4. Mr. Nopadol Thongprajiad Senior Vice President of Operation Ban Bueng Factory
5. Ms. Tanaporn Nuntawowart Senior Vice President of Finance & Administration

Management refers to the individuals holding the next four management positions after Board of Executive Director, including all designations equivalent to the 4th management rank.

Authorities and Duties of the President

1. Control and oversee the company, and ensure that it is operated in such a way as to be of maximum benefit, in addition to being always aware of the company's up-to-the-minute situation. The President is also responsible for following the policy as laid out by the company's Board of Directors.
2. Set up a annual goal and business plan, by considering the various business risks, for the approval of the Board of Directors.
3. Manage the work of the management team to meet any established targets.
4. Find resources and select potential human resources to increase business competitiveness.
5. Consider new project investment that will benefit the company, for the approval by the Board of Directors.
6. Prepare a monthly financial status and operational performance report, for the consideration of the Executive Board.
7. Prepare an annual and investment budget for the Board of Executive Director's consideration, which is later sent to the Board of Directors for approval.
8. Support and create a corporate culture conducive for business growth.
9. Take command and perform in accordance with the command of the Executive Board of Directors for improvement and problem solving to meet the company's interests.

8.8 Company Secretary

The board of director has appointed Ms. Pornpun Premratanachai to be the Company secretary and also responsible for the secretary of Board of Directors with the Managing Director Office support function of the work of company secretary goes according to the principle of operating of a good company as well as to operate the company more efficiently.

Scope of power and duties of the company secretary

1. To contact and sign in document which must be inform SET.
2. Has the duties and responsibilities pursuant to the Security and Security Exchange Act, B.E. 2551 and as prescribed by the Capital Market Supervisory Board (CMSB).

Recruiting director, independent director, audit committee and executive

- 1) In case of the director, independent committee, audit committee and the executive is resign by rotation or substitute the position duly vacated by other reason, the Board of Directors' Meeting shall consider to recruit substitute director through the Compensation and Recruitment Board. The Board of Directors shall consider and recruit the qualified, knowledgeable, capable personal who is experienced in related work and duly qualified pursuant to Section 68 of Public Company Limited Act, B.E. 2535 and related Announcement of SEC for benefit in the efficient business operation of the company and then proposed



to the Shareholders' Meeting for consideration the appointment according to the rules and methods as follows: -

1. One shareholder possesses one share / one vote.
2. Each shareholder must exercise all right to vote as mentioned in clause 1 to elect one or several persons as director but is prohibited to divide its more or less votes to any person.
3. The person who earned highest votes descending shall be elected as director equal to the number of directors required in such election. In case of the descendant earned equal votes more than number of the required director, the chairman shall cast one final vote.

For recruitment of person to fill the management position, the Board of Directors shall arrange to follow up the progress of position succession that covering the position of managing director and high management position to ensure that the company selects the executive who is knowledgeable, capable to succeed the important position in the future.

2) Rules in selection the independent committee and audit committee

The company determines rules on selection of independent committee and audit committee from the qualification of the appointed person based on the following qualifications:

1. Holds share not less than 1% of paid up capital of the company, subsidiaries, affiliates and related companies. This shall include shares held by related persons.
2. Is not or never been the director who involved in management, employee, consultant who earned permanent wage nor person duly authorized to control the company, parent company, subsidiary, affiliate or minor company at the same rank, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed.
3. Does not have or never had business relationship or provided professional service to any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control in the manner which may object the independent use of discretion and is not or never been the major shareholder or person who has power to control of any party who has business relation with the company subsidiary, affiliate, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed. Such relations inclusively mean:-
 - 3.1 Normal transaction, the matter related to the asset/service, to give or receive financial assistant that exceeding 20 m. baht or 3% of net tangible asset subject to whichever is lower.
 - 3.2 Providing other professional services, such as, financial consultant, legal consultant, asset appraisal for exceeding 2 m. baht/year.

In this regard, in case of business relation or professional service is exceeding such prescribed value, approval must be firstly granted by the Board that such business relation and professional service do not impact the performance of assigned duties and independent expression of comment and such comment of the Board is disclosed in Form 56-1 / Annual Report / Invitation Letter (in case of extension of position)

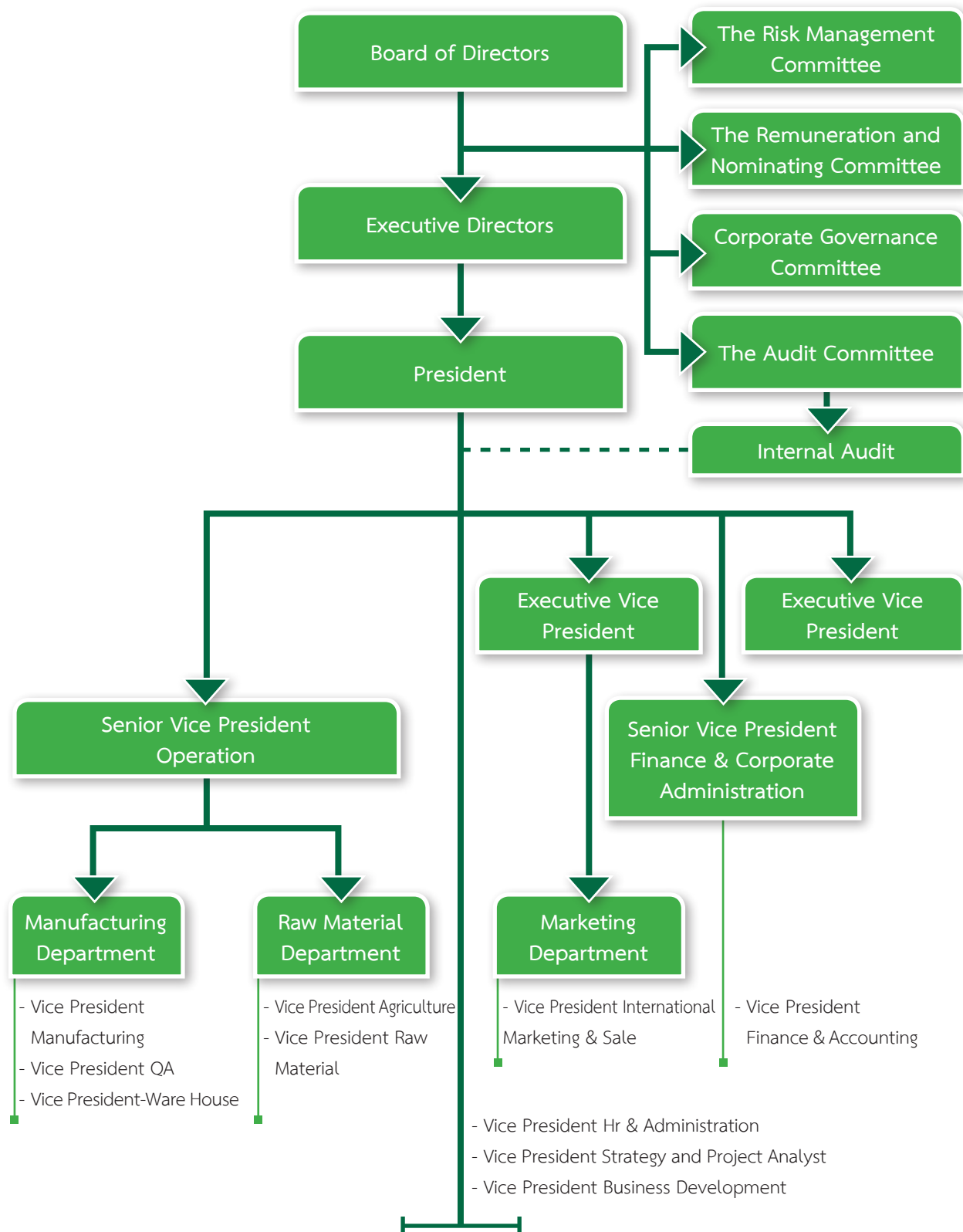
4. Is not or never been the auditor of any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control or partner of the Auditing Office where such auditor is working for unless such person is resigned from those statuses for not less than 2 years before being appointed.
5. Does not have any relation by blood or by lawful registration, namely, no any relation as parents, spouse, relatives and children including spouse of the child of the executive, major shareholder, the person who has power to control or the person who is proposed as executive or the person duly empowered to control the company or subsidiary.
6. Not being the director who is elected as proxy of the company's director, major shareholder or the shareholder who is related to the major shareholder of the company.
7. Free from any character that prevent him to independently express comment about operation of the company.
8. In case of being authorized from the Board of Directors to make decision about business operation of the company, parent company, subsidiary, affiliate and minor company at the same rank, major shareholder or the person who has power to control based on collective decision, such independent director must not be the Audit Committee.
9. Able to assume the position of director who does not involve in management or independent director of the company in the group but is required to disclose information about assuming in the position of independent director in the group and total compensation received from the group in form 56-1 and annual report (not necessary to disclose compensation separately by each company).

The policy on assuming the position of director for other company

The company determined the policy specifying the managing director to report in case of any company director would assume the position of director in any company other than the subsidiary and affiliates to the Board of Director immediately.



ORGANIZATION CHART



Remarks : The audit committee considers and assesses the yearly performance result of the Office of Internal Audit, so that the company has the good governance, and the Office of Internal Audit could work independently.

Borad of Directors and Executive Committee

Mr. Thien Mekanontchai

Chairman of Board of Directors and Chairman of the Executive Committee

Age: 80 years

Educational qualifications

- Bachelor of Engineering Chulalongkorn University M.S. in M.E. North Dakota State University, U.S.A.

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Director Accreditation Program (DAP)
No.BJC/2004
- The Audit Committee Program (ACP)
No. 42/2013
- Monitoring the Internal Audit Function (MIR)
No. 14/2013
- Monitoring the Quality of Finacial Reporting (MIR)
No. 17/2013
- Monitoring the Internal Audit Function (MIA)
No. 14/2013
- Monitoring Fraud Risk Management (MFM)
No. 9/2013
Thai Institute of Director (IOD)

Over 5 years experience

- The listed company in Thai Stock Exchange

10 August 2007-Present

Chairman of Board of Directors and
Chairman of the
Executive Committee

Siam Food Products PCL.

2012-2016

Independent Director and Audit
Committee

PTG Energy PCL.

- Non-listed company

2019-Present

Independent Director
Thewakam Dispensary Co.,Ltd.

2010-Present

Chairman of the Board of Directors
Quality Pineapple Products Co., Ltd.

2007-Present

Chairman of the Board of Directors
Eastern Seaboard Industrial Estate
(Rayong) Co., Ltd.

2013-2018

Director
The Ajinomoto Foundation
for Education



Mr. Prasit Kovilaikool

Independent Director, Chairman of the Audit

Committee and Chairman of Remuneration and Nominating Committee

Age: 77 years	2010-Present	
Educational qualifications		Independent Director and Chairman of the Audit Committee
<ul style="list-style-type: none"> LL.B (2nd Class Honour) Chulalongkorn University LL.M., Columbia University, New York, U.S.A. Barrister-at-Law (THE THAI BAR) 	June 2019 - Present	Berli Jucker PCL.
Share Holding Including		Independent Director and Chairman of the Audit Committee
Related Parties		Asset World Corporation PCL.
-None-	24 February 2014-23 February 2020	
Relationship between directors and executives		Chairman of the Corporate Governance Committee
-None-		Siam Food Products PCL.
Other Training Course		
<ul style="list-style-type: none"> Finance for Non-Finance Director (FND) Corporate good governance Director Accreditation Program (DAP) No.41/2005 Thai Institute of Director (IOD) 	<ul style="list-style-type: none"> - Non-listed company 	
	2012-Present	Independent Director and Chairman of Audit Committee
		Thai Beverage PLC.
		- Any other committee (government)
Over 5 years experience	2020-Present	Vice-Chairman of Chulalongkorn University Council
- The listed company in Thai Stock Exchange		Chulalongkorn University
20 February 2012-Present	2013-Present	Trial Appeal Committee of civil servants and employees
Chairman of the Audit Committee,		Chulalongkorn University
Chairman of the Remuneration and Nominating Committee	2001-Present	Counselor, Property Management Committee
Siam Food Products PCL.		Thai Red Cross Society
20 April 2010-Present	1989-Present	Law Counsellor Council of State (Office of the Prime Minister)
Independent Director		Member of National Housing Policy Committee
Siam Food Products PCL.	2018-2019	Ministry of Social Development and Human Security
2010-Present	1990-2019	Lecturer, Legal Education Institute of The Thai Bar .
Chairman of Board of Directors,		The Thai Bar
Independent Director, Compensation and Remuneration Committee		
Member		
Oishi Group PCL.		

Mr. Prasert Maekwatana

Director, Vice Chairman of the Board of Director No. 1, Vice Chairman of the Executive Committee and Director of the Remuneration and Nominating Committee

Age: 74 years	24 April 2007-Present	
Educational qualifications		Director, Vice Chairman of the Executive Committee Siam Food Products PCL.
<ul style="list-style-type: none"> Bachelor Degree California State University San Diego, U.S.A. Certificate International Marketing Institute, TUFT University,U.S.A. Certificate Program for Management Development Harvard University, U.S.A. 	2008-Present	Director and Vice Chairman of the Executive Board Risk Management Committee Berli Jucker PCL.
Share Holding Including		- Non-listed company
Related Parties	2018- Present	Director Taveephol Agriculture Co., Ltd.
-None-		
Relationship between directors and executives	2018- Present	Director Taveephol Agriculture (2013) Co., Ltd.
-None-		
Other Training Course		
<ul style="list-style-type: none"> Director Accreditation Program (DAP) No. BJC/2004 Director Certification Program (DCP) No. 89/2007 Thai Institute of Director (IOD) 	2017- Present	Executive Vice President Cristalla Co., Ltd
	2012- Present	Senior Executive Vice President TCC Corporation Co.,Ltd.
	2011-Present	Director Plantheon Co.,Ltd
Over 5 years experience		
- The listed company in Thai Stock Exchange	2011- Present	Director and Chairman of the Executive Board Terragro Bio- Tech Co., Ltd.
22 November 2017-Present		
Vice Chairman of the Board of Director No. 1	2010 - Present	Director Thai Malaya Glass Co., Ltd.
Siam Food Products PCL.		
22 September 2016- Present	2010-Present	Director Quality Pineapple Products Co., Ltd.
Director of the Remuneration and Nominating Committee	2009-Present	Director and Chairman of the Executive Board Terragro Fertilizer Co., Ltd.
Siam Food Products PCL.		
	2009-2011	President Plantheon Co.,Ltd



Mr.Sithichai Chaikriangkrai

Director,Vice Chairman of the Board of Director No.2,

Director of the Remuneration and Nominating Committee and The Executive Committee

Age: 66 years

Educational qualifications

- Bachelor Degree of Accounting (First Class)
Thammasart University
- Computer Management Certificate
Chulalongkorn University
- Mini MBA Kasetsart University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Directors Certification Program (DCP)
- DCP Refresher Course (DCP-Re)
Thai Institute of Director (IOD)

Have over 30 years of professional financial experience

Awards List 2009-2018

- Thailand : Bast CFO, From : Asian Excellence Recognition Awards, Corporate Governance Asia, Year : 2011,2012
- Best Deal Thailand, From : The Asset Asian Awards, The Asset, Year : 2012
- Best CFO in Southeast Asia, From : Annual Southeast Asia Intitutional Investor Corporate Awards, Alpha Southeast Asia, Year : 2015
- Best CFO in Thailand, From : Annual Southeast Asia Intitutional Investor Corporate Awards, Alpha Southeast Asia, Year : 2014,2015, 2016,2018
- Southeast Asia : Best Domestic M&A, The Asset Regional Awards 2016
- Thailand : Bast M&A, The Asset Country Awards 2016

- Thailand : Best Acquisition Financing, The Asset Country Awards 2016
- Best Local Currency Bond Deal of the year 2016 in Southeasr Asia, Alpha Southeast Asia - 10th Annual Alpha Southeast Asia Deal & Solution Awards 2016
- Best Thailand Dedl, The Finance Asia - Achievement Awards 2016
- Thai BMA Best Bond Awards 2016

Over 5 years experience

- The listed company in Thai Stock Exchange

22 November 2017 -Present

Vice Chairman of the Board of
Director No.2
Siam Food Products PCL.

11 September 2015-Present

Director of the Remuneration and
Nominating Committee
Siam Food Products PCL.

24 April 2007-Present

Director and The Executive
Committee
Siam Food Products PCL.

2011-Present

Director
Sermasuk PCL.

2007-Present

Director
Univentures PCL.

2006-Present

Director
Oishi Group PCL.

2001-Present

Director
Berli Jucker PCL.

- Non-listed company	2012-2020	Director
2020-Present	Director	Golden Land Property Development PCL.
	Chang Beer Co., Ltd.	
2016-2017	Director and Executive Director	2020-Present Director and Senior Vice President
	BIG C Supercenter PCL.	Thai Beverages PCL.
2013-Present	Director	2010-Present Director
	Fraser Property Limited	Quality Pineapple Products Co., Ltd.
2013-Present	Director	2007-Present Director Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.
	Fraser and Neave, Limited	

Mr. Siripol Yodmuangcharoen

Director, The Executive Committee
and Chairman of The Risk Management Committee

Age: 72 years

Educational qualifications

- B.A. (Economics), Thammasat University
- M.B.A., Thammasat University
- D.B.A., University of South Australia, Australia

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Certificate, National Defence College of Thailand (Class 43)
- Top Executive Program in Commerce and Trade (TEPCoT 1)
- Certificate, Capital Market Academy (CMA 7)
- Certificate, The Civil Service Commission (CSC 17)
- Director Accreditation Program (DAP) No.81 /2009
- Director Certification (DCP) No. 131/2010 Thai Institute of Director (IOD)

Over 5 years experience

- The listed company in Thai Stock Exchange

6 August 2014 - Present

Board and Chairman of The Risk Management Committee
Siam Food Products PCL.

1 October 2013 - Present

Director, The Executive Committee
Siam Food Products PCL.

2010 - Present Director, Independent Director and
Chairman of Nominating &
Compensation Committee
Sahaviriya Steel Industries PCL.

- Non-listed company

2017 - Present Director and Chairman of Exec.
Board TCC Intertrade Co., Ltd.

2009 - Present Director Plangheon Group

2015 - 2017 Director
TCC Logistics & Warehouse
Co., Ltd.

- Any other committee (government)

2009 - Present Chairman
Gem & Jewelry Promotion
Foundation

2014 - 2019 Members of the National Legislative
Assembly

The National Legislative Assembly
Public Sector Development Commission
OPDC Office of the Public Sector
Development Commission

2008 - 2017 Chairman of Executive Board.
The Gem and Jewelry
Institute of Thailand
(Public Organization)



Mr.Ananta Dalodom

Independent Director, Chairman of the Corporate Governance

Committee and Director of the Remuneration and Nominating Committee

Age: 78 years	24 February 2020 - Present	
Educational qualifications		Chairman of the Corporate Governance Committee Siam Food Products PCL.
<ul style="list-style-type: none"> Bachelor of Science (Agriculture Extension), Kasetsart University Master of Science (Extension Education), Louisiana State University, U.S.A Honorary Doctoral Degree (Agricultural Extension), Kasetsart University Diploma, National Defence College (class 35) 	<ul style="list-style-type: none"> - Non-listed company -None- - Any other committee (government) 	
Share Holding Including		Present
Related Parties		Advisory Chairman Thai Yuwa Kasetkorn Promotion Fomotion under the Royal Patronage of H.R.H. Princess Maha Chakri Sirindhorn
-None-	Present	Committee
Relationship between directors and executives		Pracharat Rak Samakhee (Thailand) Co.,Ltd
-None-	Present	President
Other Training Course		Horticultural Science Society of Thailand
<ul style="list-style-type: none"> Director Accreditation Program (DAP), No. 90/2011 Thai Institute of Director (IOD) 	Present	President
Over 5 years experience		International Cooperation Development Fund Alumni Association – Taiwan – Thailand (ICDF A.A.)
- The listed company in Thai Stock Exchange		Chief Adviser
10 August 2007-11 May 2010		Faprathan Farm
Director	Present	
Siam Food Products PCL.		
11 May 2010-Present		
Independent Director		
Siam Food Products PCL.		
9 May 2017-Present		
Director of the Remuneration and Nominating Committee		
Siam Food Products PCL.		

Mrs. Chaveevarn Chandanabhumma

Director, The Executive Committee
and Director of the Corporate Governance Committee

Age: 73 years

Educational qualifications

- BA (Economics)-Honor Thammasart University
- MA (Economics Development) Vanderbilt University U.S.A.

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Top Executive Program in Commerce and Trade : TEPCoT Class 3
- Audit Committee Program (ACP)
No. 36/2011
- Director Accreditation Program (DAP)
No. 87/2011
- Board Matters and Trends (BMT 6/2561)
Thai Institute of Director (IOD)

Over 5 years experience

- The listed company in Thai Stock Exchange

24 February 2014-Present

Director of the Corporate
Governance Committee
Siam Food Products PCL.

13 November 2007-Present

Director, The Executive Committee
Siam Food Products PCL.

- Non-listed company

2015-Present Chairman of Board of Directors
Siam Food (2513) Co.,Ltd.



Mr.Chai Jroongtanapibarn

Independent Director, Director of the Audit Committee
and Director of Risk Management Committee

Age: 65 years

Educational qualifications

- Bachelor Degree in Accounting
Chulalongkorn University
- Master Degree in Accounting
Thammasart University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Director Certification Program (DCP)
No. 29/2003
- Audit Committee Program (ACP)
No. 4/2005
Thai Institute of Directors (IOD)

Over 5 years experience

- The listed company in Thai Stock Exchange

2018-Present Chairman and Independent
Director
Veranda Resort PLC.

2014-Present Chairman and Chairman of Audit
Committee
TMT Steet PLC.

6 August 2014-Present

Director of Risk Management
Committee
Siam Food Products PCL.

25 October 2007-Present

Independent Director and Director
of the Audit Committee
Siam Food Products PCL.

2006-Present

Independent Director, Audit
Committee and Chairman of Risk
Committee
Oishi Group PCL.

2004-2014

Independent Director and Chairman
of Audit Committee
TMT Steet PLC.

2003-Present

Independent Director
Siam Future Development PLC.

2002-Present

Independent Director and Chairman
of Audit Committee
Major Cineplex Group PCL.

2000-Present

Independent Director and Chairman
of Audit Committee
Team Precision PCL.

- Non-listed company

-None-

Police General Krisna Polananta

Independent Director, Director of the Audit Committee

Director of the Corporate Governance Committee and Director of the Remuneration and Nominating Committee

Age: 69 years

Educational qualifications

- Master of Public Administration
National Institute of Development
Administration (NIDA)
- Bachelor of Public Administration
Police Cadet Academy

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Director Accreditation Program (DAP),
No.86/2010
Thai Institute of Director (IOD)

Over 5 years experience

- The listed company in Thai Stock Exchange

1 April 2020-Present

Director of the Remuneration and
Nominating Committee.

Siam Food Products PLC.

20 August 2015 - Present

Director of the Audit Committee

Siam Food Products PLC.

24 February 2014 - Present

Director of the Corporate
Governance Committee

Siam Food Products PLC.

7 August 2013 - Present

Independent Director

Siam Food Products PLC.

2012 - Present

Independent Director and Audit
Committee Member

Beril Jucker PLC.

- Non-listed company

Present

Director

Master Car Rental Co., Ltd.



Mrs.Nidda Theerawatanachai

Director and The Executive Committee

Age: 58 years

Educational qualifications

- Bachelor Degree of Accounting
UTCC International College
- Master Degree of Accounting
Chulalongkorn University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Director Certification Program (DCP)
No. 135/2010
- Company Secretary Program (CSP)
No.10/2005
Thai Institute of Directors (IOD)

Over 5 years experience

- The listed company in Thai Stock Exchange

1 October 2013 - Present

Director and The Executive
Committee
Siam Food Products PCL.

