

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



Annual Report  
**2019**



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# FINANCIAL HIGHLIGHTS

Unit : 1,000 Baht

	Consolidated Financial Statements			Separate Financial Statements		
	2019 (12 Months)	2018 (12 Months)	2017 (12 Months)	2019 (12 Months)	2018 (12 Months)