- Non-listed company

2019 - Present Director Norm Co.,Ltd.
2019 - Present Director Norm (2019) Co.,Ltd.
2018 - Present Director Siribhakditham Co.,Ltd.
2018 - Present Director Tspace Digital Co., Ltd.
2018 - Present Director Siridamrongdham Co.,Ltd.
2017 - Present Director Group of One Bangkok
Holdings Co.,Ltd. and Affiliates
2017 - Present Director Group of TCC Asset
(Thailand) Co.,Ltd. and Affiliates
2017 - Present Director Dhanasindhi Co., Ltd.
2017 - Present Director Bhakdivattana Co.,Ltd.
2016 - Present Director Sarapadsappasin
(Social Enterprise) Co., Ltd.

2016 - Present Director Vadhanabhakdi Co.,Ltd.
2016 - Present Director P.C.A. Property Co.,Ltd.
2016 - Present Director Arun Siri Patana PCL.
2016 - Present Director Siritwana Co.,Ltd.
2015 - Present Director Sports and Recreation
Management Co., Ltd.
2015 - Present Director Siam Food (2513) Co., Ltd.
2015 - Present Director TCC Holdings (2519)
Co.,Ltd.
2015 - Present Director Thippatana Arcade Co.Ltd.
2014 - Present Director Group of TCC Corporation
Co.,Ltd. and Affiliates
2014 - Present Director Southeast Joint Venture
Co.,Ltd. and Affiliates
2015 - Present Director Group of TCC Land
Development Co.,Ltd. and Affiliates
2012 - Present Director Terragro Development
Co., Ltd.
2012 - Present Director Pornpatanasin Co.,Ltd.
2012 - Present Director Lan Chang Development
Co., Ltd.
2012 - Present Director Samosorn Khunthongkum
Co.,Ltd.
2010 - Present Director Eastern Chemical Co.,Ltd.
2009 - Present Director T.C.C.Technology Co.,Ltd.
2009 - Present Director Plantheon Co.,Ltd.
2009 - Present Director Group of Cristalla Co.,Ltd.
and Affiliates
2009 - Present Director Terragro Fertilizer Co., Ltd.
2009 - Present Director Plantheon Trading Co., Ltd.
2009 - Present Director Terragro Bio-Tech Co.,Ltd.
2008 - Present Director Terragro Co.,Ltd.
2008 - Present Director Thai Alcohol PCL. and
Affiliates

Mr. Charnvit Subsanyakorn

Directors, The Executive Committee, Director of the Risk Management Committee and President

Age: 71 years

Educational qualifications

- Bachelor Degree of Science
(Agronomist) Kasetsart University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Other Training Course

- Director Accreditation Program (DAP)
No.86/2553
Thai Institute of Director (IOD)

Over 5 years experience

- The listed company in Thai Stock Exchange

2020 - Present Directors, The Executive Committee

Director of the Risk

Management Committee and

President

Siam Food Products PCL.

2020 - Present Directors and President

Quality Pineapple Products Co.,Ltd.

2016 - 2020 Senior Consultant

Siam Food Products PCL.



Executive Committee

Mr. Kiartisak Lertsiriamon

Executive Vice President – Corporate Administration and Head of Compliance

Age: 61 years

Educational qualifications

- B.Acc., M.Acc. - Cost Accounting
Chulalongkorn University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Over 5 years experience

2020-Present Directors Plantheon Co.,Ltd.

1 October 2019 - Present

Executive Vice President-Corporate.
Administration and head of
Compliance.
Siam Food Products PCL.

2015 - Present

Director
Siam Food (2513) Co., Ltd.

2012 - 30 September 2019

Executive Vice President –Corporate
Administration
The company secretary and Head
of Compliance
Siam Food Products PCL.

2011-Present Directors Terragro Fertilizer Co.,Ltd.

2011-Present Directors Lastica Co.,Ltd.

2010-Present Directors Quality Pineapple Products
Co.,Ltd.

Ms. Sutiporn Rungsisirikul

Executive Vice President - Marketing

Age: 58 years

Educational qualifications

- Master Degree in Marketing (English Program)
Thammasart University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Over 5 years experience

2017 - Present

Executive Vice President - Marketing
Siam Food Products PCL.

2012 - 2017

Executive Vice President - Operation
effective
Siam Food Products PCL.

2009 - 2012

Senior Vice President - Marketing &
Business Development
Siam Food Products PCL.

Mr.Nopadol Thongprajiad

Senior Vice President of Operation, Ban Bueng Factory

Age: 47 years

Educational qualifications

- B.S. - Food Industrial Technology
the University of Thai Chamber of Commerce
- B.B.A - General Management
Sukhothai Thammathirat Open University
- M.Eng. - Food Engineering
King Mongkut's University of Technology
Thonburi

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Over 5 years experience

1 October 2019-Present

Senior Vice President of Operation,
Ban Bueng Factory
Siam Food Products PCL.

1 October 2012-30 September 2019

Vice President-Manufacturing
Siam Food Products PCL.

Ms. Tanaporn Nuntawowart

Senior Vice President of Finance & Administration

Age: 46 years

Educational qualifications

- Bachelor Degree of Accounting
Thammasart University
- Master Degree of Accounting
Chulalongkorn University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Over 5 years experience

1 October 2019-Present

Senior Vice President of Finance &
Administration
Siam Food Products PCL.

2012- 30 September 2019

Vice President – Finance &
Accounting
Siam Food Products PCL.



Ms. Pornpun Premratanachai

Company Secretary

Age: 48 years

Educational qualifications

- Bachelor of Accountancy
Bangkok University
- Bachelor of Laws (LL.B)
Chulalongkorn University
- Master degree of business administration
Ramkhamhaeng University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Over 5 years experience

1 October 2019 - Present

Company Secretary
Siam Food Products PCL.

16 July 2010 - 30 September 2019

Assistant Company Secretary
Siam Food Products PCL.

Mr. Tati Wangno

Internal Audit Manager

Age: 43 years

Educational qualifications

- Bachelor of Accounting
Rangsit University

Share Holding Including

Related Parties

-None-

Relationship between directors and executives

-None-

Over 5 years experience

2019 - Present Internal Audit Manager

Siam Food Products PLC.

2009 - 2019 Assistant Vice President

Internal Audit

(Foreign Branch And Subsidiary
Company)

Italian-Thai Development PLC

8.9 Remuneration of Directors and Executives

The Company has established a set of well-defined and transparent remuneration policies for directors. The Remuneration and Nominating Committee is responsible for reviewing these policies, taking into consideration the appropriateness of remuneration with respect to the scope of responsibilities of each director to ensure that the Company's remuneration is comparable to that of other commercial company, A director who is also a member of other Board Committees shall receive additional remuneration in accordance with the increased responsibilities, The Annual General Meeting of Shareholders approval of the remuneration as follows:

Remuneration	(Baht/person/month)	(Baht/person/time)
1. Monthly remuneration		
1.1 Chairman of the Board of Directors	150,000	-
2. Meeting allowance (monthly)		
2.1 Vice Chairman of the Board of Directors	45,000	-
2.2 Director	30,000	-
3. Meeting allowance (time)		
3.1 Chairman of the Audit Committee	30,000	-
3.2 Director of the Audit Committee	5,000	-
3.3 Chairman of the Corporate Governance Committee	-	10,000
3.4 Chairman of the Risk Management Committee	-	10,000
3.5 Chairman of the Remuneration and Nominating Committee	-	10,000
3.6 Director of the Corporate Governance Committee	-	7,500
3.7 Director of the Risk Management Committee	-	7,500
3.8 Director of the Remuneration and Nominating	-	7,500
4. Total Bonus for the year	Depend on performance	
5. Other benefits	None	

In the case that executive directors receive salary, no remuneration for their membership in a Board Committee.

The Company evaluates the performance of executives every year in the form of KPIs by comparing them with the objectives in the hiring, which will be connected to the rate received according to the Board of Directors set up.

Details of remuneration to directors and executives are shown as follows:

(1) Monetary remuneration

(a) **Directors' remuneration**

In the period from October 2019 – September 2020, the remuneration of the Board of Directors (eleven persons) including the directors' responsibilities which hold positions in the company and subsidiaries as following:

Unit: Baht

No.	Name	Position	The Director's (1)	Salary and (2)	Other benefits (3)	Total (1)+(2)+(3)
1	Mr. Thien Mekanontchai	Chairman and Chairman of Executive Director	-	1,800,000	-	1,800,000
2	Mr. Prasit Kovilaikool	Chairman of the Audit Committee, Chairman of the Remuneration, Nominating Committee and Chairman of the Corporate Governance Committee	750,000	-	-	750,000
3	Mr. Prasert Maekwatana	Director, Vice Chairman of Executive Director and Director of the Remuneration and Nominating Committee	570,000	-	-	570,000
4	Mr. Sithichai Chaikriangkrai	Director, Executive of Director and Director of the Remuneration and Nominating Committee	570,000	-	-	570,000
5	Mr. Siripol Yodmuangcharoen	Director, Executive of Director and Chairman of the Risk Management Committee	400,000	-	-	400,000
6	Mr. Ananta Dalodom	Independent Director and Director of the Remuneration and Nominating Committee	410,000	-	-	410,000
7	Mr. Chai Jroongtanapibarn	Independent Director, Director of the Audit Committee and Director of the Risk Management Committee	450,000	-	-	450,000

No.	Name	Position	The Director's (1)	Salary and (2)	Other benefits (3)	Total (1)+(2)+(3)
8	Mrs. Chaveevan Chandanabhumma	Director, Executive of Director and Director of the Corporate Governance Committee	375,000	-	-	375,000
9	Police General Krisna Polananta	Independent Director, Director of the Corporate Governance Committee and Director of the Audit Committee	450,000	-	-	450,000
10	Mrs. Nidda Theerawatanachai	Director and Executive of Director	360,000	-	-	360,000
11	Ms. Pornpimol* Chirtchoochai	Director and Executive of Director	150,000	-	-	150,000
12	Mr. Graeme Anthony Cox**	Director, Executive of Director, Director of the Risk Management Committee and President	-	-	-	-
13	Mr. Charnvit Subsanyakorn***	Director, Executive of Director, Director of the Risk Management Committee and President	-	-	-	-
Total			4,485,000	1,800,000	-	6,285,000

- Note :**
- The company has no policy to pay any compensation to the subsidiaries' directors.
 - Ms. Pornpimol Chirtchoochai* resigned from being director since 1st March 2020.
 - Mr. Graeme Anthony Cox** resigned from being director and vacates office from the member of the risk management committee and President, effective from 1st July 2020.
 - The company thus appointed Mr. Charnvit Subsanyakorn***, director, member of the risk management committee and President, of the company since 3rd July 2020.

(b) Executive of Committee and Management's remuneration

1. The company has no policy to pay compensation to the seven directors who are executive management members in addition to the compensation as a director per 1(A).
2. Remuneration for management, comprising the President; Executive Vice President; Senior Vice President.

Unit: Baht

Unit : THB	2020	
	No. of Executives	Oct 2019 – Sep 2020
Total Salaries	6	20,795,784
Total Bonuses	5	1,074,419
Other compensation or deferred benefits	5	None
Total		21,870,203

(2) Other compensation : Employee Provident Fund and Life Insurance Premiums.

(a) Other compensation of the Board of Directors

-Non-

(b) Other compensation of management team, comprising the President ; Executive Vice President; Senior Vice President and Vice President.

Unit: Baht

Unit : THB	2020	
	No. of Executives	Oct 2019 – Sep 2020
Contributions to the provident fund	5	934,920
Life insurance premiums	5	17,276
Total		952,196

Note that the Remuneration and Recruitment Committee and the company's directors have jointly considered the director & management compensation based on the appropriateness of the job and responsibility together with sufficient motivation to perform in line with short/long term targets and be competitive with other SET-listed companies in the same industry and of similar size.

Share-holding of the Board of Directors

The directors and Executives are required to report the possession of security of Siam Food Products Public Co., Ltd., of themselves, and spouses including children who still does not reach legal age to the following Board of Directors' Meeting after those directors are selected as company directors. Subsequently, should any Director, Executives and spouse and under legal age child shall cause transaction of security of Siam Food Public Co., Ltd., The company provides the policies that the Board of Directors and top executives should notify the committee of shares trade at least 1 day in advance before the trade by giving notice in writing to the Company's President. such director is required to report such transaction to the following Board of Directors' Meeting.

In this regard, shareholding of the Board of Directors and Executives as at 30 September 2020 were as follows: -

No.	Name	Position	Ordinary Share (Units)		
			30 September 2020	30 September 2019	+ / (-)
1	Mr.Thien Mekanontchai Spouse or de facto partners and Minor child	Chairman and Chairman of Executive Director	-	-	-
2	Mr. Prasit Kovilaikool Spouse or de facto partners and Minor child	Independent Director,Chairman of the Audit Committee, Chairman of the Remuneration and Nominating Committee	-	-	-
3	Mr. Prasert Maekwatana Spouse or de facto partners and Minor child	Director, Vice Chairman of the Board of Director No. 1, Vice Chairman of Executive of Director and Director of the Remuneration and Nominating Committee	-	-	-
4	Mr. Sithichai Chaikriangkrai Spouse or de facto partners and Minor child	Director, Vice Chairman of the Board of Director No. 2, Executive of Director and Director of the Remuneration and Nominating Committee	-	-	-
5	Mr. Siripol Yodmuangcharoen Spouse or de facto partners and Minor child	Director, Executive of Director and Chairman of the Risk Management Committee	-	-	-
6	Mr. Ananta Dalodom Spouse or de facto partners and Minor child	Independent Director, Chairman of the Corporate Governance Committee and Director of the Remuneration and Nominating Committee	-	-	-
7	Mr. Chai Jroongtanapibarn Spouse or de facto partners and Minor child	Independent Director, Director of the Audit Committee and Director of the Risk Management Committee	-	-	-

No.	Name	Position	Ordinary Share (Units)		
			30 September 2020	30 September 2019	+ / (-)
8	Mrs. Chaveevan Chandanabhumma Spouse or de facto partners and Minor child	Director, Executive of Director and Director of the Corporate Governance Committee	-	-	-
9	Police General Krisna Polananta Spouse or de facto partners and Minor child	Independent Director, Director of the Corporate Governance Committee, Director of the Audit Committee and Director of the Remuneration and Nominating Committee	-	-	-
10	Mrs. Nidda Theerawatanachai Spouse or de facto partners and Minor child	Director and Executive of Director	-	-	-
11	Mr. Charnvit Subsanyakorn Spouse or de facto partners and Minor child	Director, Executive of Director, Director of the Risk Management Committee and President	-	-	-
12	Mr. Kiartisak Lertsiriamon Spouse or de facto partners and Minor child	Executive Vice President – Corporate Administration	-	-	-
13	Ms. Sutiporn Rungsisirikul Spouse or de facto partners and Minor child	Executive Vice President – Marketing	-	-	-
14	Mr. Nopadol Thongprajiad Spouse or de facto partners and Minor child	Senior Vice President of Operation Ban Bueng Factory	-	-	-
15	Ms. Tanaporn Nuntawowart Spouse or de facto partners and Minor child	Senior Vice President of Finance & Administration	-	-	-
Total			-	-	-

Independent committee participation in any training course organized by Thailand Institute of Directors (IOD)

Training Courses

Name	Directors Certification Program (DCP)	Directors Accreditation Program (DAP)	DCP Refresher Course (DCP-Re)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCP)	Finance for Non- Finance Director (FND)	Others
1. Mr. Thien Mekanontchai	-	/	-	/	-	-	MIR No.14/2013 MFR No. 17/2013 MIA No. 14/2013 MFM No. 9/2013
2.Mr. Prasit Kovilaikool	-	/	-	-	-	/	Corporate good governance
3. Mr. Prasert Maekwatana	/	/	-	-	-	-	-
4. Mr. Sithichai Chaikriangkrai	/	-	-	-	-	-	
5. Mr. Siripol Yodmuangcharoen	/	/	-	-	-	-	-
6. Mr. Ananta Dalodom	-	/	-	-	-	-	-
7. Mr. Chai Jroongtanapibarn	/	-	-	/	-	-	
8. Mrs. Chaveevarn Chandanabhumma	-	/	-	/	-	-	Board Matters and Trends (BMT) No. 6/2018
9. Police General Krisna Polananta	-	/	-	-	-	-	
10. Mrs.Nidda Theerawatanachai	/	-	-	-	-	-	Company Secretary Program
11. Mr. Charnvit Subsanyakorn	-	/	-	-	-	-	

8.10 Personnel

In the year 2020, the company has 1,805 employees. Of which, there were 405 monthly employees, 534 daily employees and 866 seasonal daily employees, as classified by major working area as follows: -

	Office	Monthly Employees	Permanent Daily Employee	Seasonal Daily Employee
1	Head office	71	-	-
2	Factory office (Chonburi)	268	402	804
3	Farm office			
	Agriculture	55	131	62
	Raw material procurement	11	1	-

Total compensation of the employees are classified as follows:-

- Salary / Wage 356.81 m. baht
- Bonus 16.14 m. baht
- Accumulated in Provident Fund 7.60 m. baht

Note that the company has not changed the number of employee in any significant way and has had no labor disputes in the last 3 years.

Occupational Health Policy And safety

Siam Food Public Company Limited is a leading global food manufacturer. We comit to produce and develop food products that are always safe for consumption and meet the quality of customer specifications and comply with applicable standards.

The Company sets this policy so that employees at all levels are guided by the following principles:

1. Prevent injuries and work-related diseases, including events that could cause loss of life, property and hazards at medium risk to people involved.
2. Develop a proper occupational health and safety management system and comply with legal requirements and other requirements which the company has made an agreement.
3. To prepare and review the objectives and purposes consistently with the environmental problems and risks in the intermediate level and higher.
4. To promote and encourage the trade partners and contractual parties to provide the raw materials and service to show the responsibility for compliance with the environmental, hygienic and safety standard.
5. To provide training and create the environmental, hygienic and safety awareness among the employees of all levels as well as encourage and stimulate everyone for the participation and suggest the company's activities and serious actions.
6. Improvement of the environmental, hygienic and safety management system to be continuously efficient.

To achieve the above policies, the executives shall communicate to all employees for good understanding and serious actions as well as communicate to the public, concerned parties, sub-contractor and working staff on behalf of the company.

In addition, the company has appointed the work safety, hygiene and environment committee for the thorough supervision of all employees according to the ministerial decree regarding the standard on administration and management of work safety, hygiene and environment B.E. 2549 and acts as the representative of the employer to do activities relating to the safety, budget allocation, instruction for changes, improvement of the unsafe condition and punishment upon investigation, which is found that the offensive employee does not comply with the safety rules, as well as consider the policies and plans of work safety and safety outside the work facility to prevent and reduce the accidents, dangers, sickness or troubles from working or non-safety of work, report and suggestion of the measures or guidelines for improvement being submitted to the employer etc.

The work safety, hygiene and environment committee determines the targets to reduce the accidents, work leave rate and rate of sickness from working of the company's employees formally by gathering the statistics, causes of accident and solutions, so that the employees work safely and could achieve the provided targets.

Statistics of accidents in comparison with the working hours for retrospective 3 years

	2020 (Oct19-Sep20)	2019 (Oct19-Sep19)	2018 (Oct17-Sep18)
CASE	22	24	15
Day leave	150	130	67
Man hour	4,884,698	5,526,362	5,731,235
IFR (Injury Frequency Rate)	2.87	4.34	2.62
ISR (Injury Severity Rate)	30.71	23.52	11.69

Remarks : Injury Frequency Rate : IFR = Frequency rate of injury
Injury Severity Rate : ISR = Severity rate of injury

Policies and practices relating to the employee's compensation and welfares

The company manages the wage and compensation under the principles of fairness, which corresponds with the suitability for the duties, responsibilities and abilities of the individual employee as well as the fairness in comparison with the external industry for the competition in the leader's level with the external company in the same industry and comply with the company's performance in the short and long term, the Company will set clear targets for employees with a KPI to calculate annual remuneration. The employee shall receive the work assessment and explanation regularly and sincerely for the development and self improvement.



In addition, the company has the policies to support the good health of its employees for the efficient work by providing the sport center for the employees, savings cooperatives and provident reserve for savings by the employees to be used upon retirement.

Employees Development Policy

Siam Food Public Co., Ltd. has well realized that personal resource is important management factor to build the competitive advantage and to bring our organization to meet international standards. To correspond with the vision and mission of the company, the company thus rapidly develop and build management and personnel resource development system and continuous employee development as summarized as personnel resource development of the company as follows:-

1. Promote organizational culture and environment that facilitates personnel resource development to have good moral, ethic, diligent, patient and active to develop oneself to lead the company as efficient organization and encourage all employees to fully commit to perform work under their responsibilities.
2. Develop personnel resource, arrange training according to the prescribed plan by training basic course of employee at each level.
3. Quality System according to the International Standard; on the job training (OJT); Specific Vocational Course to support growth of each occupation. Management Potentiality Course for each level of superior in order to develop the potentiality of employee at each level to correspond with growth of position and to build substitute personnel. We train and develop our staff an average of 8 hours / year. However, in the year 2019 the company's employees have been trained on average 8 hours / year.
4. In addition, the Total Productive Maintenance (TPM) to continuously develop personnel resource and working efficiency by providing opportunity to all employees at all levels to participate in development and improvement of working to reduce loss and manufacturing cost. Achievement-based project operation by determining KPI across the organization with objective to develop potentiality of employees and to maintain performance of all organization to correspond with the required goals of the company for efficient team work and measurable including to adapt result of such action to improve and develop personnel and better working system development.
5. Recommend employees to save money. When employees pass probation, the company will inform and encourage them to become a member of the savings cooperative and the provident fund for the security of future employees.

9. Good Corporate Governance

9.1 Good governance policy

The Board of Directors has greatly emphasized on the compliance with good governance and good practice for the Board of Directors of the listed company according to the direction of SET and SEC, and the company has complied with the same of which in 2020, the Board of Directors had approved to improve the good governance policy of the company comply with the requirements for Listed Companies To be consistent with the criteria ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) and Corporate Governance Code (CG Code) of the SEC to be modern and consistent with the changes in the capital market society and upgrade the standard of business supervision to be higher and announced for acknowledgement and compliance of all executives and employees

The Board of Directors provides the business supervision policies of the company in writing and grants approval for the policies and compliance with the policies regularly at least 1 time per year as the content thereof was classified into five sections, as follows:-

1) Rights of the shareholders

The Board of Directors realizes and focuses on the shareholders' rights, protection of shareholders' rights and encourages all shareholders to exercise their rights by covering the basic rights according to the law and not to do acts as the violation or derogation of the shareholders' rights.

The Board of Directors encouraged and focused on the shareholders' meeting. The Board of Directors as well as the audit committee and independent directors attended the meeting and invited the concerned person to attend the meeting i.e. auditor of the company in order to provide the information for the shareholders and consider the reports adequately, including promoting and supporting all groups of shareholders, including institutional investors, attending the shareholders' meeting to exercise the right to make decisions on important matters affecting or relating to rights and benefits.

The company recorded the data, date, time, place and agenda of the meeting by giving explanations and reasons in each agenda or support the resolution as being provided in the invitation for the shareholders' meeting in advance adequately and the Board of Directors gives opportunities to the shareholders to send questions in advance before the date of meeting by providing the criteria of sending questions in advance obviously and notified the shareholders as well as sent the invitation letter for the shareholders' meeting. The company propagated the criteria of sending questions in advance on the website of the company.

The Board of Directors encouraged the shareholders, who are inconvenient to attend the meeting themselves, to exercise rights of voting by authorizing other person to attend the meeting and vote instead. The company nominated at least one independent director as the option of authorization for attending the meeting and voting instead of the shareholder. The company encouraged the shareholders to use the power of attorney in form, which the shareholders could determine the direction of voting.



The company president or chairman of the meeting notified the shareholders about the criteria used on the meeting, procedures of voting for resolution, allotting the proper time and giving opportunities to the shareholders to exercise rights equally on inquiry, expressing the opinions or suggestions to the meeting according to the agenda of the meeting and submitted manner.

The Board of Directors encouraged the use of the voting card in every agenda and provided the resolution individually for the appointment of director as well as designated the independent person to count or examine the votes on the shareholders' meeting and clearly disclosed all votes including agree, disagree and abstain to the meeting and the shareholder's meeting.

The minutes of the shareholders' meeting, which recorded the data accurately and completely, has been sent the Securities and Exchange Commission, SET, Ministry of commerce the minutes of the shareholders' meeting has been propagated within 14 days since the date of shareholders' meeting. The resolution of the meeting and the voting result in each agenda have been disclosed on SET Link of The Securities Exchange of Thailand and the company's website within 9 o' clock in the next working day.

In 2020, the company held the Ordinary Shareholders' Meeting for 2020, No. BorMorJor. 28, on 22 January 2020 and the company assigned Thailand Securities Depository Co., Ltd. who is the share registrar of the company to deliver the invitation letter to all shareholders 21 days before the Meeting date. In this regard, the name list of shareholders is available according to good corporate governance principles, item No. 9.9 Compliance with good corporate governance principles in other matters section the board meeting

2) Equal treatment of shareholders

Shareholder's meeting

The Board of Directors promoted the shareholder who is inconvenient to personally attend the Meeting to exercise its right to vote by its proxy. The company proposed at least the name of one independent director as alternative for attend the Meeting and entitled to vote on behalf of the shareholder. In this regard, the company encouraged the shareholder to use Power of Attorney in the form where the shareholder could determine voting direction. However, should the shareholder may use other form of Power of Attorney as prescribed by Department of Business Development.

The invitation letter for the shareholders' meeting is done both in Thai and English language in order to give notice of the meeting schedule together with the agenda and opinions of the Board of Directors by mean of propagation through the company's website at least thirty days before the appointed date for the shareholders' meeting.

The Board of Directors gives opportunity to the minority shareholders to add the agenda and nominate the individual to assume the position of Director as well as gives opportunity to the shareholders to send questions in advance before the date of shareholders' meeting

by propagating the criteria and giving prior notice to the shareholders through the website of the company at least three months before the date of shareholders' meeting.

The Board of Directors held the shareholders' meeting based on the sequence of agenda being given in the invitation letter for the meeting and had the policies not to add the agenda in the meeting without prior notice to the shareholders, so that the shareholders have the opportunities to study the supporting data of agenda before making decision. For voting, the company provides the shareholder to vote by the number of shares held (one share: one vote) and the Scorecard in all agendas and could examine it in case of conflicts at later time.

Insider Trading policy

The Board of Directors provides the policies about the prevention of internal data use and provides the measures to ensure that the policies are acknowledged, observed and regularly follow up such as The Board of Directors has formulated Insider Trading Policy that affects the price of securities as follow: -

- The Company's Directors, executives, and employees related to insider information (including their spouses or de facto partners) shall not trade in the securities of SFP's listed companies or other listed companies related to the insider information for a period of one month prior to the publication of quarterly and annual financial statements and within a period of 24 hours following the publication.
- In addition, if the Company's Directors, executives, and employees are aware of undisclosed information that may affect the price of any securities of SFP's listed companies or other listed companies related to the insider information, they must not trade in such securities until after a period of 24 hours following the public disclosure has elapsed.
- Any person engaging in insider trading, regardless of whether it takes place during a blackout period, shall be liable to penalties in accordance with the Securities and Exchange Act B.E. 2535 by the Office of the Securities Exchange Commission (SEC).

policy of holding securities report

The Board of Directors provides the policies that the directors and executives have the duties to prepare and disclose the report to securities holding in the owns company, the spouse or de facto partners, minor children, director and executive have to report to executive board about their stock of spouse, minor children at least one day in advance before the trade is reported to publication by application letter to the company president in order to report the securities trade to the meeting of the Board of Directors on the next meeting and annual report.

Policy of Disclosure

The Board of Directors determined policy stipulating the directors and executives to prepare and disclose report of benefit of themselves including the persons related to the directors and executives to the company's secretary in order to further submit copy of such report to the President within seven days commencing from such report is received by the secretary.

In case any director or executive has a vested interest in any agenda item under consideration, such a person must not attend the meeting or must abstain from voting on such an agenda item. This is to ensure that the Board and executives make decisions in a fair manner of shareholders, in accordance with the procedures or measures for approving inter-company transactions.

3) Roles of Stakeholders

The Company recognizes the importance of all parties with interests in the Company by protecting their rights and ensuring equal, fair treatment for all. The Company addresses the rights of persons with interests in the business as follows.

Customers

The Company has a policy dedicate to install the production process at world class standard for food safety to improving the efficiency of its services; fair pricing; as well as honesty and integrity when entering into contracts.

Practices: Commit to the development of products and services, the company products are accredited according to the following standards: GMP, HACCP, BRC, ISO 9001, ISO 14001, OHSAS 18001 and TLS 8001-2553 to provide good quality and satisfaction to our customers forever and regularly assessing customer satisfaction.

Trading partners

The Company has a policy consider equality and honesty in the conduct of business. Protect the interests in collaboration with the business partners by observing the laws and the rules agreed upon by both parties, and by conducting ethical business.

Practices: The Company has a manual has been compiled which clearly specifies operating procedures for the procurement of products and services and procedures to select the trading partners. The Company observes the conditions of trade and contracts of which it is a party to; payments are promptly arranged; and full cooperation is provided to the sellers of products and services regarding essential information. In addition, the Company also provides support and encourages its suppliers to adopt the principle of sustainable development through social and environmental responsibility in their business operations.

Competitors

The Company has a policy to treat business competitors as per the international principles within the framework of the laws on trade competition and fair competition are strictly observed and involvement in disinformation which could potentially damage the reputation of its competitors is actively discouraged.

Practices: Operate within the framework of free and fair competition the Company has formulated guidelines relating to trade competition for its employees to adhere to in order to ensure appropriate practices.

Banks

The Company complies with the lending conditions specified in its agreements and its obligations to business banks.

Practices: The company provides the framework on approval for the shareholding list, and the guarantee must be subject to approval from the Executive Committee. In addition, the company has the policies of strict fund management to prevent any defaulted payment to the financial institute in whatever cases.

Employees

The importance of employees at every level of the organization is emphasized, irrespective of nationality, religion or gender. All employees have equal rights and receive equal treatment. Appropriate remuneration and benefits are provided to all employees, comprising a salary, employees provident fund, social security, medical expense coverage and life insurance. An employee benefits committee has also been established to oversee the rights of personal in a just manner.

Practices: Comply with the laws and regulations concerning employees and basic human rights of international standards without discrimination regardless of birthplace, nationality, gender, religion, education and manage human resources in accordance with and in support of business strategies, goals and financial management and investment in provident funds training.

Communities, Society and Environment

The company gives focus and respect on the lifestyle of the community, supports and participates into the activities of environment protection and social and public interests support.

Practices: The company's policies, taking consideration of the concerned parties, have been announced to the employees and generally observed as follows:

Policy of social responsibility (CSR)

the company which has operation continuous follow The Standard of Corporate Social Responsibility, which is the standard of Department of Industrial Work, Ministry of Industry. The standard is closely to international standard ISO 26000 - Social Responsibility.

Practices: Operate CSR-DIW standard is based on seven principles; Accountability, Transparency, Ethical behavior, Respect for stakeholder interest, Respect for the rule of law, Respect for international norms of behavior, Respect for human right.



Policy of no human rights violation

the company has placed importance and considers it as the main policy in the business operation to permanency by considering the respect of human rights and respect the dignity of human of every employee which is the foundation of the quality and valuable

Practices: We hire disabled people for work, no child labor and to specify the policy for the company which concern the human right especially which does not the violation of basic rights on race, women, children, and disable persons.

Policy of environment, hygiene and safety

The Company is a world-renowned manufacturer of premium quality food with high safety standards, meeting international requirement of environmental, occupational, health and safety management system with employees' participation for customer satisfaction and the society as a whole. Top management communicates to all employees for understanding and implementation and also communicates to all concerns.

Practices : We do as follow to commit our policy:

1. To continuous the prevention and improvement the environmental management system by reduced and recycled resources.
2. To promote good health, prevent dangerous and illness from medium risk of employees and subcontractors' activities, prevent accident and near-miss which will affect to life, resources and processing.
3. To develop the environmental, occupational, health and safety management system to compliance with legal requirements, and other requirements that concern with environmental aspect of activities or products in the scope of environmental management system.
4. To establish, review objective and target to compliance with environmental aspect and medium risk.
5. To promote and support business partner, contractors to use raw material and services with highly concern with environmental, occupational, health and safety management system.
6. To training and awareness on environmental, occupational, health and safety management system for all level of employees.
7. To support the human resource, timing, training, evaluation, improvement environmental, occupational, health and safety management system continuously.

Policy of energy conservation

The company realizes the importance of energy. It is the responsibility of all employees to cooperate in energy conservation. This will result in continuous and sustainable energy development.

Resolution :

1. To set up an energy management system as a part of the company's operations.
2. To define an annual energy conservation plans and targets for the Company's energy use,
communicate to the employees of the company to understand and perform correctly.
3. The company considers the energy conservation as the responsibility of all employees and all levels have to cooperate in the compliance with the laws relating to the energy conservation and energy management.
4. To support the allocate resources, personnel, budget, working hours, training for the energy conservation
5. To improve the energy efficiency continuously. There will be ongoing the review of policy, goals and energy management plans.

Policy and Treatment of intellectual property

the company with the right in property, intellectual property, copyright, patent, moral right.

Practices: Promote executives, employees to use resource and property of UV Group efficiently in order to increase the competition ability and to provide a good service to customers, to use products and service with legal copyright and do not support products or action that is intellectual property right infringement for example Illegal software is a violence of intellectual property and strongly prohibited.

Policy of anti-corruption and no bribery for the business interests of the company

the Company places great importance on countering corruption while encouraging our personnel at all levels to be aware of corruption in all forms.

Practices: Personnel at all levels of Company and its subsidiaries must perform their duties in compliance with the following practices:

1. Abide by the Anti-Corruption and Anti-Bribery Policy, the Business Code of Conduct, and the rules, regulations and articles of association of the Company without involvement in any forms of corruption, either directly or indirectly.
2. Do not act in any way that indicates an intent of corruption, including giving or taking bribes to and from stakeholders of Siam Food Products pcl. This includes any act through the work function of personnel carried out under their responsibilities, either directly or indirectly, in order to gain benefits to the organization, employees or involving persons.
3. Do not neglect or ignore any acts that are witnessed, which could be within the scope of corruption involving the Company and its subsidiaries. It is the duty of all employees to report such a matter to their supervisors or responsible persons, and fully cooperate in any investigation that may follow.

Note that the company has arranged training for its employees annually to impart knowledge and understanding on the issue of corruption. The aim is to let employees acknowledge the policy and guidelines when witnessing any act in the nature of corruption: impart knowledge to employees on the policy of anti-corruption and forbid paying/accepting bribes, whistle blowing procedure and measures to protect whistle blowers etc.

Whistle Blowing Policy or Complaint and Protection of Informations

The company provides a channel to receive and investigate complaints through the audit committee of the company directly at: Siam Food Products Public Co., Ltd., 1 Empire Tower, 43rd Floor, South Sathorn Road, Yannawa, Sathon, Bangkok 10120 or at the e-mail address: auditcommittee@siamfood.co.th as well as data propagation in the website of the company; www.siamfood.co.th. The company has the process of examination and investigation of the complaints based on the procedures to ensure that the complaints shall be considered carefully, accurately and fairly and reported to the Board of Directors respectively.

If the employee is accused of committing an offense, the company has policies and guidelines to provide fairness to the employee and the whistle blower not to affect against the individual rights according to the law of all parties.

Information technology policy

The company is aware of the importance of using information technology in business management. Therefore, the company has set an information technology policy in order to have good corporate governance and a management framework for information technology at the organizational level by referring to principles and guidelines for establishing information technology systems, Security Information Security Practice Guidelines for the Securities and Exchange Commission as well as other relevant laws to adapt to suit the business context of the company

The company has established policies and guidelines for the following areas:

- 1) Policy on information technology resource allocation and management
- 2) Information technology risk management and management policy
- 3) Information security system security policy

Announcement for employees to know and practice in general, including the dissemination of information on the company website www.siamfood.co.th

Compensation and welfare policy

Guidelines: The company has a policy to pay staff compensation. By considering the appropriateness, fairness according to knowledge, capability and the performance of each employee and depends on the company's performance.

In addition, the company provides various benefits. To employees as required by law and other benefits that are necessary to enhance the quality of life for employees.

Framework for Development toward Sustainability

It is SFP's conviction to conduct business with fairness and responsibility towards each stakeholder for sustainable mutual benefits. As such, the Company has formulated SFP Framework for Development toward Sustainability, based on international guidelines encompassing economic, social, and environmental aspects, under the principle of Corporate Governance to bring about aligned operation across the Company's businesses, continuously creating values for society through its fully environmentally-friendly business conduct and is ready to transfer its existing bodies of knowledge, experience, and success to stakeholders through participation such as transferring knowledge to Contract Farming under the SFP Model, and to study and apply new innovations to develop the business. The Executive Board is responsible for monitoring the results and giving advice on how execute the objectives.

Owing to the company's focus on sustainability, it was selected to be in the list of "Thailand Sustainability Investment" or "Sustainable stocks" for 2020 from the SET. This is the second year in a row from 2019. The company is very proud of this award and it will motivate the company to continue to develop this sustainability momentum going forward.

The company explains the details about the policies, operation and activities with the interested parties in Clause 10: Company's Social Responsibility (CSR).

4) Disclosure of data and transparency

The Board of Directors had policy to disclose data and information both the monetary and non-monetary information related to business operation and result of operation of the company which was true, complete, sufficient, regular, in time and indicate the operating status and actual financial status of the company including the future of company's business.

The Board of Directors had duties to supervise the disclosure of company's data to be strictly in accordance with law, rules, regulation related to disclosure of data and transparency and Regular amendment takes place to ensure the company is up-to-date in its adherence to laws, regulations and obligations are correct and also assigned the company secretary to equally communicate with the shareholders, investors and general security analyst as contactable at the company office, e-mail address: pornpun.p@siamfood.co.th or Tel. 0-2287-7009 and at www.siamfood.co.th. So that the investors and the concerned persons as the shareholders and prospective shareholders could use the data to support the investment decision i.e. preparation of the Management Discussion and analysis or MD&A) to support the disclosure of the financial statements of all quarters. The investors could acknowledge the data and understand the changes occurring to the financial status and operation result of the company in each quarter better in addition to the figures data in the financial statement only.

The Board of Directors had assigned the Audit Committee which was consisted of independent director as the caretaker who is responsible for the quality of financial report and internal control system. The comment of Audit Committee about this matter was shown in report of the Audit Committee as shown in annual report.



The Board of Directors had duties and responsibilities to report their responsibilities toward financial report as shown with the auditor report in annual report.

The company has disclosed the roles and duties of the Board of Directors and sub-committee, frequency of the meeting and number of times to attend the meeting in the past year and opinions from performing the duties as well as training and continuous development of professional knowledge of the committee in the Form 56-1 and in the annual report of the company as well as propagated the certificate and company's rules in addition to the policy of good business supervision in the website of the company.

5) Responsibilities of the Board of Directors

The roles, duties and responsibilities of the Board of Directors shall be as being provided by law, Memorandum of Association, Articles of Association and resolution of the shareholders' meeting. The Board of Directors must perform the duties faithfully (Fiduciary Duties), supervise the business management of the company carefully (Duty of Care) with skills by adhering to the reasons, ethical principles, focusing on the benefits and value addition for the company. Therefore, it is necessary to supervise the management efficiently to cause the effectiveness for the company.

The Board of Directors plays important roles to provide the policies of the company jointly with the top executives, plan the short-term and long-term working as well as provides the financial policies, risk management and perspective of the organization with important roles of supervision, examination and assessment, operation of the company and performance result of the top executives to correspond with the plan systematically.

In addition, the Board of Directors appoints the sub-committee, so that the shareholders ensure that the company operated the business and did review carefully i.e. Audit Committee, Compensation & Recruitment Committee, Risk Management Committee and Good Business Supervision Committee to perform the specific duties and submit to the Board of Directors for consideration or acknowledgment.

- **Conflict of benefits**

The Board of Directors focuses on the management about the conflict of benefits which the shareholder structure shall be clear, transparent and shall not have cross-holding among major shareholders, thereby preventing any conflict of interests with any party. Also, the shareholder structure of the company and its subsidiaries shall be disclosed in the Annual report.

- **Internal Control and Internal Audit**

The company's Board of Directors places great importance on the setting of internal control systems at all levels, from the management level to the operational level. The Board of Directors set the duties and operational authority of each employee and had them put in writing. The working group and evaluation group were completely separate to ensure fairness and balance, and allow for the appropriate cross investigation between the two groups.

The audit committee was set up by the Board to consider the appropriateness of the company's internal control system and to review the results of any actions performed by both the internal auditors and the company's certified public accountant. In addition, the internal auditors met every quarter to exchange ideas and present the results of their audit. Such reports considered the relevance and effectiveness of the company's systems and operational plan as well as any limitation of responsibility. The results were later presented to the company's Board of Directors for review and approval.

The Board of Directors jointly with the audit committee did assessment of the adequacy of the internal control based on the Assessment Form provided by the Securities and Exchange Commission (SEC) by disclosing in the annual report of the company.

- **Risk management system**

The Board of Directors focuses on the risk management of the organization by providing the policy of risk management covering the work performance of the whole organization by assigning the Management to comply with the policy and report to the Board of Directors regularly as well as do the system review or assessment of the efficiency of the risk management 1 time per year. If the risk level is found to be in higher level, the Operational Section must analyze the causes and provide the guidelines for solution as well as do close and continuous follow-up. The company discloses it in the annual report and Form 56-1 of the company.

- **Connected transaction**

Board of Directors are aware of the importance of conducting business with transparency and consider all stakeholders. Therefore, the Company has set the policy and procedures for conducting connected transactions to be clear. Transparency No conflict of interest and the most benefit to the company. The Code of Conduct the Company's policy on connected transactions is the Board of Directors. The Audit Committee is responsible for considering the appropriateness of the transaction. Considering the benefits of the company as well as compliance with the law. The rules of the SEC and the SET are determined by the price and conditions as they enter into transactions with third parties under the arm's length basis, where the stakeholders are not involved in the decision. The Board of Directors is responsible for overseeing compliance with the regulations on the procedures and disclosure of transactions that may cause conflict of interests to be accurate and complete. The details of the transaction, the parties, the reasons and the necessity. Please refer to the policy on inter-company transactions, annual report and Form 56-1.

- **Mechanism to oversee the affiliate company and associated company**

The Board of Directors oversee the management of subsidiaries and associates in order to protect the interests of the company's investments in various ways as follows:

1. To assign the directors or executives of the company that have appropriate qualifications to be directors in the subsidiaries and associates at least according to the company's shareholding proportion in order to be a company representative in policy making and monitoring the business operations of subsidiaries and associates by controlling the management in accordance with the main policies of the company comply with the laws, notifications and rules of the Stock Exchange of Thailand.
2. The directors or executives representing the company are able to perform their duties in accordance with the scope of duties and responsibilities in order to protect the best interests of the company, including reporting business results or significant changes in various areas of the subsidiaries and associates to the Board of Directors meeting every quarter. In addition, when a subsidiary or associated company will request approval for important matters such as acquisition or disposition Important assets, joint venture, capital increase and capital reduction, etc., must also be submitted to the Board of Directors for approval.
3. The company will ensure that the subsidiaries comply with the rules, regulations and notifications of the Stock Exchange of Thailand and the Office of the SEC, such as transactions between connected persons acquisition and disposition of assets or making other important transactions Disclosure and transaction must be made in a similar manner to the rules of the company.
4. The company will ensure that the subsidiary and the company have an accurate accounting and financial reporting in accordance with relevant laws and generally accepted accounting standards and able to compile consolidated financial statements on time
5. The company encourages its subsidiaries to strictly apply the principles of good corporate governance and business ethics, such as anti-corruption practices and Corporate Social Responsibility (CSR)
6. The company requires the internal audit department of the company to assess the effectiveness of the risk management oversight and internal control of subsidiaries and present the assessment results to the Audit Committee meeting and the Board of Directors annually.

In addition, the Board of Directors has appointed various subcommittees so that the shareholders can be confident that the company has implemented and carefully screened, namely the audit committee Compensation and Nomination Committee Risk Management Committee and the Corporate Governance Committee to perform specific duties and propose matters to the Board of Directors for consideration or acknowledgment

5.1 Board of Directors' Structure

The company consists of the Board of Directors by selecting from the persons, who have the knowledge, abilities, multiple qualifications, skills and experiences of business operation such as industry knowledge, agriculture, financial accounting, management,

international marketing, strategy, legal management, and other areas are people with visionary leadership and independence in decision-making. For the maximum benefit of the company and shareholders.

The Board of Directors authorized the compensation and recruitment committee to select the suitable person to assume the position of director from the persons, who have knowledge, abilities, professionalism, specific expertise and necessary skills in the committee by requiring the qualifications to be consistent with the business strategies of the company without restriction of sex and with qualification as being provided in the criteria of the Stock Exchange of Thailand based on the varied policy in the structure of the Board of Directors (Board Diversity).

The directors are elected from the shareholders' meeting, who determines the number of Board of Directors, 12 persons, consisting of:

- Independent Directors 4 persons
- Executive Directors 8 persons (with at least one of them female directors and pending recruiting one person)

The independent Directors are the Audit Committee, and some of them are the Remuneration and Nominating Committee which is also in compliance with the requirements of The Stock Exchange of Thailand.

The Board of Directors has the agenda for assuming the position of 3 years each with the possibility for re-election. The company has not limited the position or number of the independent directors to hold the position not over 9 years because the company believes that the business-related abilities and skills of the Board of Directors do not depend on the number of positions in other companies nor length of service of the independent directors, but depend on the ability to provide the policies of business operation, consultations and solutions based on the standard expected by the company and as far as the directors could devote time for the company completely. The power of decision to elect the person to assume the position of director belongs to the rights of direct shareholders, who shall select them to perform the duties instead to provide the policies and control the company owned by them. However, the company specified the number of years to assume the position of director of each director in the annual report and on the website of the company.

5.2 Independence of the Board of Directors

The directors must have independence to express the opinions, voting and have power to make decision. In case of decision on any matter, if any director is involved, the company shall notify such director to omit voting and leave the meeting room, so that the Board of Directors could grant consideration and give opinions independently.

The independent director has the qualifications according to the announcement of the Securities and Exchange Commission of Thailand (SEC) and Stock Exchange of Thailand, so that the independent directors could be in charge of the benefits of the shareholders

and the involved persons independently in proportion as 1 of 3 of the number of all directors. Most independent directors assume the positions of audit director. It results in counterbalance, and the management could be reviewed independently.

- **Gathering or separation of the position**

The company adopted the policy whereby the positions of Chairman of the Board of Director and Managing Director must be held by different persons, and could divide the duties between the supervision of policies and duties of regular management obviously, and the Board of Directors determines the scope of power and responsibility of the President and Managing Director differently and obviously, so that they have no unlimited power by determining the scope of power of the director as follows:

Scope of power and duties of the Chairman

1. Being responsible as the leader of the committee on the supervision monitoring and ensuring that the performance of the Board is effective and achieve the objectives and goals of the organization.
2. To ensure that all directors participate in the promotion of an ethical corporate culture and good corporate governance.
3. To set the agenda of the Board of Directors' meeting by discussing with the President and taking measures to ensure that matters are included in the agenda.
4. To allocate sufficient time to the management to provide and enough information for the directors to discuss the issues carefully, encourage directors to exercise their discretion and comment freely.
5. Strengthening good relationships between executive directors and non-executive directors, and between the board of directors and the management.
6. Acting as the chairman of meeting of the Board of Directors and shareholders of the company.
7. Acting as the final voter if the meeting of the Board of Directors does voting and the votes of 2 parties are same.

With the scope of power and duties of the President in the management structure.

5.3 Independent Committee

The Board of Directors' emphasis on Good Corporate Governance is in line with the standards and policies of The Stock Exchange of Thailand. Made up of the company's board members and management personnel, the Independent Committee was given ample opportunity to study the details and refine the works in order to come up with a highly suitable solution. Independent Committee comprises.

5.4 Roles, Duties and Responsibilities

The Board of Directors spearheads company growth and the making of important decisions in several areas with the scope of power as specified in the management structure.

5.5 Sub Committees

The Board of Directors' emphasis on Good Corporate Governance is in line with the standards and policies of The Stock Exchange of Thailand. Independent sub-committees made up of board members and management personnel, are oversee their respective areas of responsibility according to their objectives. The independent committees comprise:

- **Audit Committee**

Established on 30 March 1999 which would assume the position 3 years per rotation. The Audit Committee is comprised of at least three Independent Directors with at least one of them having accounting / financial knowledge. The Audit Committee which all were appointed by the Board of Directors' Meeting or Shareholders' Meeting with the scope of power as specified in the management structure.

In the year 2020 between October 2019 – September 2020, the Audit Committee held four meetings and in addition one meeting with the External Auditor without management in attendance, and one joint meeting with the risk management committee to discuss risk management strategies.

Member of the audit committee Mr. Chai Jroongtanapibarn, has extensive experience in finance and accounting and the review of financial statements.

- **The Remuneration and Nominating Committee**

Established on 29 November 2002, to assume the position 3 years / rotation who were appointed from at least 3 directors and at least half of them must be independent directors, by Chairman of the Remuneration and Nomination Committee Must be an independent director with the scope of power as specified in the management structure. So that the duty performance of the Compensation and Recruitment Committee is done efficiently and achieves the purposes towards the duties and the assigned responsibility from the committee. Therefore, the meeting is held at least 2 times per year to consider, consult and fulfill any acts based on their duties and responsibilities.

In the year 2020 between October 2019 – September 2020, the Remuneration and Nominating Committee held three meetings.

- **Risk Management Committee**

Established on 30th September 2003, and the Board of Directors No. 212 on Wednesday, 6th August 2014, resolved to restructure the Risk Management Committee by appointing from the Board of Directors at least 3 persons, including the President. The Risk Management Committee assumes the position for 3 years each time with the scope of power as specified in the management structure.

In the year 2020 between October 2019 – September 2020, the Risk Management Committee held four meetings and a joint meeting with the audit committee to discuss risk management strategies.



- **Corporate Governance Committee**

Established on 24th February 2014, assume the position for 3 years each time by appointing from the Board of Directors, at least 3 persons with the scope of power as specified in the management structure.

In the year 2020 between October 2019 – September 2020, the Corporate Governance Committee held two meetings.

- **The Board of Executive Directors**

At least eight persons are appointed by the Board of Directors with the scope of power as specified in the management structure.

In the year 2020 between October 2019 – September 2020, the Board of Executive Directors held twelve meetings.

5.6 Company Secretary

The board of director has appointed the Company secretary and also responsible for the secretary of Board of Directors with the Managing Director Office support function of the work of company secretary goes according to the principle of operating of a good company as well as to operate the company more efficiently.

The company discloses the qualifications of the company secretary from the meeting of the Board of Directors in the annual report and on the company's website.

The company encourages the company secretary to receive the training and develop the knowledge regularly as being disclosed in the annual report of the company.

5.7 The Board Meeting

The dates of the board meetings, which are usually held a quarterly basis, are fixed annually, to give the board members and management sufficient notice. Normally, each meeting lasts between an hour and a half to two hours. They are usually held at the company's head office. The company recorded details of the minutes in writing, filed the report of the meeting which was approved by the board, and submitted to the board and concerned parties for an examination.

The President of Board of Directors and Managing Director jointly consider the selection the matter to enter into the agenda of the meeting of the committee by giving opportunity to each director to have freedom to submit the useful matter for the company to enter into the agenda of the meeting.

The management sent out the invitation letter, agenda and other relevant documents not less than seven days before the date of the meeting, to give the Board of Directors enough time to study, analyses and consider all the relevant information. Should more information be required, they were encouraged to contact either the President or the company secretary.

The Board of Directors determined the Meeting between independent committee and non-executive director regularly at least once a year to independently debate or express comment about the management of interested matter.

On meeting of the Board of Directors, the Managing Director and top executives shall join the meeting to give additional details as being directly related to the problem.

From the continuous improvement of the shareholders' meeting, in this year, the company received an assessment for the quality of the ordinary shareholders' meeting scoring 97 points from of 100. This fell in the "excellent" criteria in the quality assessment of the ordinary shareholders' meeting (Annual General Meeting – AGM) of the year 2020 as being held by the Thai Investors Association.

5.8 Assessment of the work performance of the Directors and President

To comply with the principles of good business supervision, the Board of Directors required to prepare the work assessment form of the Board of Directors at least one time per year to be used as the guideline to consider the achievement, know the problems to do improvement and increase the work efficiency of the Board of Directors. In the year 2019, the Board of Directors held the additional assessment of the sub-committee.

Therefore, in the year 2019, the committee made the work assessment through four assessment forms: 1) Self-assessment form of the individual committee, 2) Self-assessment form of the individual sub-committee, 3) Assessment form of the individual committee and sub-committee and 4) Assessment form of adequacy of the internal control system (based on the COSO System). The company secretary shall deliver and gather the assessment results and submit to the meeting of the Board of Directors for consideration to be used as the data to improve the company's work procedures.

The assessment result of the Board of Directors could be summarized as follows:

- Individual assessment: The criteria being used for assessment are in six topics i.e. 1. Structure and qualifications of the Board of Directors, 2. Roles, duties and responsibility of the Board of Directors, 3. Meeting of the Board of Directors 4. Duty performance of the directors, 5. Relationship with the Management 6. Directors' and Management ability development. The assessment resulted in an average score of 88.63 percent, which is at the excellent level.
- Self-assessment form of the individual sub-committee applied the assessment criteria in 3 topics as follows: 1. Structure and qualifications of the committee are proper to cause the efficient work procedures of the committee. 2. The meeting of the sub-committee has done, so that the committee performs the duties on the meeting efficiently. 3. The roles, duties and responsibilities of the sub-committee focus include 3.1 Audit Committee 3.2 Nomination Committee 3.3 Remuneration Committee 3.4 Corporate Governance Committee 3.5 Risk Management Committee and 3.6 Executive Committee, take time for the consideration, review and compliance adequately. The assessment resulted in an average score of 89.50 percent, which is at the excellent level.



- Assessment form of the individual committee and sub-committee applied the assessment criteria in 3 topics: 1. Structure and qualifications of the committee, 2. Meeting of the committee, 3. Meeting of the sub-committee. The assessment resulted in an average score of 90.55 percent, which is at the excellent level.

- Assessment of the adequacy of the internal control system of Siam Food Products Public Company Limited. With the assessment criteria in 5 points i.e. 1. Organization and environment, 2. Risk management, 3. Work control of the Management 4. Information technology and data communication system 5. Follow-up system. The assessment resulted in an average score of 98.82 percent which is at the excellent level.

5.9 Remuneration to Directors and Management

The company provides the policy of the director's compensation obviously and transparently by considering the operation result, responsibility of the director, financial status of the company or as being suitable and comparing the compensation of the similar industry to be good enough to attract and maintain the qualified director at that time and obtain approval from the shareholders about the paid compensation and disclose it.

• Director Remuneration

The company's remuneration policy is clear, with remuneration for the Board of Directors being based on performance and responsibilities as well as the financial well-being of the company. Also considered is the appropriateness of the remuneration package as compared to those given to directors in similar industries, so as to attract well-qualified directors to serve on the Board. The company also seeks the approval of the shareholders on this matter, before revealing the sum to the public.

• Management Remuneration

The management's remuneration is based on the policies set by the Board of Directors, taking into account both the company's performance and that of each executive, in addition to the achievement of any goals set beforehand. Also taken into consideration was the performance of other companies in the same field.

Remuneration details for the year 2020 can be found in the Remuneration Section in this document, under the sub-heading, Organization Structure. This is followed by the announcement of The Securities and Exchange Commission.

5.10 Directors' and Management knowledge

• Directors' and Management knowledge and ability development

The company supported the directors and high executives to attend the seminar in the course benefiting their performance both the course arranged by the training unit of the company and arranged by government or independent organization, such as, the course of Thai Institute of Directors which SEC had prescribed that the directors of listed company must successfully passed at least one course, such as, Director Certification Program (DCP); Director Accreditation Program (DAP) and Audit Committee Program (ACP) in order to apply knowledge and experience to further develop the company onwards.

- **Orientation of new directors**

The Board of Director provides the orientation of all new company directors, so that the new company directors being appointed have the opportunities to cause the knowledge and understanding of the company's business, company's policies as well as the roles, duties and responsibilities of the Board of Directors in details by providing the orientation of new directors as the explanatory document of the training, seminar and visit of the place of operation of the projects of the company, so that the company directors could experience the actual business condition of the company.

5.11 Succession Plan

The Company plans to recruit personnel in charge of senior management positions for all key positions properly and transparently to ensure that the Company has a professional management that administers independently from major shareholder or any shareholder. Then the nomination has been proposed to the Board of Directors for appointment. The recruitment process for senior executives of The Company is to consider selecting those with the right qualified candidates with good education, experience and seniority to join the team with the emphasis on getting young people who are competent to make way for everyone to be promoted to the executive level in the future. Through the evaluation process with high potential, everyone will be developed as planned individually with challenging assignments and job rotation to develop leadership skills and knowledge in all aspects. The preparation of personnel of the company is conducted with employees at all levels to be ready to replace in case of vacancies in a timely manner and for the purpose of continuous working as well.

The Board of Directors required the Managing Director to develop the personnel of the organization to be prepared to take over the position if they could not perform the duties.

Business Ethics

The company recruited the Board of Directors and executives, who have knowledge, abilities and experiences on the business with the policy of faithful management, ethics, fairness and morality. The company plans to operate the business continuously, has the relationship with all concerned parties, good understanding and responsibility for the public.

The Board of Directors state the business ethics in writing, so that the directors, executives and all employees understand the ethical standard used by the company on the business operations and strictly and continually adhere with the ethics policy.

Regarding the ethics and practices of the employee, the company announced the guideline to be observed by Directors Management team and the employee. The Management is in charge of all subordinate employee to observe the requirements strictly. with the Code of Conduct handbook of the company for more information, visit <http://www.siamfood.co.th/conduct-th.html>

9.2 Subcommittees

Structure of Subcommittees consists of the Board of Directors and five subcommittees: Audit Committee, Remuneration and Nominating Committee, Good Corporate Governance Committee, Risk Management Committee and the Executive Board of Directors. Each group has a list and responsibilities, it is defined in Section 8, Management Structure, Section 9.1 Good Corporate Governance and Section 5.5 Subcommittees

9.3 Recruiting director, independent director, audit committee and executive

1) **In case of the director, independent committee, audit committee and the executive is resign** by rotation or substitute the position duly vacated by other reason, the Board of Directors' Meeting shall consider to recruit substitute director through the Compensation and Recruitment Board. The Board of Directors shall consider and recruit the qualified, knowledgeable, capable personal who is experienced in related work and duly qualified pursuant to Section 68 of Public Company Limited Act, B.E. 2535 and related Announcement of SEC for benefit in the efficient business operation of the company and then proposed to the Shareholders' Meeting for consideration the appointment according to the rules and methods as follows: -

1. One shareholder possesses one share / one vote.
2. Each shareholder must exercise all right to vote as mentioned in clause 1 to elect one or several persons as director but is prohibited to divide its more or less votes to any person.
3. The person who earned highest votes descending shall be elected as director equal to the number of directors required in such election. In case of the descendant earned equal votes more than number of the required director, the chairman shall cast one final vote.

For recruitment of person to fill the management position, the Board of Directors shall arrange to follow up the progress of position succession that covering the position of managing director and high management position to ensure that the company selects the executive who is knowledgeable, capable to succeed the important position in the future.

2) Rules in selection the independent director and audit committee

The company determines rules on selection of independent director and audit committee from the qualification of the appointed person based on the following qualifications:

1. Holds share not less than 1% of paid up capital of the company, subsidiaries, affiliates and related companies. This shall include shares held by related persons.
2. Is not or never been the director who involved in management, employee, consultant who earned permanent wage nor person duly authorized to control the company, parent company, subsidiary, affiliate or minor company at the same rank, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed.

3. Does not have or never had business relationship or provided professional service to any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control in the manner which may object the independent use of discretion and is not or never been the major shareholder or person who has power to control of any party who has business relation with the company subsidiary, affiliate, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed. Such relations inclusively mean: -
 - 3.1 3.1 Normal transaction, the matter related to the asset/service, to give or receive financial assistant that exceeding 20 m. baht or 3% of net tangible asset subject to whichever is lower.
 - 3.2 Providing other professional services, such as, financial consultant, legal consultant, asset appraisal for exceeding 2 m. baht / year.

In this regard, in case of business relation or professional service is exceeding such prescribed value, approval must be firstly granted by the Board that such business relation and professional service do not impact the performance of assigned duties and independent expression of comment and such comment of the Board id disclosed in Form 56-1 / Annual Report / Invitation Letter (in case of extension of position).
4. Is not or never been the auditor of any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control or partner of the Auditing Office where such auditor is working for unless such person is resigned from those statuses for not less than 2 years before being appointed.
5. Does not have any relation by blood or by lawful registration, namely, no any relation as parents, spouse, relatives and children including spouse of the child of the executive, major shareholder, the person who has power to control or the person who is proposed as executive or the person duly empowered to control the company or subsidiary.
6. Not being the director who is elected as proxy of the company's director, major shareholder or the shareholder who is related to the major shareholder of the company.
7. Free from any character that prevent him to independently express comment about operation of the company.
8. In case of being authorized from the Board of Directors to make decision about business operation of the company, parent company, subsidiary, affiliate and minor company at the same rank, major shareholder or the person who has power to control based on collective decision, such independent director must not be the Audit Committee.
9. Able to assume the position of director who does not involve in management or independent director of the company in the group but is required to disclose information about assuming in the position of independent director in the group and total compensation received from the group in form 56-1 and annual report (not necessary to disclose compensation separately by each company).

9.4 The policy on assuming the position of director for other company

The company determined the policy specifying the President to report in case of any company director would assume the position of director in any company other than the subsidiary and affiliates to the Board of Director immediately.

9.5 Control of the operation of the subsidiary company or joint ventures

The Company controls the operation of its subsidiary company and joint ventures by authorizing the company's directors and executives to attend as directors to determine the policies and manage and also investigates and assesses potential risks to the Company to find a solution in the affiliates and joint ventures as follows:

Quality Pineapple Products Co., Ltd. "Subsidiary"

- | | |
|---------------------------------|------------------------|
| 1. Mr. Thien Mekanontchai | Chairman |
| 2. Mr. Prasert Maekwatana | Vice Chairman |
| 3. Mr. Sithichai Chaikriangkrai | Director |
| 4. Mr. Charnvit Subsanyakorn | Director and President |
| 5. Mr. Kiartisak Lertsiriamorn | Director |

Siam Food (2513) Co., Ltd. "Subsidiary"

- | | |
|----------------------------------|----------|
| 1. Mrs. Chaveevan Chandanabhumma | Chairman |
| 2. Mrs. Nidda Theerawatanachai | Director |
| 3. Mr. Kiartisak Lertsiriamorn | Director |

Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. "Joint venture"

- | | |
|---------------------------------|----------|
| 1. Mr. Thien Mekanontchai | Chairman |
| 2. Mr. Sithichai Chaikriangkrai | Director |
| 3. Mr. Kiartisak Lertsiriamorn | Director |

9.6 To Oversee the Use of Internal Information

The company regularly discloses information that are both accurate and reliable to the shareholders, investors, securities analysts and the public. Whenever executives initiated a change in the company's securities trading portfolio, a report was sent out to The Securities and Exchange Commission. This is considered ethical business practice.

To oversee the use of the company's internal information, the company established regulations for staffs at all levels, under the section, Discipline and Punishment. In this section, it is stated that: "Any member of the staffs who reveals company confidential information to others is breaking the company rules, and he or she will be punished according to his / her crime."

In this regard, the Board of Directors also determined important policy to prevent the directors, executives and employees to use the opportunity or data for their own benefit nor conduct in any related business nor use internal information for their benefit and other persons in transaction of company's shares. In this regard, the company determined punishment in case of breach thereof.

9.7 Auditor's fee

In the past financial year 2020 the auditors' remuneration including three quarterly reviews and the audit of the financial statement for the year ended September 30, 2020 was Baht 1,525,000 plus other service of Baht 54,000. The total sum of the fee was Baht 1,579,000.

9.8 The level of understanding and application of good corporate governance principles for listed companies in the year 2020.

The Board of Directors recognizes its role as the leader of the organization. In the year 2020, the Board of Directors acknowledged the Corporate Governance Code (CG code) for listed companies in the year 2017 and Practices in the use of sustainable value for the business. They also assigned the management to assess each CG Code's performance in order to ensure that the results were appropriate or plan to develop to suit the business continuously at least once a year.

In the year 2020, the Board of Directors has considered and improved the mission and vision to comply with objectives and main goals of sustainability by technology, new innovation, developing and improving new products, social responsibility, adherence to the principles of good corporate governance, ethics, integrity in business, satisfying stakeholders continuously, etc.

9.9 Compliance with good corporate governance principles in other matters.

The Board Meeting

The dates and agenda of the board meetings, which are usually held on 1 – 3 months per time basis, are fixed annually, to give the board members and management sufficient notice. Normally, each meeting lasts between an hour and a half to two hours. They are usually held at the company's head office.

Distribution of Documents

The management sent out the invitation letter, agenda and other relevant documents not less than five to seven days before the date of the meeting, to give the Board of Directors enough time to study, analyses and consider all the relevant information. Should more information be required, they were encouraged to contact either the President or the company secretary. Throughout the years, the company's Board of Directors arranged a total of 9 meetings. Details on the attendance of the directors can be found as follows:



	Name	Meeting						
		Board of Directors	The Audit Committee	Executive Directors	The Remuneration and Nominating	Corporate Governance Committee	Risk Management Committee	2020 Annual Ordinary Shareholders
1	Mr. Thien Mekanontchai	9/9	-	12/12	-	-	-	1/1
2	Mr. Prasit Kovilaikool	8/9	4/4	-	3/3	2/2	-	1/1
3	Mr. Prasert Maekwatana	9/9	-	11/12	3/3	-	-	1/1
4	Mr. Sithichai Chaikriangkrai	8/9	-	12/12	3/3	-		1/1
5	Mr. Siripol Yodmuangcharoen	9/9	-	12/12	-	-	4/4	1/1
6	Mr. Ananta Dalodom	9/9	-	-	3/3	-	-	1/1
7	Mr. Chai Jroongtanapibarn	7/9	4/4	-	-	-	4/4	1/1
8	Mrs. Chaveevan Handanabhumma	9/9	-	12/12	-	2/2	-	1/1
9	Police General Krisna Polananta	9/9	4/4	-	1/1	2/2	-	1/1
10	Mrs. Nidda Theerawatanacha	8/9	-	12/12	-	-	-	1/1
11	Ms. Pornpimol Chirtchoochai*	3/3	-	3/4	-	-	-	1/1
12	Mr. Graeme Anthony Cox**	5/6	-	8/8	-	-	3/3	1/1
13	Mr. Charnvit Subsanyakorn***	1/1	-	3/3	-	-	1/1	1/1

- หมายเหตุ : - Ms. Pornpimol Chirtchoochai* resigned from being director since 1st March 2020.
- Mr. Graeme Anthony Cox** resigned from being director and vacates office from the member of the risk management committee and President, effective from 1st July 2020.
- The company thus appointed Mr. Charnvit Subsanyakorn***, director, member of the risk management committee and President, of the company since 3rd July 2020.

In addition, based on the guidelines and principles of good business supervision, The company recorded details of the minutes in writing, filed the report of the meeting which was approved by the board, and submitted to the board and concerned parties for an examination.

The Board of Directors determined the Meeting between independent committee and non-executive director regularly at least once a year to independently debate or express comment about the management of interested matter.

In 2020, the Committee had held 1 Meetings.

10. Corporate Social Responsibility

CSR Continuous Report 2020



Message from President

Siam Food Products Public Co., Ltd. believes it should be an outstanding member of the community. We commit to run our business operation by good governance, give value to all stakeholders; customers, shareholders, employees, farmers, suppliers, contractors, community, society and government.

We commit to produce high quality and safe food products. We act with integrity to improve the quality of life of our employees and farmers and we participate widely in the local community. We always comply with national laws and regulations and we always strive to comply with the standards demanded by our customers.

At Siam Food Products we achieve prosperity in an ethical way in harmony with the land and in mindful partnership with the farmers and people that touch upon our business. This is the mindset throughout our organization.

Siam Food's bases its business on the Corporate Social Responsibility (CSR) concept of a sustainable balance of economics, society, and environment. Our CSR program has been in operation since 2011 and our Code of Conduct requires all our employees to practice and follow. Following these principles, we are confident our business is sustainable and will grow in the long term.

(Mr. Charnvit Subsanyakorn)

President

Siam Food Products Public Co., Ltd.

CSR practice follow CSR Standard

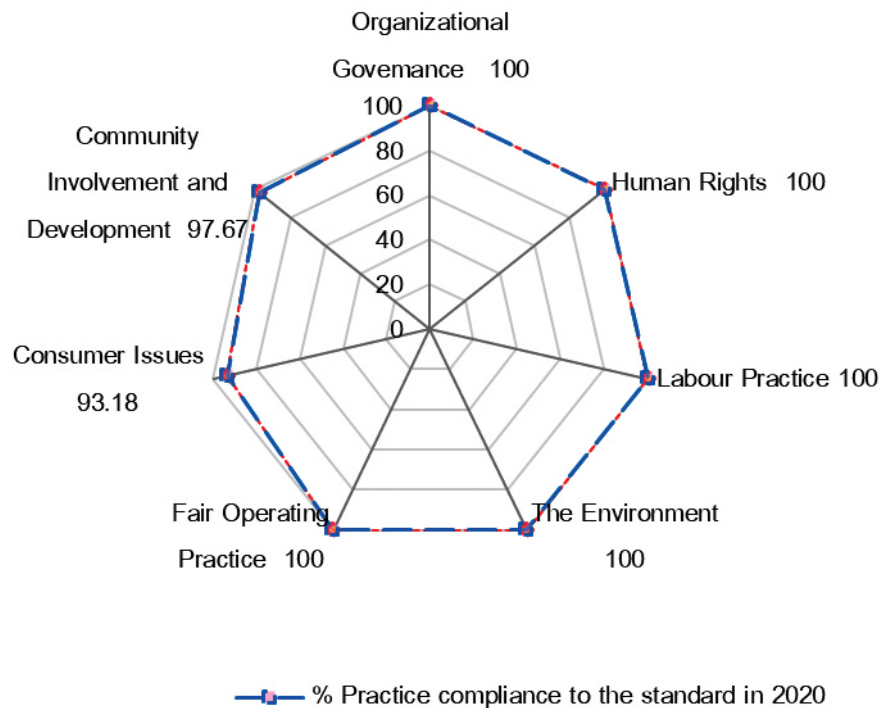
Siam Food Products Public Co., Ltd. adhere to the principles of good corporate governance, recognize the importance of running a business with social responsibility, community and environment in order to satisfy maximum satisfaction to stakeholders related to the organization and create a lasting happiness in every dimension. We bring the standard of Corporate Social Responsibility which equivalent to standard ISO 26000 apply to be consistent with the business and follow the main content of the standard continually since 2011.



CSR Practice in 2020

- Practice follow CSR Standard

Siam Food Products evaluate and review our practice follow CSR Standard every year which this year 2020 we practice comply 100% in 5 principle from total 7 principle. The rest 2 principle which not comply 100% because the sub-clause is not concern to our business.



- CSR for Sustainable Organization



Economic Sustainability:

Siam Food Products does business on the concept of good governance, economic sustainable. We develop the new products with high quality and compliance with customer specification for satisfaction to customer, consumer, business partner, shareholder and employees.

- Produce new product for export, young jack fruit in can. The company processes more than 500 ton/year, giving farmers more incomes.



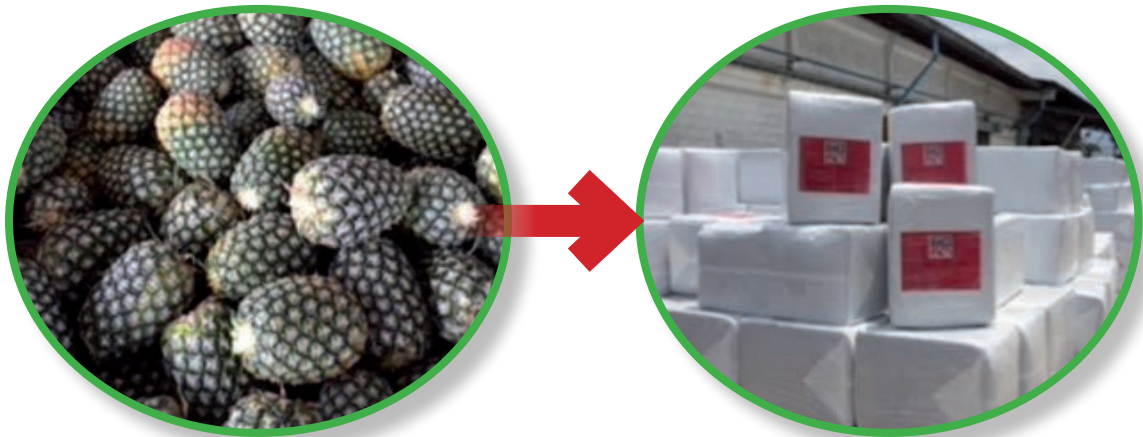
- Teaching employee to make dishwashing liquid and fabric softener.



- Teaching employee to make the rice balls in sweet coconut (Bua loi).



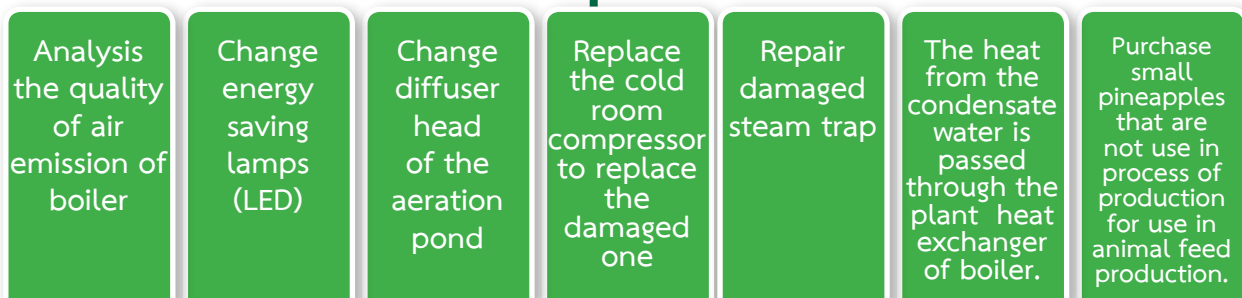
- The company has purchased small pineapples that are not use in process of production for use in animal feed production. This will help increase the income for farmers.



Environmental Sustainability:

Siam Food Products understands and balance between economic growth and environmental sustainability. Siam Food Products set up the environmental management system, environmental policy and energy consumption committee. We protect and monitor natural resources to reduce environmental impact from our business process.

Environmental Sustainability



- Analysis the quality of boiler emissions. (Boiler no. 1 use biogas, Boiler no. 2 and 3 use solid fuel)

	Area of sampling	Parameter	Results	Standard(1)	Unit	Results compare to standard
1	Boiler No.1	Total Suspended Particulate (TSP)	63.20	240	mg/m ³	Pass
		Sulfur dioxide (SO ₂)	301.00	950	ppm	Pass
		Oxide of nitrogen (NOX)	86.01	200	ppm	Pass
		Carbon monoxide (CO)	334	690	ppm	Pass
		Opacity	5.83	10(2)	ppm	Pass

	Area of sampling	Parameter	Results	Standard(1)	Unit	Results compare to standard
1	Boiler No.2	Total Suspended Particulate (TSP)	54.26	320	mg/m ³	Pass
		Sulfur dioxide (SO ₂)	664.89	700	ppm	Pass
		Oxide of nitrogen (NOX)	81.43	400	ppm	Pass
		Carbon monoxide (CO)	493	690	ppm	Pass
		Opacity	5.00	10(2)	ppm	Pass
2	Boiler No.3	Total Suspended Particulate (TSP)	85.50	320	mg/m ³	Pass
		Sulfur dioxide (SO ₂)	544.11	700	ppm	Pass
		Oxide of nitrogen (NOX)	65.01	400	ppm	Pass
		Carbon monoxide (CO)	609	690	ppm	Pass
		Opacity	5.00	10(2)	ppm	Pass

Remark : ⁽¹⁾ Notification of Ministry of Industry B.E.2549 (2006) under the topic of "The Polluted Air Emission from Factory"

⁽²⁾ Notification of Ministry of Industry Re: Prescribing of Volume of Smoke in Air ventilation from Stack of Boiler from Factory, B.E. 2549 (2006)

** Reference conditions of 1 atm (or 760 mmHg), 25oC, dry basis and excess air of 50% or at O₂ of 7%

- Change energy saving lamps (LED). Can reduce energy 22,448 kWh/year



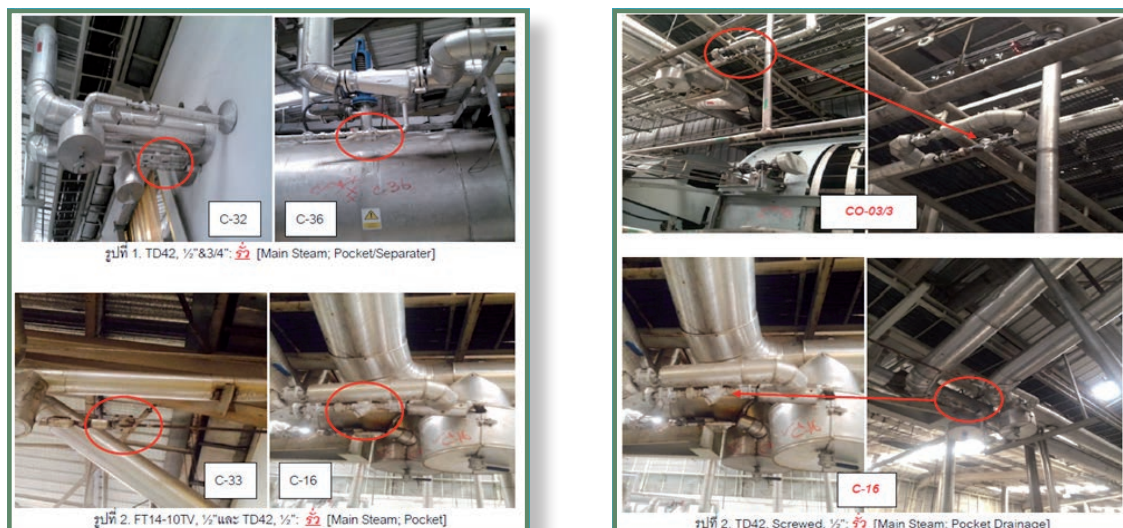
- Change diffuser head of the aeration pond. Can reduce energy 51,162 kWh/year



- Replace the cold room compressor to replace the damaged one. Can reduce energy 79,322 kWh/year



- Repair damaged steam trap. Can reduce energy 58,812 kg. /year



- The heat from the condensate water is passed through the plate heat exchanger of boiler. Can reduce energy 107,847 kg. /year



- The company has purchased small pineapples that are not use in process of production for use in animal feed production, thus reducing the burden of waste disposal.



- Training environmental issue to employees.



- Planting trees in front of factory to increase green land every year.



- Join the planting trees activity with the community in Khao Phai temple.



- Animal food giving activity to Khao Kheow zoo.



Society sustainability:

Siam Food Products join the community activities on education, culture, occupational and safety.

- Happy 8 principle for healthy; running, swimming, bicycling, aerobics, futsal.



- Knowledge activities employee competence educates new employee, farmers, students and the students visited the company.



- Supporting student of the school around the factory to study tour outside



- Join the community on Buddhist Lent Days.

แห่เทียนเข้าพรรษาวัดเงาไฟ, วัดตาลดำ



Student visit factory
to learn on fruit
manufacturing process.



- Public canal dredging and drainage leveling project in Ban Tan Dam community.



- Road improvement project around the raw water well, a route to Ban Tan Dam community.



- CCTV repair project in Ban Tan Dam community.



11. Internal control and Risk manament

The Board of Directors acknowledge reports from the Audit Committee on a quarterly basis.

The audit committee made review of the suitability of the internal control system from the audit result of the Internal Audit Section, supervision and follow-up, so that the audited unit did improvement and gave suggestions to the management to do improvements, solution and reasonable preventions as the case maybe and followed up the progress of the continuous improvements.

The Internal Audit Office under the direct supervision of the audit committee summarized the audit results for the audit committee quarterly. During the past year 2020, the Internal Audit office reported to the meeting of the audit committee that no defects are found relating to the internal control system in substantial matter.

Chief of the Internal Audit office

Mr. Tati Wangno, Internal Audit Manager.

The audit committee expressed the opinions that Mr. Tati Wangno has the educational qualification, experiences and qualified to assume the position of the Internal Audit Manager and could perform the duties efficiently. The appointment, removal and transfer of the Internal Audit Manager must be granted approval from the audit committee. The record data of the Internal Audit Manager was shown in the data schedule of the directors and executives, Clause 8: Management Structure.

12. Connected Transaction

Siam Food Products Public Company Limited ("the Company") attaches importance to the connected transaction is a transaction that may cause a conflict of interest between a listed company and a connected person to make the conduct transparent and fair to all shareholders equally. Therefore, the Board of Directors' Meeting No. 7/2018 held on September 27, 2018 resolved to approve the Connected Transaction policy. The Board of Directors, executives and employees are required to follow the guidelines. To consider items, to be transparent, fair and beneficial to the company. More information can be found under Policy on inter-company transactions <http://www.siamfood.co.th/policy-th.html>

Related parties

A related party is a person or entity that has direct or indirect control or joint 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 joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with an associate and subsidiaries are described in notes 11 and 12. Relationships with key management and other related parties, which have transactions with the Group, were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Plantheon Co., Ltd.	Thailand	Major shareholder and common directors
Indara Insurance Public Co., Ltd.	Thailand	Common group of major shareholder
Horeca Management Co., Ltd.	Thailand	Major shareholder have common directors
Havi Logistics (Thailand) Co., Ltd.	Thailand	Major shareholder have common directors
Southeast Capital Co., Ltd.	Thailand	Common directors with major shareholder of the Company
Southeast Insurance Public Co., Ltd.	Thailand	Common directors with major shareholder of the Company

Name of entities	Country of incorporation/ nationality	Nature of relationships
Concept Land 2 Co., Ltd.	Thailand	Director's relative is indirectly principal shareholder
T.C.C. Commercial Property Management Co., Ltd.	Thailand	Director is relatives with director of major shareholder of the Company
Top Asset Security and Service Co., Ltd.	Thailand	Common directors
T.C.C. Technology Co., Ltd.	Thailand	Common directors
Deesermkit Co., Ltd.	Thailand	Common directors
Terragro Fertilizer Co., Ltd.	Thailand	Common directors
Thip Sugar Kamphaengphet Co., Ltd.	Thailand	Common directors
Pornpattanasin Co., Ltd.	Thailand	Common directors
United Winery and Distillery Co., Ltd.	Thailand	Common directors
Pattavia Golf Club Co., Ltd.	Thailand	Common directors
TCC Assets (Thailand) Co., Ltd.	Thailand	Common directors
TCC Hotel Collection Co., Ltd.	Thailand	Common directors
Watthanapat Trading Co., Ltd.	Thailand	Common directors
Cristalla Co., Ltd.	Thailand	Common directors
Plantheon Trading Co., Ltd.	Thailand	Common directors
North Park Golf And Sport Club Co., Ltd.	Thailand	Common directors
Oishi Food Service Co., Ltd.	Thailand	Common directors
The Residence 9 Co., Ltd.	Thailand	Common directors
Golden Wealth Co., Ltd.	Thailand	Common directors
Thai Beverage Public Co., Ltd.	Thailand	Common directors
Frasers Property (Thailand) Public Co., Ltd.	Thailand	Common directors

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from sale of goods	Market price
Sale of packaging	Mutually agreed prices
Asset rental income	Contractually agreed price
Sale of fixed assets and other assets	Mutually agreed prices
Dividend income	In accordance with the resolution of shareholders' meeting
Interest income	Mutually agreed rate based on the Company's average cost of capital plus 0.05% or not less than deposit interest rate that the Company received
Other income	Mutually agreed prices
Purchase of raw materials	Market price
Purchase of goods	Mutually agreed prices
Purchase of fixed assets and other assets	Mutually agreed prices
Operating lease expense	Contractually agreed price
Director remuneration	In accordance with the resolution of shareholders' meeting
Interest expense	Mutually agreed rate based on the 12-month fixed deposit rate for individual plus 0.15%
Other expenses	Mutually agreed prices

Significant agreements with related parties

Machinery and equipment rental agreement

On 8 October 2018, the Company entered into machinery and equipment rental agreement with Quality Pineapple Products Co., Ltd., its subsidiary. The agreement was for a period of 3 years commencing from 8 October 2018 to 7 October 2021. The said subsidiary is committed to pay a rental fee to the Company at the rate as stipulated in the agreement.

Land lease agreements

On 30 November 2017, the Company entered into a land lease agreement with Pattavia Golf Club Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 1 January 2018 to 31 December 2020. The Company is committed to pay a rental fee at the rate as stipulated in the agreement.

On 1 January 2019, the Company entered into a land lease agreement with Concept Land 2 Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 1 January 2019 to 31 December 2021. The Company is committed to pay a rental fee at the rate as stipulated in the agreement.

On 1 October 2019, Quality Pineapple Products Company Limited, its subsidiary, entered into a land lease agreement with Deesermkit Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 1 October 2019 to 30 September 2022. The said subsidiary is committed to pay a rental fee at the rate as stipulated in the agreement.

On 10 November 2018, Quality Pineapple Products Co., Ltd., its subsidiary, entered into a land lease agreement with Deesermkit Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 10 November 2018 to 9 November 2021. The said subsidiary is committed to pay a rental fee at the rate as stipulated in the agreement.

Building lease and service agreements

On 6 October 2017, the Company entered into a building lease and service agreements with T.C.C. Commercial Property Management Co., Ltd., its related company. The said agreements was for a period of 3 years commencing from 26 December 2017 to 25 December 2020. The Company is committed to pay a rental and service fees at the rate as stipulated in the agreements.

Telephone manage hosting service agreements and computer equipment agreements

The Company and its subsidiary entered into telephone manage hosting service agreements and computer equipment agreements with T.C.C. Technology Co., Ltd., their related company. The agreements were for a period of 1 year to 5 years and the agreements will expire during 2021 to 2023. The Company and its subsidiary are committed to pay service fees at the rate as stipulated in the agreements.

Car rental agreements

The Company and its subsidiary entered into car rental agreements with Southeast Capital Co., Ltd., their related company. The agreements were for a period of 5 years and the agreements will expire in 2023. The Company and its subsidiary are committed to pay rental fees at the rate as stipulated in the agreements.

Area lease for server computer agreement

On 1 September 2020, the Company entered into area lease for server computer agreement with T.C.C. Technology Co., Ltd., its related company. The agreement was for a period of 1 year commencing from 1 September 2020 to 31 August 2021. The Company is committed to pay a service fee at the rate as stipulated in the agreement.

Employment agreements

During the year, the Company entered into employment agreements with key management personels for providing the business management consultation to the Company. The agreements were for a period of 1 year commencing from 1 January 2020 to 31 December 2020. The Company is committed to pay a remuneration at the rate as stipulated in the agreements.

Consulting services agreement

On 15 January 2020, the Company entered into a consulting services agreement with Frasers Property (Thailand) Public Company Limited, its related company, whereby the related company agreed to provide the services and consulting regarding the project as specific in the agreement to the Company. The agreement was for a period of 2 years commencing from 15 January 2020 to 14 January 2022. The Company is committed to pay annual remuneration as stipulated in the agreement.

Approval Policy and Procedure for interrelated transaction.

Interrelated transaction of the company typically follows normal business practice that brings the most profits to the company. However, if it involves very important matters or potentially be a long term liabilities to the Company. The company will put this case to the Audit Committee or independent expertise considers and obtains their comments with the suitable of pricing and reason. the connected transaction, Acquisition and disposition of assets. The Company's Board of Directors should act according to action SEC rules and regulations and notification or rule of SET, also the rule of disclosure the connected transaction, Acquisition and disposition of assets.



Financial status and operation result

13. Important financial data

A) Schedule of financial statement summary (Consolidated financial statement)

(Unit : 1,000 Baht)

รายการ	Consolidated Financial Statements					
	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Total Assets	1,796,486	100	1,998,220	100	2,766,354	100
Total Liabilities	323,066	17.98	276,052	13.81	386,480	13.97
Shareholders' Equity	1,473,420	82.02	1,722,169	86.19	2,379,874	86.03
Total Revenues	2,081,997	100	1,972,011	100	2,430,762	100
Revenues from sale	1,941,187	93.24	1,917,809	97.25	2,376,065	97.75
Gross Profit (loss)	(245,241)	(11.78)	(315,963)	(16.48)	166,258	7.00
Net Profit (loss)	(246,571)	(11.84)	(467,060)	(23.68)	168,977	6.95
Net cash from (used in) operating activities	(136,073)		(279,859)		(10,432)	
Net cash from (used in) investing activities	(76,651)		190,443		(110,826)	
Net cash from (used in) financing activities	51,241		(271,308)		(111,078)	
Net increase (decrease) in cash and cash equivalents	(161,483)		(360,731)		(232,334)	

(B) The important financial ratio reflects the financial status and operation result.

Financial Ratio	Unit	Consolidated Financial Statements		
		2020	2019	2018
Liquidity Ratios				
Current Ratio	Times	3.11	5.46	5.11
Quick Ratio	Times	1.38	2.84	3.40
Avg.Collection Period	Days	23.08	25.73	24.68
Avg.No.Days Inventory In Stock	Days	63.93	71.21	70.36
Profitability Ratios				
Gross Profit (Loss) Margin	%	(12.63)	(16.48)	7.00
Net Profit (Loss) Margin	%	(11.84)	(23.68)	6.95
Earning (Per)Share	Baht	(11.74)	(22.24)	8.05
Price earnings Ratio		(16.35)	(8.63)	23.86
Assets Management Ratios				
Return On Equity (ROE)	%	(16.73)	(27.12)	7.10
Return On Total Asset (ROA)	%	(13.73)	(23.37)	6.11
Return On Total Fixed Asset	%	(44.42)	(78.99)	28.13
Total Assets Turnover	Times	1.02	0.81	0.85
Leverage Ratios				
Debt To Total Assets	Times	0.18	0.14	0.14
Debt To Equity (D/E)	Times	0.22	0.16	0.16

14. Analysis of Financial Status and Operating Performance

The consolidated Income Statements for the year ended September 30, 2020, the company earned the total income of Baht 2,082 million, net loss from the operation in amount of Baht 314.05 million. Upon combination with the profit share from the associated company in amount of Baht 67.48 million, the company earned the net loss of total Baht 246.57 million, while in the same period ended September 30, 2019, the company earned the total income of Baht 1,972.01 million, net loss from the operation in amount of Baht 537.07 million, upon combination with the profit share from the associated company in amount of Baht 70.01 million, the company earned the net loss of total Baht 467.06 million, change in net loss decreasing by Baht 220.49 million or 47.21%.

Analysis of Income Statements for the year ended September 30, 2020 (The audited Consolidated Financial Statements)

1) Revenue from sale amount of Baht 1,941.19 million, an increased by Baht 23.38 million or 1.22%. Because the selling price has increased.

The ratio of cost of goods sold and sales for the year 2020 was 113% while the same period of the previous year equal to 116%. Because:

1.1) Fruit cost was higher than while in the same period 72% which effected from the dry weather, while the selling price gradually increases in accordance with the raw material prices.

1.2) Due to a shortage of fresh pineapple fruit, production volume decreased by 37%, this resulted in a higher cost per unit.

2) The company had a gain on changes in fair value of biological assets of Baht 106.44 million in the year 2020 which effected from the company has adopted TAS 41: Agriculture start from 1 January 2016 because fruit cost from farmers as at September 30, 2020, has increased which was higher than our plantation cost. While the same period of the previous year the company had a loss on changes in the fair value of biological assets of Baht 14.92 million.

3) Idle capacity cost of the company increased by Baht 43.54 million, it had fresh pineapple to produce decreasing compared with the same period of the previous year due to the drought in Thailand.

4) The company had profit on the exchange rate of Baht 8.45 million in the year 2020 while the same period of the previous year had profit on exchange rate Baht 1.34 million.

5) The company had tax income amount of Baht 50.56 million, while the same period of the previous year had tax expense Baht 34.34 million.

6) About the operation result of the associated company; Eastern Seaboard Industrial (Rayong) Co., Ltd. Therefore, the company recognized profit sharing according to the equity method in Statement of Income of the company in amount of Baht 67.48 million, decreasing from the previous year Baht 2.53 million or 3.61%.

As at 30 September 2020, the consolidated statement of financial position had a Debt to Equity Ratio at 0.22, an increased from 0.16 at the ended September 30, 2019, the main point was short-term loans from financial institutions and the associated company increasing.

Financial Status

As at 30 September 2020, the company's statements of financial position presents total assets of Baht 1,796.49 million, decreased of Baht 201.73 million from balance as at 30 September 2019 or 10.10%. The details of changes in assets and liabilities are as follows.

Assets

- Cash and cash equivalents an decreased Baht 161.49 million.
- Inventories decreased Baht 47.65 million.
- Property, plant and equipment decreased Baht 36.14 million.
- Account receivable decreased Baht 12.47 million.
- Equity securities available-for-sale decreased Baht 8.40 million.
- Current biological assets decreased Baht 6.06 million.
- Deferred tax assets increased Baht 49.99 million.
- Biological assets increased Baht 21.74 million.

Liabilities

The company's total liabilities were Baht 323.07 million, an increased by Baht 47.02 as at 30 September 2019 million from the previous year or 17.03%. The main transactions were increased in Short-term loan from associate increased Baht 34.00 million, Short-term loans from financial institutions increased Baht 20 million, Account payable decreased Baht 8.67 million.

The Shareholders' Equity

In 2020, the balance was Baht 1,473.42 million, decreased by Baht 248.75 million from balance as at 30 September 2019 or 14.44%, net loss from operating for year 2020 amount Baht 246.57 million and decreased in other comprehensive income Baht 2.18 million.

Statement of Cash Flow

The statement of cash flow for year ended 30 September 2020 shows that the company had cash and cash equivalents decreased from balance as at September 30, 2019 by Baht 161.48 million. The cash flow was separated from each activity as the following :



1. Net cash flow used in operating activities in the amount of Baht (136.07) million, there were main activities as the following :

- Cash used in operation.	(223.44)	Million Baht
- Cash used in employee benefit.	(12.37)	Million Baht
- Cash used in account payable	(8.66)	Million Baht
- Cash received from inventories.	80.03	Million Baht
- Cash received from trade accounts receivable.	13.69	Million Baht
- Cash received from other current assets	4.96	Million Baht
- Cash used in other payables	4.78	Million Baht
- Cash received in advances of goods decreased.	4.37	Million Baht

2. Net cash flow received from investing activities in the amount of Baht (76.65) million, there were main activities as the following :

- Cash used for increasing crop of biological assets.	(135.52)	Million Baht
- Cash used in purchases of property, plant and equipment.	(17.58)	Million Baht
- Cash received from dividend from associated company.	70.73	Million Baht
- Cash received proceeds from reduction in value of investment units of available for-sale investments	3.94	Million Baht
- Cash received from Interest .	1.48	Million Baht

3. Net cash flow used in financing activities in the amount of Baht 51.24 million, there were main activities as the following :

- Proceeds from short-term borrowings from associate	34.00	Million Baht
- Proceeds from short-term borrowings from financial institution	20.00	Million Baht
- Payment by a lessee for reduction of the outstanding liability relating to a finance lease.	(1.77)	Million Baht
- Interest paid.	(0.99)	Million Baht

Report of the Accountability of the Board of Directors to the Company's Financial Report

The Board of Directors of Siam Food Products Public Company Limited gives core significance to the managing and monitoring of company's business to comply with good governance and assumes the responsibility on financial statement and financial information in Annual Report 2020, prepared under the generally-accepted accounting principles in Thailand, by choosing appropriate accounting policy and regularly observes it. The Board has exercised its careful discretion and rational estimate for this preparation including disclosing of major data sufficiently in the Note to Financial Statement to create transparency and benefits to shareholders and general investors.

The Board of Directors has provided the Risk Management System and effective Internal Control System in order to reasonably create confidence that the accounting data is accurate, valid and sufficient for the custody of property and to prevent any wrongdoing or in any materially unsuitable implementation and to be convinced that all connecting particulars that may inflict conflict are correct and true for its normal business to maximize benefits and it complies with the law and related rules. The Review Committee has already reported to the Board of Directors, including its opinion as attached in the Review Report as shown in Annual Report.

The Board of Directors holds the opinion that the overall Internal Control System is satisfactory and can build up confidence reasonably on the accountability of company's Statement of Financial Position and Income Statements for the year ended of September 30, 2020. The company's auditor has examined it under the generally-accepted accounting principles and holds the opinion that the Financial Statement reflects accurate financial status and performance in its essential statement under the generally-accepted accounting principles.



(Mr. Thien Mekanontchai)

Chairman



(Mr. Charnvit Subsanyakorn)

Director and President



Independent Auditor's Report

To the Shareholders of Siam Food Products Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Siam Food Products Public Company Limited and its subsidiaries (the “Group”) and of Siam Food Products Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 30 September 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 30 September 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 statement 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 deferred tax assets	
Refer to notes 4 (w) and 22 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Company has recognised deferred tax assets arising from loss carry forward of Baht 68.08 million. The tax losses will expire over the coming years 2023 to 2024. The recoverability of the deferred tax assets depends on the availability of sufficient taxable profits in coming years to offset the loss carry forwards before they expire. Management prepared forecasts showing sufficient future taxable profits. The preparation of forecasts requires significant judgement in determining the key assumptions, in particular regarding sale quantities and future pricing, demand for products, cost of purchases and labor.</p> <p>Because of the judgements required, the estimations uncertainty involved and the fact that the Group and the Company are currently loss making, this was an area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding the basis of forecasting future taxable profit; • assessing the reasonableness of the key assumptions used by management by comparison with internal and external sources, analysis of historical trends, comparison between budgets and actual results. • carrying out a sensitivity analysis of the key assumptions. • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards

Valuation of investments in subsidiaries and property, plant and equipment of the Group	
Refer to notes 4 (h), 4 (j), 12 and 14 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group and the Company have operating losses and the subsidiaries accumulated losses over many years. This indicates that investments in subsidiaries and the Group's property, plant and equipment potentially are impaired. The management considers the impairment at the reporting date by estimating the recoverable amount of investments in subsidiaries and property, plant and equipment based on their value in use, determined by discounting expected future cash flows from its operations.</p> <p>Because the projection of cash flows involves a significant level of judgment by management in determining the key assumptions. Therefore, this was an area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding the process of identifying impairment indicators and considering the assessment of impairment on investments in subsidiaries and property, plant and equipment; • assessing the reasonableness of the key assumptions use by management in the forecast of future profit and cash flows such as quantities of pineapples processed, purchase and sales prices as well as the discount rate, by comparing with internal and external sources of information and considering the operation plan approved by management against actual and historical results, and consulting with valuation specialist regarding the financial methodologies used in the calculating the estimates and discount rate. • Understanding the process and valuation methods of land and buildings, assessing the independence, competency, professional qualifications and experience of the external expert. • evaluating the sensitivity of key assumptions used in future cash flows projection which affect to the recoverable amount of cash-generating unit; • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

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.



(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
24 November 2020



Siam Food Products Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September		30 September	
		2020	2019	2020	2019
		(in Baht)			
Current assets					
Cash and cash equivalents	6	189,533,887	351,017,515	185,936,417	347,670,910
Trade accounts receivable	5, 7	118,201,069	130,669,320	118,201,069	130,669,320
Other receivables	5	12,135,557	11,698,982	36,039,149	20,702,700
Short-term loans to subsidiary	5	-	-	285,000,000	149,000,000
Inventories	8	364,415,472	412,072,803	314,724,769	341,522,477
Current biological assets	9	4,860,682	10,923,432	4,860,682	10,923,432
Other current assets		4,978,889	9,941,866	4,713,103	9,295,071
Total current assets		694,125,556	926,323,918	949,475,189	1,009,783,910
Non-current assets					
Available-for-sale investment	10	151,238,880	159,641,040	151,238,880	159,641,040
Investment in associate	11	78,241,817	72,362,921	63,200,000	63,200,000
Investments in subsidiaries	12	-	-	74,755,705	197,355,705
Investment properties	13	63,818,134	64,003,826	63,818,134	64,003,826
Property, plant and equipment	14	555,117,376	591,256,959	483,023,399	515,484,441
Intangible assets		803,418	1,379,290	803,398	1,379,270
Non-current biological assets	9	156,150,934	134,409,916	97,071,477	92,064,580
Deferred tax assets	22	89,099,901	39,113,223	76,967,632	31,912,056
Other non-current assets	5	7,890,235	9,729,281	7,285,890	9,108,365
Total non-current assets		1,102,360,695	1,071,896,456	1,018,164,515	1,134,149,283
Total assets		1,796,486,251	1,998,220,374	1,967,639,704	2,143,933,193

Siam Food Products Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		30 September		30 September	
Liabilities and equity		2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Short-term loans from financial institution	15	20,000,000	-	20,000,000	-
Trade accounts payable	5	82,383,732	91,047,745	81,203,236	84,101,896
Other payables	5	73,388,582	67,806,210	67,870,686	58,763,535
Advances received from sale of goods		12,009,600	7,639,709	11,991,701	7,621,810
Short-term loan from associate	5, 15	34,000,000	-	34,000,000	-
Other current liabilities		1,762,436	3,287,257	1,714,893	3,200,053
Total current liabilities		223,544,350	169,780,921	216,780,516	153,687,294
Non-current liabilities					
Non-current provisions for employee benefits	16	98,026,748	103,690,135	94,810,295	99,561,347
Other non-current liabilities		1,495,007	2,580,625	1,384,759	2,470,377
Total non-current liabilities		99,521,755	106,270,760	96,195,054	102,031,724
Total liabilities		323,066,105	276,051,681	312,975,570	255,719,018
Equity					
Share capital:	17				
Authorised share capital					
(30,000,000 ordinary shares, par value at Baht 10 per share)		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up share capital					
(21,000,000 ordinary shares, par value at Baht 10 per share)		210,000,000	210,000,000	210,000,000	210,000,000
Share premium on ordinary shares	17	360,812,498	360,812,498	360,812,498	360,812,498
Retained earnings					
Legal reserve	18	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		1,035,738,819	1,280,027,748	1,216,982,804	1,446,073,237
Other component of equity	18	(163,131,168)	(158,671,560)	(163,131,168)	(158,671,560)
Equity attributable to owners of the parent		1,473,420,149	1,722,168,686	1,654,664,134	1,888,214,175
Non-controlling interests		(3)	7	-	-
Total equity		1,473,420,146	1,722,168,693	1,654,664,134	1,888,214,175
Total liabilities and equity		1,796,486,251	1,998,220,374	1,967,639,704	2,143,933,193



Siam Food Products Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
	Note	2020	2019	2020	2019
		(in Baht)			
Revenue					
Revenue from sale of goods	3, 5	1,941,186,711	1,917,808,926	1,929,238,264	1,916,293,774
Investment income	5	10,609,868	19,059,339	89,720,311	140,568,098
Gain on remeasuring biological assets	9	106,437,529	14,916,137	102,626,204	14,927,745
Net foreign exchange gain		8,448,146	1,339,158	8,448,146	1,339,158
Other income	5	15,315,240	18,887,003	14,524,711	18,032,194
Total revenue		2,081,997,494	1,972,010,563	2,144,557,636	2,091,160,969
Expenses					
Cost of sales of goods	5, 21	2,186,427,752	2,233,771,814	2,050,535,250	2,164,917,628
Distribution costs	3, 5, 21	65,699,299	83,136,323	59,701,959	74,530,223
Administrative expenses	5, 21	108,118,474	114,750,694	114,478,086	118,874,208
Idle expenses		85,349,829	41,807,784	73,232,023	28,738,939
Loss on impairment of investment in subsidiary	12	-	-	122,600,000	-
Finance costs	5	1,008,923	1,274,643	1,008,597	1,274,234
Total expenses		2,446,604,277	2,474,741,258	2,421,555,915	2,388,335,232
Share of profit of associate accounted for using equity method, net of income tax	5, 11	67,478,896	70,010,312	-	-
Loss before income tax expense		(297,127,887)	(432,720,383)	(276,998,279)	(297,174,263)
Tax expense (income)	22	(50,557,132)	34,339,609	(45,626,030)	23,227,392
Loss for the year		(246,570,755)	(467,059,992)	(231,372,249)	(320,401,655)

Siam Food Products Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
	Note	2020	2019	2020	2019
		(in Baht)			
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Loss on remeasuring available-for-sale investments	10	(4,459,608)	(14,865,360)	(4,459,608)	(14,865,360)
Income tax relating to items that will be reclassified subsequently to profit or loss		-	-	-	-
Total items that will be reclassified subsequently to profit or loss		(4,459,608)	(14,865,360)	(4,459,608)	(14,865,360)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain (loss) on remeasurements of defined benefit plans	16	2,852,270	(10,321,550)	2,852,270	(10,815,143)
Share of other comprehensive income of associate accounted for using equity method, net of income tax	5, 11	-	476,946	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	22	(570,454)	2,064,310	(570,454)	2,163,029
Total items that will not be reclassified subsequently to profit or loss		2,281,816	(7,780,294)	2,281,816	(8,652,114)
Other comprehensive income (expense) for the year, net of income tax		(2,177,792)	(22,645,654)	(2,177,792)	(23,517,474)
Total comprehensive income (expense) for the year		(248,748,547)	(489,705,646)	(233,550,041)	(343,919,129)
Loss attributable to:					
Owners of the parent		(246,570,745)	(467,059,981)	(231,372,249)	(320,401,655)
Non-controlling interests		(10)	(11)	-	-
Loss for the year		(246,570,755)	(467,059,992)	(231,372,249)	(320,401,655)
Total comprehensive income (expense) attributable to:					
Owners of the parent		(248,748,537)	(489,705,635)	(233,550,041)	(343,919,129)
Non-controlling interests		(10)	(11)	-	-
Total comprehensive income (expense) for the year		(248,748,547)	(489,705,646)	(233,550,041)	(343,919,129)
Loss per share	23	(11.74)	(22.24)	(11.02)	(15.26)



Siam Food Products Public Company Limited and its Subsidiaries

Statement of changes in equity

		Consolidated financial statements					
	Note	Retained earnings			Equity attributable to owners of the parent	Non-controlling interests	Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Losses on remeasuring available-for-sale investments	
Year ended 30 September 2019							
Balance at 1 October 2018		210,000,000	360,812,498	30,000,000	1,922,868,023	(143,806,200)	2,379,874,321
Transactions with owners, recorded directly in equity							18
Dividends to owners of the Company	24	-	-	-	(168,000,000)	-	(168,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(168,000,000)	-	(168,000,000)
Comprehensive income (expense) for the year							
Loss		-	-	-	(467,059,981)	-	(467,059,992)
Other comprehensive income (expense)		-	-	-	(7,780,294)	(14,865,360)	(22,645,654)
Total comprehensive income (expense) for the year		-	-	-	(474,840,275)	(14,865,360)	(489,705,646)
Balance at 30 September 2019		210,000,000	360,812,498	30,000,000	1,280,027,748	(158,671,560)	1,722,168,693
Year ended 30 September 2020							
Balance at 1 October 2019		210,000,000	360,812,498	30,000,000	1,280,027,748	(158,671,560)	1,722,168,693
Comprehensive income (expense) for the year							
Loss		-	-	-	(246,570,745)	-	(246,570,755)
Other comprehensive income (expense)		-	-	-	2,281,816	(4,459,608)	(2,177,792)
Total comprehensive income (expense) for the year		-	-	-	(244,288,929)	(4,459,608)	(248,748,547)
Balance at 30 September 2020		210,000,000	360,812,498	30,000,000	1,035,738,819	(163,131,168)	1,473,420,146

Siam Food Products Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements

		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Losses on remeasuring available-for-sale investments	Total equity
Year ended 30 September 2019							
Balance at 1 October 2018		210,000,000	360,812,498	30,000,000	1,943,127,006	(143,806,200)	2,400,133,304
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	24	-	-	-	(168,000,000)	-	(168,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(168,000,000)	-	(168,000,000)
Comprehensive income (expense) for the year							
Loss		-	-	-	(320,401,655)	-	(320,401,655)
Other comprehensive income (expense)		-	-	-	(8,652,114)	(14,865,360)	(23,517,474)
Total comprehensive income (expense) for the year		-	-	-	(329,053,769)	(14,865,360)	(343,919,129)
Balance at 30 September 2019		210,000,000	360,812,498	30,000,000	1,446,073,237	(158,671,560)	1,888,214,175
Year ended 30 September 2020							
Balance at 1 October 2019		210,000,000	360,812,498	30,000,000	1,446,073,237	(158,671,560)	1,888,214,175
Comprehensive income (expense) for the year							
Loss		-	-	-	(231,372,249)	-	(231,372,249)
Other comprehensive income (expense)		-	-	-	2,281,816	(4,459,608)	(2,177,792)
Total comprehensive income (expense) for the year		-	-	-	(229,090,433)	(4,459,608)	(233,550,041)
Balance at 30 September 2020		210,000,000	360,812,498	30,000,000	1,216,982,804	(163,131,168)	1,654,664,134

Siam Food Products Public Company Limited and its Subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Loss for the year		(246,570,755)	(467,059,992)	(231,372,249)	(320,401,655)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>					
Tax expense (income)	22	(50,557,132)	34,339,609	(45,626,030)	23,227,392
Finance costs		1,008,923	1,274,643	1,008,597	1,274,234
Depreciation and amortisation		49,882,715	55,479,663	47,267,155	51,344,276
Impairment loss on investment in subsidiaries	12	-	-	122,600,000	-
Unrealised loss on exchange rates		96,180	414,698	96,180	414,698
Gain on remeasuring biological assets	9	(106,437,529)	(14,916,137)	(102,626,204)	(14,927,745)
Share of profit of associate accounted for using equity method, net of income tax	5, 11	(67,478,896)	(70,010,312)	-	-
(Reversal of) loss on inventories devaluation	8	(32,656,781)	54,096,755	(33,119,937)	60,670,496
Decrease from harvest/sale of biological assets	9	230,067,480	133,944,162	221,673,839	132,287,220
(Gain) loss on disposal of equipment		(18,370)	453,377	(17,217)	375,325
(Gain) loss on disposal of spare parts and factory supplies		282,924	(262,164)	286,716	(270,243)
Employee benefits expense	16	9,554,679	23,067,046	8,696,604	22,290,715
Dividends income		(9,129,270)	(10,667,512)	(70,729,270)	(117,467,512)
Interest income		(1,480,598)	(8,391,827)	(5,191,041)	(9,560,264)
		(223,436,430)	(268,237,991)	(87,052,857)	(170,743,063)
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		13,687,516	12,180,762	13,687,516	11,875,612
Other receivables		(436,575)	10,770,787	(13,867,000)	3,073,465
Inventories		80,031,188	5,669,981	59,630,929	45,090,790
Other current assets		4,962,977	2,515,248	4,581,968	2,979,491
Other non-current assets		2,695,547	1,729,924	2,674,546	1,701,924
Trade accounts payable		(8,664,013)	(15,458,503)	(2,898,660)	(17,298,751)
Other payables		4,783,356	(20,471,152)	8,308,135	(12,745,270)
Advances received from sale of goods		4,369,891	1,161,651	4,369,891	1,161,651
Other current liabilities		(747,865)	(5,307)	(708,204)	14,437
Other non-current liabilities		(96,045)	1,455,176	(96,045)	1,344,928
Employee benefit paid		(12,365,796)	(10,660,651)	(10,595,386)	(10,506,995)
Net cash used in operating		(135,216,249)	(279,350,075)	(21,965,167)	(144,051,781)
Taxes paid		(856,501)	(509,223)	(852,071)	(506,478)
Net cash used in operating activities		(136,072,750)	(279,859,298)	(22,817,238)	(144,558,259)

Siam Food Products Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2020	2019	2020	2019
(in Baht)					
Cash flows from investing activities					
Proceeds from reduction in value of investment units of available-for-sale investments	10	3,942,552	-	3,942,552	-
Proceeds from reduction in ordinary shares of associate	11	-	80,000,000	-	80,000,000
Proceeds from redemption of debt securities held to maturity		-	175,000,000	-	175,000,000
Proceeds from sale of equipment		336,892	146,536	335,729	143,594
Acquisition of plant and equipment		(17,583,769)	(44,500,204)	(17,281,057)	(226,287,237)
Acquisition of intangible assets		(38,905)	-	(38,905)	-
Proceeds from repayment of short-term loans to subsidiary	5	-	-	76,000,000	143,000,000
Increase in short-term loans to subsidiary	5	-	-	(212,000,000)	(203,000,000)
Proceeds from repayment of long-term loans to subsidiary	5	-	-	-	85,000,000
Increase from crop of biological assets	9	(135,517,710)	(145,553,026)	(115,566,956)	(127,140,680)
Dividends received		70,729,270	117,467,512	70,729,270	117,467,512
Interest received		1,480,598	7,882,265	3,721,592	10,094,524
Net cash from (used in) investing activities		(76,651,072)	190,443,083	(190,157,775)	54,277,713
Cash flows from financing activities					
Proceeds from short-term loans from financial institution		210,000,000	-	210,000,000	-
Repayment of short-term loans from financial institution		(190,000,000)	-	(190,000,000)	-
Proceeds from short-term loans from associate	5	40,000,000	-	40,000,000	-
Repayment of short-term loans from associate	5	(6,000,000)	(100,000,000)	(6,000,000)	(100,000,000)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease		(1,766,529)	(1,722,855)	(1,766,529)	(1,722,855)
Dividends paid to owners of the Company	24	-	(168,000,000)	-	(168,000,000)
Interest paid		(992,156)	(1,584,651)	(991,830)	(1,584,242)
Net cash from (used in) financing activities		51,241,315	(271,307,506)	51,241,641	(271,307,097)
Net decrease in cash and cash equivalents before effect of exchange rates		(161,482,507)	(360,723,721)	(161,733,372)	(361,587,643)
Effect of exchange rate changes on cash and cash equivalents		(1,121)	(6,916)	(1,121)	(6,916)
Net decrease in cash and cash equivalents		(161,483,628)	(360,730,637)	(161,734,493)	(361,594,559)
Cash and cash equivalents at beginning of period		351,017,515	711,748,152	347,670,910	709,265,469
Cash and cash equivalents at end of period	6	189,533,887	351,017,515	185,936,417	347,670,910
Non-cash transactions					
Decrease in fair value of available-for-sale investments		(4,459,608)	(14,865,360)	(4,459,608)	(14,865,360)
Payables for acquisition of machinery and equipment		395,600	927,675	395,600	927,675
Using finance lease agreements to purchase of equipment		-	1,596,790	-	1,596,790



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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 November 2020.

1 General information

Siam Food Products Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered office at 1 Empire Tower, 43rd Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok. The cannery office of the Company is located at 218 Moo 8, Super Highway Road (Sattaheep-Chachoengsao), Nong-Irun, Banbung, Chonburi.

The Company’s major shareholder during the financial year was Plantheon Company Limited, (70.85% shareholding), which is incorporated in Thailand.

The principal activities of the Group are the growing, manufacturing and distribution of processed food from agricultural products for export that consists of pineapple and other fruits segment. The main products are pineapples in can, aseptic bag and plastic bag, pineapple juice concentrate, other fruits in can and plastic cups and canned pineapple juice. Details of the Company’s subsidiaries as at 30 September 2020 and 2019 are given in note 12.

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 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue* and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3

In addition, the Group’s 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. Those new and revised TFRS that are relevant to the Group’s operations and disclosed in note 28.

(b) Functional and presentation currency

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

(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.



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Notes to the financial statements

For the year ended 30 September 2020

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 30 September 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:

- 16 Measurement of defined benefit obligations: key actuarial assumptions; and
- 22 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

3 Change in accounting policies

From 1 October 2019, the Group has adopted TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard. Therefore, the Group has not restated the information presented for 2019, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

Under TFRS 15, the Group recognises revenue 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 after deduction of any trade discounts and volume rebates. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods were transferred to the buyer, and recognised revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue was recognised if there was continuing management involvement with the goods or there were significant uncertainties regarding recovery of the consideration due.

Payment to a customer

The Group makes commission payments to its some customers in accordance with sale conditions agreed upon in the sale order. Under TAS 18, the Group recognised such amounts as distribution costs. Under TFRS 15, it is required that the Group will consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

The following tables summarise the impacts of adopting of TFRS 15 on the financial statements:

<i>Statement of comprehensive income for the year ended 30 September 2020</i>	Consolidated financial statements			Separate financial statements		
	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15 (in thousand Baht)	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15
Revenue from sale of goods	1,941,187	(5,828)	1,947,015	1,929,238	(5,828)	1,935,066
Distribution costs	65,699	(5,828)	71,527	59,702	(5,828)	65,530

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Notes to the financial statements

For the year ended 30 September 2020

4 Significant accounting policies

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

Non-controlling interests

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

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

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

Interests in associates are accounted for using the equity method. They are 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 or joint control ceases.

Transactions eliminated on consolidation

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

(b) *Foreign currencies*

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



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Notes to the financial statements

For the year ended 30 September 2020

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) *Derivatives*

Derivatives are used to manage exposure to foreign exchange arising from operational activities. Derivatives are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(d) *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 equivalents for the purpose of the statement of cash flows.

(e) *Trade and other accounts receivable*

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

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories. Bad debts are written off when incurred.

(f) *Inventories*

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

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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.

(g) *Biological assets*

Biological assets comprise of matured pineapple fruit is separately presented under current assets in the statement of financial position, and immature pineapple plant and pineapple fruit, are separately presented under non-current assets in the statement of financial position.

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Notes to the financial statements

For the year ended 30 September 2020

Biological assets are measured at fair value less costs to sell, unless the fair value cannot be measured reliably, then biological assets shall be measured at cost less accumulated impairment losses. Gains or losses arising from changes in fair value less costs to sell of biological assets are recognised in profit or loss.

Cost of biological assets includes all costs incurred from the acquisition of biological assets and throughout the growth cycle e.g. cost of pineapple sprout, fertilizer costs, labour costs, overhead costs and other cropping costs. Biological assets mainly used as raw materials to produce goods for sale that will be transferred to raw materials costs when they are harvested or cost of sale when they are sold at fair value at the point of harvest.

(h) *Investments*

Investments in an associate and subsidiaries

Investments in an associate and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investment in an associate in the consolidated financial statements is accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

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

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

The fair value of financial instruments classified as held-for-trading and 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.



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Notes to the financial statements

For the year ended 30 September 2020

(i) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

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

Land improvement	5 years
Buildings, other constructions and equipment	5 - 20 years

No depreciation is provided on freehold land.

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and 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 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.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. 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.

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Notes to the financial statements

For the year ended 30 September 2020

Subsequent costs

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

Depreciation

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5 years
Buildings, other constructions and building improvements	5 - 20 years
Machinery and equipment	3 - 20 years
Machinery and equipment for rent	15 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

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

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

(k) Intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

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

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

Software license	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.



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Notes to the financial statements

For the year ended 30 September 2020

(l) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that has indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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

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

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised as stated in the agreement.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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Notes to the financial statements

For the year ended 30 September 2020

(o) *Employee benefits*

Contribution plans

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

Defined benefit plans

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

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

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 as a result of contributions and benefit payments. 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.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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.

(p) *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.



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Notes to the financial statements

For the year ended 30 September 2020

(q) Measurement of fair values

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.

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

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

Significant valuation issues are reported to the Group's Audit Committee.

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.

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.

(r) Revenue

Information about the Group's accounting policies is disclosed in note 3.

(s) Rental income

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

(t) Investment income

Investment income comprises dividend and interest income. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

(u) Finance costs

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

(v) Lease payments

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

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

(w) 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 items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries 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 and deferred 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.



Siam Food Products Public Company Limited and its Subsidiaries

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For the year ended 30 September 2020

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.

(x) *Earnings (loss) per share*

The Group presents earnings (loss) per share (EPS) data for its ordinary shares. 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 period.

(y) *Related parties*

A related party is a person or entity that has direct or indirect control or joint 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 joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment.

5 Related parties

Relationships with associate and subsidiaries are described in notes 11 and 12. 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	Thailand	Persons having authority and responsibility for for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Plantheon Co., Ltd.	Thailand	Major shareholder and common directors
Indara Insurance Public Co., Ltd.	Thailand	Common group of major shareholder
Horeca Management Co., Ltd.	Thailand	Major shareholder have common directors
Havi Logistics (Thailand) Co., Ltd.	Thailand	Major shareholder have common directors
Southeast Capital Co., Ltd.	Thailand	Common directors with major shareholder of the Company
Southeast Insurance Public Co., Ltd.	Thailand	Common directors with major shareholder of the Company
Concept Land 2 Co., Ltd.	Thailand	Director's relative is indirectly principal shareholder

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Notes to the financial statements

For the year ended 30 September 2020

Name of entities	Country of incorporation/ nationality	Nature of relationships
T.C.C. Commercial Property Management Co., Ltd.	Thailand	Director is relatives with director of major shareholder of the Company
Top Asset Security and Service Co., Ltd.	Thailand	Common directors
T.C.C. Technology Co., Ltd.	Thailand	Common directors
Deesermkit Co., Ltd.	Thailand	Common directors
Terragro Fertilizer Co., Ltd.	Thailand	Common directors
Thip Sugar Kamphaengphet Co., Ltd.	Thailand	Common directors
Pornpattanasin Co., Ltd.	Thailand	Common directors
United Winery and Distillery Co., Ltd.	Thailand	Common directors
Pattavia Golf Club Co., Ltd.	Thailand	Common directors
TCC Assets (Thailand) Co., Ltd.	Thailand	Common directors
TCC Hotel Collection Co., Ltd.	Thailand	Common directors
Watthanapat Trading Co., Ltd.	Thailand	Common directors
Cristalla Co., Ltd.	Thailand	Common directors
Plantheon Trading Co., Ltd.	Thailand	Common directors
North Park Golf And Sport Club Co., Ltd.	Thailand	Common directors
Oishi Food Service Co., Ltd.	Thailand	Common directors
The Residence 9 Co., Ltd.	Thailand	Common directors
Golden Wealth Co., Ltd.	Thailand	Common directors
Thai Beverage Public Co., Ltd.	Thailand	Common director
Frasers Property (Thailand) Public Co., Ltd.	Thailand	Common directors

The pricing policies for transactions with related parties are explained further below:

Transactions

Revenue from sale of goods

Sale of packaging

Asset rental income

Sale of fixed assets and other assets

Dividend income

Interest income

Other income

Purchase of raw materials

Purchase of goods

Purchase of fixed assets and other assets

Operating lease expense

Director remuneration

Interest expense

Other expenses

Pricing policies

Market price

Mutually agreed prices

Contractually agreed price

Mutually agreed prices

In accordance with the resolution of shareholders' meeting

Mutually agreed rate based on the Company's average cost of capital plus 0.05% or not less than deposit interest rate that the Company received

Mutually agreed prices

Market price

Mutually agreed prices

Mutually agreed prices

Contractually agreed price

In accordance with the resolution of shareholders' meeting

Mutually agreed rate based on the 12-month fixed deposit rate for individual plus 0.15%

Mutually agreed prices



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For the year ended 30 September 2020

Significant transactions for the years ended 30 September with related parties were as follows:

<i>Year ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods	-	-	11	-
Sale of packaging	-	-	1,046	1,833
Assets rental income	-	-	13,800	13,540
Interest income	-	-	3,723	1,189
Other income	-	-	748	1,223
Purchase of goods	-	-	435,050	333,816
Associate				
Dividend income	-	-	61,600	106,800
Interest expense	116	1,060	116	1,060
Share of profit of associate accounted for using equity method, net of income tax	67,479	70,010	-	-
Share of other comprehensive income of associate accounted for using equity method, net of income tax	-	477	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	41,122	47,914	41,122	47,914
Post-employment benefits	3,114	4,751	3,114	4,751
Other long-term benefits	4	4	4	4
Total key management personnel compensation	<u>44,240</u>	<u>52,669</u>	<u>44,240</u>	<u>52,669</u>
Other related parties				
Revenue from sale of goods	39,576	310	39,576	310
Other income	9	4	9	4
Purchase of raw materials	38,331	57,705	27,952	46,767
Purchase of fixed assets	300	-	-	-
Operating lease expense	22,862	23,300	19,965	20,290
Other expenses	8,876	7,774	4,062	2,448

Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 22 January 2020, the shareholders approved the directors' remuneration for the year 2020 in the amount not exceeding Baht 15 million.

At the annual general meeting of the shareholders of the Company held on 24 January 2019, the shareholders approved the directors' remuneration for the year 2019 in the amount not exceeding Baht 15 million.

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

Balance as at 30 September 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>			
Other related party	11,490	-	11,490	-

<i>Other receivables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	26,594	10,987
Other related parties	632	613	423	403
Total	632	613	27,017	11,390

<i>Movement of loans to subsidiary</i>	Interest rate	Separate financial statements			
	At end of period (% per annum)	At beginning of period	Increase	Decrease	At end of period
			<i>(in thousand Baht)</i>		
2020					
Short-term	1.11 - 1.60	149,000	212,000	(76,000)	285,000
2019					
Short-term	2.00	89,000	203,000	(143,000)	149,000
Current portion of long-term	2.50	85,000	-	(85,000)	-
Total		174,000			149,000

<i>Deposit paid (a part of other non-current assets in statement of financial position)</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	3,725	3,892	3,181	3,349

<i>Trade accounts payable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	2,567	3,575	2,267	3,409

<i>Other payables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associate	17	-	17	-
Key management personnel	2,345	2,314	2,345	2,314
Other related parties	5,283	6,470	3,923	2,449
Total	7,645	8,784	6,285	4,763



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

<i>Movement of loans from associate</i>	Interest rate At end of period (% per annum)	Consolidated financial statements/ Separate financial statements			
		At beginning of period	Increase (in thousand Baht)	Decrease	At end of period
2020					
Short-term	0.60	<u>-</u>	40,000	(6,000)	<u>34,000</u>
2019					
Short-term	1.45	<u>100,000</u>	-	(100,000)	<u>-</u>
Commitments with related parties		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Future minimum lease payment under non-cancellable operating lease					
Within 1 year		16,198	19,130	13,713	16,660
1 - 5 years		<u>13,380</u>	<u>18,911</u>	<u>12,056</u>	<u>15,373</u>
Total		<u>29,578</u>	<u>38,041</u>	<u>25,769</u>	<u>32,033</u>

Significant agreements with related parties

Machinery and equipment rental agreement

On 8 October 2018, the Company entered into machinery and equipment rental agreement with Quality Pineapple Products Co., Ltd., its subsidiary. The agreement was for a period of 3 years commencing from 8 October 2018 to 7 October 2021. The said subsidiary is committed to pay a rental fee to the Company at the rate as stipulated in the agreement.

Land lease agreements

On 30 November 2017, the Company entered into a land lease agreement with Pattavia Golf Club Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 1 January 2018 to 31 December 2020. The Company is committed to pay a rental fee at the rate as stipulated in the agreement.

On 1 January 2019, the Company entered into a land lease agreement with Concept Land 2 Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 1 January 2019 to 31 December 2021. The Company is committed to pay a rental fee at the rate as stipulated in the agreement.

On 1 October 2019, Quality Pineapple Products Company Limited, its subsidiary, entered into a land lease agreement with Deesermkit Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 1 October 2019 to 30 September 2022. The said subsidiary is committed to pay a rental fee at the rate as stipulated in the agreement.

On 10 November 2018, Quality Pineapple Products Co., Ltd., its subsidiary, entered into a land lease agreement with Deesermkit Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 10 November 2018 to 9 November 2021. The said subsidiary is committed to pay a rental fee at the rate as stipulated in the agreement.

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

Building lease and service agreements

On 6 October 2017, the Company entered into a building lease and service agreements with T.C.C. Commercial Property Management Co., Ltd., its related company. The said agreements was for a period of 3 years commencing from 26 December 2017 to 25 December 2020. The Company is committed to pay a rental and service fees at the rate as stipulated in the agreements.

Telephone manage hosting service agreements and computer equipment agreements

The Company and its subsidiary entered into telephone manage hosting service agreements and computer equipment agreements with T.C.C. Technology Co., Ltd., their related company. The agreements were for a period of 1 year to 5 years and the agreements will expire during 2021 to 2023. The Company and its subsidiary are committed to pay service fees at the rate as stipulated in the agreements.

Car rental agreements

The Company and its subsidiary entered into car rental agreements with Southeast Capital Co., Ltd., their related company. The agreements were for a period of 5 years and the agreements will expire in 2023. The Company and its subsidiary are committed to pay rental fees at the rate as stipulated in the agreements.

Area lease for server computer agreement

On 1 September 2020, the Company entered into area lease for server computer agreement with T.C.C. Technology Co., Ltd., its related company. The agreement was for a period of 1 year commencing from 1 September 2020 to 31 August 2021. The Company is committed to pay a service fee at the rate as stipulated in the agreement.

Employment agreements

During the year, the Company entered into employment agreements with key management personels for providing the business management consultation to the Company. The agreements were for a period of 1 year commencing from 1 January 2020 to 31 December 2020. The Company is committed to pay a remuneration at the rate as stipulated in the agreements.

Consulting services agreement

On 15 January 2020, the Company entered into a consulting services agreement with Frasers Property (Thailand) Public Company Limited, its related company, whereby the related company agreed to provide the services and consulting regarding the project as specific in the agreement to the Company. The agreement was for a period of 2 years commencing from 15 January 2020 to 14 January 2022. The Company is committed to pay annual remuneration as stipulated in the agreement.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	85	85	60	60
Cash at banks - current accounts	16,911	13,067	13,995	10,729
Cash at banks - savings accounts	172,538	117,866	171,881	116,882
Government bond	-	220,000	-	220,000
Cash and cash equivalents	189,534	351,018	185,936	347,671



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Related party	5				
Within credit terms		5,092	-	5,092	-
Overdue less than 3 months		6,398	-	6,398	-
		11,490	-	11,490	-
Other parties					
Within credit terms		82,544	94,734	82,544	94,734
Overdue:					
Less than 3 months		24,167	35,929	24,167	35,929
6 - 12 months		-	6	-	6
		106,711	130,669	106,711	130,669
Total		118,201	130,669	118,201	130,669

The normal credit term granted by the Group to local and foreign trade customers ranges from 7 days to 30 days and from 5 days to 90 days, respectively.

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	114,715	40,414	114,715	40,414
Semi-finished goods	250,695	394,639	205,487	332,571
Raw materials	18,669	24,095	17,456	19,009
Packaging materials	16,237	20,198	15,934	19,766
Factory supplies	10,454	12,383	8,185	10,341
Spare parts	7,982	7,338	5,994	5,587
	418,752	499,067	367,771	427,688
Less allowance for decline in value and obsolete	(54,337)	(86,994)	(53,046)	(86,166)
Net	364,415	412,073	314,725	341,522
Inventories recognised in 'cost of sales of goods'				
- Cost of sales of goods	2,219,121	2,182,385	2,083,691	2,106,957
- Write-down to net realisable value	463	57,961	-	57,961
- Reversal of write-down	(33,156)	(6,574)	(33,156)	-
Net	2,186,428	2,233,772	2,050,535	2,164,918

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

9 Biological assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current biological assets				
Biological assets-matured pineapple fruit	<u>4,861</u>	<u>10,923</u>	<u>4,861</u>	<u>10,923</u>
Non-current biological assets				
Biological assets-immature pineapple plant and pineapple fruit	<u>156,151</u>	<u>134,410</u>	<u>97,071</u>	<u>92,065</u>
Total	<u>161,012</u>	<u>145,333</u>	<u>101,932</u>	<u>102,988</u>

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Movements in biological assets				
At beginning of period	145,333	115,073	102,988	90,830
Increase from cropping	135,518	145,553	115,567	127,141
Depreciation of plant and equipment	3,790	3,736	2,425	2,377
Decrease from harvest/sale at fair value	(230,067)	(133,945)	(221,674)	(132,288)
Gains on remeasuring biological assets	<u>106,438</u>	<u>14,916</u>	<u>102,626</u>	<u>14,928</u>
At end of period	<u>161,012</u>	<u>145,333</u>	<u>101,932</u>	<u>102,988</u>

Biological assets-matured pineapple fruit are measured at fair value less costs to sell. Biological assets-immature pineapple plant and pineapple fruit, are measured at cost less accumulated impairment losses because these biological assets do not have quoted market prices. In particular, the market prices or fair values at present condition of the biological assets are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, which has changed dramatically, affects the output, future selling price, etc.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(thousand plants/thousand tons)</i>			
Estimates of physical quantities of biological assets				
Immature pineapple plant (plants)	22,621	20,869	22,111	19,333
Immature pineapple fruit (tons)	7,887	8,322	6,771	7,772
Matured pineapple fruit (tons)	329	1,828	329	1,828

The estimates of physical quantities of the group's biological assets were based on experience and historical data. The Group estimates the physical quantities of biological assets-matured pineapple fruit using actual weight that can be harvested during the one-month from reporting date, and quantities of biological assets-immature pineapple fruit using expected weight that can be harvested during the five-month from reporting date.

The fair value of biological assets-matured pineapple fruit was estimated by the Group's relevant finance department and operations team, based on purchase prices of pineapple fruit at the front of the Group's factory less estimated transportation cost from each region. The fair value of biological assets has been categorised as a Level 3.



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For the year ended 30 September 2020

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	Reference purchase prices of pineapple fruit at the front of the Group's factory. <ul style="list-style-type: none"> Matured pineapple fruit Baht 14.76 per kilogram 	The estimated fair value increase (decrease) Baht 0.49 million if the price at harvest on the reporting date are higher (lower) 10%

10 Other investments

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Long-term investments				
Equity securities available-for-sale	<u>151,239</u>	<u>159,641</u>	<u>151,239</u>	<u>159,641</u>

Dividend income for the year ended 30 September 2020 amounted to Baht 9.13 million (2019: Baht 10.67 million).

	Consolidated financial statements/Separate financial statements				
Marketable equity and debt securities	At beginning of period	Redemption	Value Reduction	Fair value adjustment	At end of period
	(in thousand Baht)				
2020					
Long-term investments					
Available-for-sale securities	<u>159,641</u>	-	(3,942)	(4,460)	<u>151,239</u>
2019					
Current investments					
Held-to-maturity investments	<u>177,472</u>	(177,472)	-	-	<u>-</u>
Long-term investments					
Available-for-sale securities	<u>174,506</u>	-	-	(14,865)	<u>159,641</u>

11 Investment in associate

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
At beginning of period		72,363	188,676	63,200	143,200
Share of profit of associate accounted for using equity method, net of income tax	5	67,479	70,010	-	-
Share of other comprehensive income of associate accounted for using equity method, net of income tax	5	-	477	-	-
Reduction of shares capital		-	(80,000)	-	(80,000)
Dividends	5	(61,600)	(106,800)	-	-
At end of period		<u>78,242</u>	<u>72,363</u>	<u>63,200</u>	<u>63,200</u>

During the year ended 30 September 2020, there was no acquisitions or disposals of investment in associate.

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Notes to the financial statements

For the year ended 30 September 2020

At the annual general meeting of the shareholders of Eastern Seaboard Industrial Estate (Rayong) Co., Ltd., its associate, held on 28 March 2019, the shareholders of associate approved a reduction of the authorised share capital from Baht 358 million (35,800,000 ordinary shares at Baht 10 par value) to Baht 158 million (15,800,000 ordinary shares at Baht 10 par value) by reducing 20,000,000 shares at Baht 10 par value. The associate registered the reduction of share capital with the Ministry of Commerce on 27 May 2019.



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

		Consolidated financial statements							
Associate	Type of business	Ownership interests		Paid-up capital		Cost	Equity method		Dividends income for the year
		2020	2019	2020	2019		2020	2019	
		(%)					(in thousand Baht)		
Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.	Real estate development	40	40	158,000	158,000	<u>63,200</u>	<u>78,242</u>	<u>72,363</u>	<u>61,600</u>
									<u>106,800</u>
		Separate financial statements							
Associate	Type of business	Ownership interests		Paid-up capital		Cost			Dividends income for the year
		2020	2019	2020	2019		2020	2019	
		(%)					(in thousand Baht)		
Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.	Real estate development	40	40	158,000	158,000	<u>63,200</u>	<u>63,200</u>	<u>63,200</u>	<u>106,800</u>

The associate was incorporated and operate in Thailand.

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

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Notes to the financial statements

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The following table summarises the financial information of the associate as included in their own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

	Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	433,797	580,966
Profit from continuing operations	168,697	175,026
Other comprehensive income	-	1,192
Total comprehensive income (100%)	168,697	176,218
Total comprehensive income of the Group's interest	67,479	70,487
Group's share of total comprehensive income	67,479	70,487
Current assets	475,954	506,814
Non-current assets	441,205	423,868
Current liabilities	(106,707)	(116,773)
Non-current liabilities	(604,714)	(622,867)
Net assets (100%)	205,738	191,042
Group's share of net assets	82,296	76,417
Eliminate of unrealised profit on sales assets to associate	(4,054)	(4,054)
Carrying amount of interest in associate	78,242	72,363



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Notes to the financial statements

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12 Investments in subsidiaries

Type of business	Separate financial statements										Dividends income for the year	
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)											
Subsidiaries	Quality Pineapple Products Co., Ltd.	Manufacturing and distribution	99.99	99.99	400,000	400,000	400,000	400,000	(325,494)	(202,894)	74,506	197,106
Siam Food (2513) Co., Ltd.	Commercial and investment	99.99	99.99	250	250	250	250	250	-	-	250	-
Total						400,250	400,250	400,250	(325,494)	(202,894)	74,756	197,356
											-	-

All subsidiaries were incorporated and operate in Thailand.

None the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

Impairment of testing for investment in subsidiaries

The recoverable amount of investment in subsidiaries amount of Baht 75 million was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations in next 3 years of Quality Pineapple Products Co., Ltd., its subsidiary. The carrying amount of investment in subsidiaries was determined to be higher than its recoverable amount, hence, an impairment loss of Baht 122 million was recognised in profit or loss during 2020 (2019: nil).

Key assumptions used in the estimation of value in use

Separate financial statements (%)

2020

Discount rate	8.00
Budgeted revenue growth rate (average of next 3 years)	13.20
Budgeted quantities of pineapples processed (average of next 3 years)	13.34

The discount rate was a post-tax measure estimated based on the business weighted average cost of capital.

The cash flow projections included specific estimates for 3 years according to the subsidiary's short-term operation plan has been discounted cash flow by using revenue growth rate and quantities of pineapples processes of each year estimated by management. Expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth and quantities of pineapples processed were projected taking into account the experienced over the past years and the estimated sales volume and price growth for the next 3 years. It was assumed that sales prices would increase inversely with quantities processed each year, in line with information obtained from internal and external brokers who publish a statistical analysis.

Following the impairment loss recognised for investment in subsidiary, the recoverable amount was equal to the carrying. Therefore, any adverse movement in a key assumption would lead to further impairment.

Effect to the estimation of value in use

Separate financial statements (in million Baht)

2020

Discount rate increase 0.5%	(5.05)
Revenue growth rate decrease 0.5%	(1.29)
Quantities of pineapples processed decrease 0.5%	(0.74)



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

13 Investment properties

	Consolidated financial statements/ Separate financial statements			
	Land	Land improvements (in thousand Baht)	Building, other constructions and building improvements	Total
Cost				
At 1 October 2018	62,854	15,943	3,883	82,680
At 30 September 2019 and 1 October 2019	62,854	15,943	3,883	82,680
At 30 September 2020	62,854	15,943	3,883	82,680
Depreciation				
At 1 October 2018	-	15,942	2,549	18,491
Depreciation charge for the year	-	-	185	185
At 30 September 2019 and 1 October 2019	-	15,942	2,734	18,676
Depreciation charge for the year	-	-	186	186
At 30 September 2020	-	15,942	2,920	18,862
Net book value				
At 30 September 2019	62,854	1	1,149	64,004
At 30 September 2020	62,854	1	963	63,818

Investment properties comprised of a plot of land and land improvement, buildings, other constructions and building improvements for rent to third parties which is in considering the new lessee.

The fair value of investment properties as at 30 September 2020 of Baht 132.76 million (2019: Baht 132.76 million) was determined by independent professional valuers, at open market values on an existing use basis. The fair value of investment properties has been categorised as a Level 3 fair value.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Cost approach		
- Land using market comparison approach	Recent adjusted sales and listings of comparable lands	The estimated fair value increase (decrease) if the market transactions of land and replacement cost are higher (lower)
- Construction using net replacement cost approach	Current replacement cost	

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

14 Property, plant and equipment

	Consolidated financial statements						
	Land	Land improvements	Buildings, other constructions and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation
				(in thousand Baht)			Total
Cost							
At 1 October 2018	179,269	144,690	610,576	1,765,169	40,751	50,748	2,804,525
Additions	-	-	-	5,016	1,817	1,138	46,935
Transfers	-	1,620	2,783	26,423	196	-	-
Disposals	-	-	(18)	(4,353)	(862)	-	(5,233)
At 30 September 2019	179,269	146,310	613,341	1,792,255	41,902	51,886	2,846,227
Additions	-	-	190	3,182	234	-	17,052
Transfers	-	-	962	14,116	660	-	-
Disposals	-	-	(331)	(11,792)	(562)	(335)	(13,020)
At 30 September 2020	179,269	146,310	614,162	1,797,761	42,234	51,551	2,850,259
Depreciation and impairment losses							
At 1 October 2018	-	135,764	495,830	1,487,246	36,495	48,524	2,203,859
Depreciation charge for the year	-	3,180	16,913	32,649	1,418	1,583	55,743
Disposals	-	-	(7)	(3,802)	(823)	-	(4,632)
At 30 September 2019	-	138,944	512,736	1,516,093	37,090	50,107	2,254,970
Depreciation charge for the year	-	2,656	14,428	33,662	1,445	682	52,873
Disposals	-	-	(277)	(11,533)	(556)	(335)	(12,701)
At 30 September 2020	-	141,600	526,887	1,538,222	37,979	50,454	2,295,142

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

Consolidated financial statements								
	Land	Land improvements	Buildings, other constructions and building improvements	Machinery and equipment <i>(in thousand Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
At 30 September 2019								
Owned assets	179,269	7,366	100,605	276,162	1,046	1,779	21,264	587,491
Assets under finance leases	-	-	-	-	3,766	-	-	3,766
	179,269	7,366	100,605	276,162	4,812	1,779	21,264	591,257
At 30 September 2020								
Owned assets	179,269	4,710	87,275	259,539	1,541	1,097	18,972	552,403
Assets under finance leases	-	-	-	-	2,714	-	-	2,714
	179,269	4,710	87,275	259,539	4,255	1,097	18,972	555,117

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Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

Separate financial statements									
	Land	Land improvements	Buildings, other constructions and building improvements	Machinery and equipment	Machinery and equipment for rent	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in thousand Baht)					
At 30 September 2019									
Owned assets	114,269	2,654	38,668	170,693	162,362	954	1,652	20,466	511,718
Assets under finance leases	-	-	-	-	-	3,766	-	-	3,766
	114,269	2,654	38,668	170,693	162,362	4,720	1,652	20,466	515,484
At 30 September 2020									
Owned assets	114,269	1,908	29,972	158,933	154,336	1,480	1,055	18,356	489,309
Assets under finance leases	-	-	-	-	-	2,714	-	-	2,714
	114,269	1,908	29,972	158,933	154,336	4,194	1,055	18,356	483,023

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 30 September 2020 amounted to Baht 1,833.04 million and Baht 1,793.94 million, respectively (2019: Baht 1,783.74 million and Baht 1,749.85 million, respectively).

Machinery and equipment for rent

As at 30 September 2018, the Company acquired machinery and equipment amounted to Baht 170.39 million from Quality Pineapple Products Co., Ltd., a subsidiary. Then, the subsidiary has lease for its production of goods under operating lease for a period of 3 years (see Note 5).

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

15 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Unsecured					
Short-term loans from financial institution		20,000	-	20,000	-
Short-term loans from associate	5	34,000	-	34,000	-
Finance lease liabilities		990	2,756	990	2,756
Total interest-bearing liabilities		54,990	2,756	54,990	2,756

As at 30 September 2020, the Group and the Company had unutilised credit facilities totaling Baht 1,055 million and Baht 990 million, respectively (2019: Baht 1,075 million and Baht 1,010 million, respectively).

	Consolidated financial statements/Separate financial statements					
	2020			2019		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
Finance lease liabilities						
<i>Maturity period</i>			<i>(in thousand Baht)</i>			
Within 1 year	1,011	21	990	1,871	105	1,766
1 - 5 years	-	-	-	1,011	21	990
Total	1,011	21	990	2,882	126	2,756

16 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Defined benefit plan	92,579	98,488	89,362	94,359
Other-long term employee benefits	5,448	5,202	5,448	5,202
Total	98,027	103,690	94,810	99,561

Defined benefit plan

The Group and the Company operate a defined benefit plans based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

<i>Present value of the defined benefit obligations</i>	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At beginning of period	103,690	80,962	99,561	76,962
Include in profit or loss				
Current service cost	6,959	6,735	6,263	6,076
Past service cost	-	13,868	-	13,868
Interest on obligation	2,596	2,464	2,433	2,347
	<u>9,555</u>	<u>23,067</u>	<u>8,696</u>	<u>22,291</u>
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	-	(6,747)	-	(6,747)
- Financial assumptions	-	1,124	-	1,124
- Experience adjustment	(2,852)	15,945	(2,852)	16,438
Total	<u>(2,852)</u>	<u>10,322</u>	<u>(2,852)</u>	<u>10,815</u>
Benefit paid	(12,366)	(10,661)	(10,595)	(10,507)
	<u>(12,366)</u>	<u>(10,661)</u>	<u>(10,595)</u>	<u>(10,507)</u>
At end of period	<u>98,027</u>	<u>103,690</u>	<u>94,810</u>	<u>99,561</u>

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.

<i>Principal actuarial assumptions</i>	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	2.53 and 3.34	2.53 and 3.34	2.53	2.53
Future salary growth	4.00 and 5.00	4.00 and 5.00	4.00	4.00
Employee turnover	0.00 - 20.00	0.00 - 20.00	0.00 - 20.00	0.00 - 20.00

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

At 30 September 2020, the weighted-average duration of the defined benefit obligation was 10 years to 14 years (2019: 10 years to 14 years).

Sensitivity analysis

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

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

<i>Effect to the defined benefit obligation At 30 September</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(10,472)	(10,245)	2,934	3,565
Future salary growth	3,761	3,423	(11,317)	(10,254)
Employee turnover rate	(8,833)	(7,931)	949	823
<i>Effect to the defined benefit obligation At 30 September</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(10,126)	(9,935)	2,519	3,194
Future salary growth	3,288	3,020	(10,921)	(9,910)
Employee turnover rate	(8,633)	(7,774)	719	643

17 Share capital

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

Share premium

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

18 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 company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividends distribution.

Other components of equity

Fair value changes in available-for-sale investments

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



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

19 Segment information and disaggregation of revenue

Management considers that the Group operates in a single line of business, namely pineapple business, and has, therefore, only one reportable segment.

Geographical segments

Operating units of the Group are located in Thailand. Most of the product produced from these units are directly exported to external customers.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	Consolidated financial statements			
	Revenue		Non-Current Asset	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Disaggregation of revenue				
Primary geographical markets				
Oversea	1,812,795	1,869,214	-	-
Thailand	269,202	102,797	1,034,281	1,071,896
Total Revenue	2,081,997	1,972,011	1,034,281	1,071,896
Timing of revenue recognition				
At a point in time	2,080,515	1,963,619		
Overtime	1,482	8,392		
Total Revenue	2,081,997	1,972,011		

Major customer

Revenues from major customers represents approximately Baht 322.49 million (2019: Baht 443.13 million) of the Group's total revenues.

20 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Salaries and wages		418,465	437,900	356,308	364,701
Bonus		17,334	27,143	16,137	24,954
Contribution to social security fund		12,490	14,120	10,329	11,519
Defined benefit plans	16	9,555	23,067	8,696	22,291
Contribution plans		7,604	8,285	7,604	8,285
Committee fee		6,285	6,435	6,285	6,435
Others		9,747	12,943	9,626	12,684
Total		481,480	529,893	411,985	450,869

Contribution plans

The contribution plans comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 5% of their basic salaries and by the Group at rates ranging from 3% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

21 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Included in cost of sales of goods</i>				
Changes in inventories of finished goods and semi-finished goods	69,643	8,986	52,783	45,000
Raw materials and consumables used	1,434,644	1,371,789	998,506	1,060,361
Employee benefit expenses	391,223	431,346	324,729	352,815
Depreciation and amortisation	51,708	54,694	39,701	41,174
(Reverse of) loss on inventories devaluation	(32,693)	51,388	(33,156)	57,961
Others	271,903	315,569	667,972	607,607
Total	2,186,428	2,233,772	2,050,535	2,164,918
<i>Included in cost of sales of goods</i>				
Transportation and export expenses	42,645	51,863	36,648	43,257
Employee benefit expenses	19,147	21,640	19,147	21,640
Others	3,907	9,633	3,907	9,633
Total	65,699	83,136	59,702	74,530
<i>Included in administrative expenses</i>				
Employee benefit expenses	71,110	76,357	71,110	76,357
Rental expenses	11,149	10,926	11,149	10,926
Depreciation and amortisation	1,955	2,040	9,981	10,065
Loss from write-off of obsolete inventories	36	2,709	36	2,709
Others	23,868	22,719	22,202	18,817
Total	108,118	114,751	114,478	118,874

22 Income tax

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Income tax recognised in profit or loss</i>				
Current tax expense				
Current year	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(50,557)	34,340	(45,626)	23,227
Total tax expense (income)	(50,557)	34,340	(45,626)	23,227



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

<i>Income tax recognised in other comprehensive income</i>	Consolidated financial statements					
	Before tax	2020 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2019 Tax benefit	Net of tax
Actuarial gains (losses)	2,852	(570)	2,282	(10,322)	2,064	(8,258)
Share of other comprehensive income of associate accounted for using equity method, net of income tax	-	-	-	477	-	477
Total	2,852	(570)	2,282	(9,845)	2,064	(7,781)

<i>Income tax recognised in other comprehensive income</i>	Separate financial statements					
	Before tax	2020 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2019 Tax benefit	Net of tax
Actuarial gains (losses)	2,852	(570)	2,282	(10,815)	2,163	(8,652)

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	Rate (%)	2020 <i>(in thousand Baht)</i>	Rate (%)	2019 <i>(in thousand Baht)</i>
Loss before income tax expense		(297,128)		(432,720)
Income tax using the Thai corporation tax rate	20.00	(59,426)	20.00	(86,544)
Share of profit of associate accounted for using equity method, net of income tax		(13,496)		(14,002)
Dividends income not subject to tax		(1,826)		(2,134)
Expenses for tax incentive		(975)		(942)
Expenses not deductible for tax purposes		(6,466)		17,463
Recognition of previous tax losses as deferred tax asset in current period		(53,464)		-
Current period losses for which no deferred tax asset was recognised		85,096		104,027
Decognition of previous losses for which deferred tax asset recognised		-		16,472
Total	(17.02)	(50,557)	(7.94)	34,340

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

Reconciliation of effective tax rate

	Rate (%)	Separate financial statements	
		2020 (in thousand Baht)	2019 (in thousand Baht)
Loss before income tax expense		(276,998)	(297,174)
Income tax using the Thai corporation tax rate	20.00	(55,400)	(59,435)
Dividends income not subject to tax		(14,146)	(23,494)
Expenses for tax incentive		(879)	(869)
Expenses not deductible for tax purposes		17,937	17,284
Recognition of previous tax losses as deferred tax asset in current period		(64,927)	-
Current period losses for which no deferred tax asset was recognised		60,326	74,584
Decognition of previous losses for which deferred tax asset recognised		11,463	15,157
Total		(16.47)	(7.82)

	Consolidated financial statements		Separate financial statements	
	2020	2019 (in thousand Baht)	2020	2019
Assets	100,243	48,625	87,431	34,689
Liabilities	(11,143)	(9,512)	(10,463)	(2,777)
Net deferred tax assets	89,100	39,113	76,968	31,912

	At beginning of period	Consolidated financial statements (Charged) / Credited to:		At end of period
		Profit or loss (in thousand Baht)	Other comprehensive income	
2020				
Deferred tax assets				
Employee benefit liability	20,738	(562)	(570)	19,606
Property, plant and equipment (elimination of gains on inter- -sale of machinery and equipments)	13,111	(942)	-	12,169
Others	160	228	-	388
Loss carry forward	14,616	53,464	-	68,080
Total	48,625	52,188	(570)	100,243
Deferred tax liabilities				
Inventories	(6,735)	6,055	-	(680)
Biological assets	(1,899)	(6,876)	-	(8,775)
Others	(878)	(810)	-	(1,688)
Total	(9,512)	(1,631)	-	(11,143)
Net	39,113	(50,557)	(570)	89,100

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

	At beginning of period	Consolidated financial statements (Charged) / Credited to:		At end of period
		Profit or loss (in thousand Baht)	Other comprehensive income	
2019				
Deferred tax assets				
Inventories	7,887	(7,887)	-	-
Biological assets	2,182	(2,182)	-	-
Employee benefit liability	16,192	2,482	2,064	20,738
Property, plant and equipment (elimination of gains on inter -sale of machinery and equipments)	14,052	(941)	-	13,111
Others	160	-	-	160
Loss carry forward	31,088	(16,472)	-	14,616
Total	71,561	(25,000)	2,064	48,625
Deferred tax liabilities				
Inventories	-	(6,735)	-	(6,735)
Biological assets	-	(1,899)	-	(1,899)
Others	(172)	(706)	-	(878)
Total	(172)	(9,340)	-	(9,512)
Net	71,389	(34,340)	2,064	39,113
	At beginning of period	Separate financial statements (Charged) / Credited to:		At end of period
		Profit or loss (in thousand Baht)	Other comprehensive income	
2020				
Deferred tax assets				
Employee benefit liability	19,913	(380)	(570)	18,963
Others	160	228	-	388
Loss carry forward	14,616	53,464	-	68,080
Total	34,689	53,312	(570)	87,431
Deferred tax liabilities				
Biological assets	(1,899)	(6,876)	-	(8,775)
Others	(878)	(810)	-	(1,688)
Total	(2,777)	(7,686)	-	(10,463)
Net	31,912	45,626	(570)	76,968

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For the year ended 30 September 2020

	At beginning of period	Separate financial statements (Charged) / Credited to:		At end of period
		Profit or loss (in thousand Baht)	Other comprehensive income	
2019				
Deferred tax assets				
Inventories	5,641	(5,641)	-	-
Biological assets	2,182	(2,182)	-	-
Employee benefit liability	15,392	2,358	2,163	19,913
Others	160	-	-	160
Loss carry forward	29,773	(15,157)	-	14,616
Total	53,148	(20,622)	2,163	34,689
Deferred tax liabilities				
Biological assets	-	(1,899)	-	(1,899)
Others	(172)	(706)	-	(878)
Total	(172)	(2,605)	-	(2,777)
Net	52,976	(23,227)	2,163	31,912

The tax losses will expire in 2023 to 2024. The Group has recognised tax losses as deferred tax assets because the management considers that is probable that future taxable profit will be available against which such losses can be used. The management has business plan to decrease tax losses and increase the operating efficiency. These were following the Group's business plan to increase the Group's profit from operating activities in the future.

Unrecognised deferred tax assets	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Inventories	10,867	17,399	10,609	17,233
Investment in a subsidiary	-	-	65,099	40,579
Loss carry forward	130,935	124,798	69,983	74,584
Total	141,802	142,197	145,691	132,396

The Group's tax losses will expire in 2021 to 2025. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised this items as deferred tax assets because it is not possible that the Group will has sufficient future taxable profit to utilised the benefits therefrom.

23 Loss per share

Loss attributable to ordinary shareholders for the year ended 30 September	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht/thousand shares)		
Loss for the year attributable to ordinary shareholders of the Company	(246,570)	(467,060)	(231,372)	(320,402)
Number of ordinary shares outstanding at end of period	21,000	21,000	21,000	21,000
Loss per share (in Baht)	(11.74)	(22.24)	(11.02)	(15.26)



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Notes to the financial statements

For the year ended 30 September 2020

24 Dividends

At the Annual General Meeting of Shareholders' Meeting held on 24 January 2019, the shareholders' meeting approved the appropriation of dividend of Baht 8.00 per share, amounting to Baht 168.00 million. The dividend was paid to shareholders on 15 February 2019.

25 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and their cash flows because debt securities and loan interest rate are mainly fixed. The Group is primarily exposed to the interest rate risk from its borrowings (see note 15). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

<i>At 30 September</i>	Consolidated financial statements			
	2020		2019	
	Interest rate (% per annum)	Within 1 year (in thousand Baht)	Interest rate (% per annum)	Within 1 year (in thousand Baht)
<i>Financial liabilities</i>				
Short-term loans from financial institution	1.63	20,000	-	-
Short-term loans from associate	0.60	34,000	-	-
Total		54,000		-

<i>At 30 September</i>	Separate financial statements			
	2020		2019	
	Interest rate (% per annum)	Within 1 year (in thousand Baht)	Interest rate (% per annum)	Within 1 year (in thousand Baht)
<i>Financial assets</i>				
Short-term loans to subsidiary	1.11 - 1.60	285,000	2.00	149,000
<i>Financial liabilities</i>				
Short-term loans from financial institution	1.63	20,000	-	-
Short-term loans from associate	0.60	34,000	-	-
Total		54,000		-

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Foreign currency risk

The Group is exposed to foreign currency risk relating to sales which are denominated in foreign currencies. The Group primarily utilises sale forward exchange contracts with maturities of less than one year to hedge such financial assets denominated in foreign currencies. The sale forward exchange contracts entered into at the reporting date also relate to anticipated sales, denominated in foreign currencies, for the subsequent period. The Group is also exposed to foreign currency risk relating to purchases which are denominated in foreign currencies and at the reporting date there were no significant concentrations of foreign currencies risk.

	Consolidated financial statements/Separate financial statements					
	2020			2019		
<i>Assets and liabilities denominated in the foreign currencies as at 30 September</i>	United States Dollars	Euro	Total (in thousand Baht)	United States Dollars	Euro	Total
Cash and cash equivalents	36	-	36	124	-	124
Trade accounts receivable	102,430	912	103,342	117,935	3,491	121,426
Other payables	(4,231)	-	(4,231)	(3,502)	-	(3,502)
Gross balance sheet exposure	98,235	912	99,147	114,557	3,491	118,048
Estimated forecast sales	702,704	-	702,704	546,945	-	546,945
Gross exposure	800,939	912	801,851	661,502	3,491	664,993
Sale currency forwards contracts	(105,597)	-	(105,597)	(74,677)	-	(74,677)
Net exposure	695,342	912	696,254	586,825	3,491	590,316

Credit risk

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

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

Liquidity risk

The Group's monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

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



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For the year ended 30 September 2020

	Consolidated financial statements/ Separate financial statements						
	Carrying amount			Fair value			
	Current	Non-current	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total
30 September 2020							
Financial assets and financial liabilities measured at fair value							
Equity securities available-for-sale	-	151,239	151,239	151,239	-	-	151,239
Sale currency forward contracts	(1,141)	-	(1,141)	-	(1,141)	-	(1,141)
Financial liabilities not measured at fair value							
Finance lease liabilities	(990)	-	(990)	-	-	(1,058)	(1,058)

	Consolidated financial statements/ Separate financial statements						
	Carrying amount			Fair value			
	Current	Non-current	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total
30 September 2019							
Financial assets measured at fair value							
Equity securities available-for-sale	-	159,641	159,641	159,641	-	-	159,641
Sale currency forward contracts	20	-	20	-	20	-	20
Financial liabilities not measured at fair value							
Finance lease liabilities	(1,766)	(990)	(2,756)	-	-	(3,009)	(3,009)

Financial instruments measured at fair value

Type	Valuation technique
Sale currency forward 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 currency

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Finance lease liabilities	Discounted cash flow	Discount rate

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For the year ended 30 September 2020

26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitments				
Machinery and equipment	<u>5,994</u>	<u>13,639</u>	<u>5,994</u>	<u>13,639</u>
Future minimum lease payment under non-cancellable operating lease				
Within 1 year	1,856	2,344	1,663	2,236
1 - 5 years	<u>1,839</u>	<u>906</u>	<u>1,757</u>	<u>906</u>
Total	<u>3,695</u>	<u>3,250</u>	<u>3,420</u>	<u>3,142</u>
Other commitments				
Commitments under purchase order	91,118	85,516	85,434	71,419
Sale currency forward contracts*	105,597	74,677	105,597	74,677
Bank guarantees	<u>10,801</u>	<u>10,798</u>	<u>8,917</u>	<u>8,914</u>
Total	<u>207,516</u>	<u>170,991</u>	<u>199,948</u>	<u>155,010</u>

* Sale currency forward contracts have maturities of less than one year and counterparties to the transactions are commercial banks were as follows:

	Consolidated financial statements		Separate financial statements	
	Amount in contract		Fair value	
	2020	2019	2020	2019
	<i>(in million United States Dollars)</i>		<i>(in million Baht)</i>	
Sale currency forward contracts	<u>3.37</u>	<u>2.44</u>	<u>106.74</u>	<u>74.66</u>

The Group leases a number of equipment, office equipment and vehicles. The leases typically run for a period of 3 years to 5 years, with an option to renew the lease after that date. Lease payments are renegotiated every 3 years to 5 years to reflect market rentals. The Group determined that the leases are operating leases. The rent paid to the landlord is adjusted to market rentals at regular intervals, and the Group does not have an interest in the residual value of leased assets. As a result, it was determined that substantially all of the risks and rewards of the leased assets are with the landlord.

Other agreement

Sale of finished goods forward contracts

As at 30 September 2020, the Company had entered into several sale of finished goods forward contracts with overseas companies totaling Baht 702.70 million (2019: Baht 546.95 million).

27 Events after the reporting period

At the extraordinary shareholders' meeting of Quality Pineapple Products Co., Ltd., a subsidiary of the Company, held on 22 October 2020, the shareholders of the subsidiary approved to increase its authorised share capital from Baht 400 million. (40,000,000 shares, par value at Baht 10 per share) to Baht 550 million (55,000,000 shares, par value Baht 10 per share) by issuing new ordinary shares according to the percentage of the existing shareholders' shareholding amount of Baht 150 million. (15,000,000 shares, par value Baht 10 per share). The subsidiary registered the increasing of share capital with the Ministry of Commerce on 29 October 2020.



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At the Board of directors' meeting of Eastern Seaboard Industrial Estate (Rayong) Co., Ltd., its associate, held on 19 November 2020, the Board of directors of associate approved the appropriation of dividend of Baht 1.90 per share, totaling Baht 30 million. The dividend will be paid to the shareholders in December 2020.

28 Thai Financial Reporting Standards (TFRS) not yet adopted

New TFRS, which are relevant to the Group's operations, expect to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective in annual reporting periods beginning on or after 1 October 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS – Financial instruments standard establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the period of initial adoption. This resulted in some changes in accounting policies of the Group which do not have any material impact on the financial statements.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Notes 5 and 26. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Transition

The Group plans to apply TFRS 16 initially on 1 October 2020, using the modified retrospective approach. Therefore the cumulative effect of adopting TFRS16 will be recognised as an adjustment to the retained earnings at 1 October 2020, with no restatement of comprehensive information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 October 2020 and identified as leases in accordance with TAS 17.

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The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

<i>Statement of financial position</i> <i>At 1 October</i>	Consolidated	Separate
	financial statements 2020	financial statements 2020
	<i>(in thousand Baht)</i>	
Increase in right-of-use assets	26,482	23,210
Increase in lease liabilities	26,482	23,210





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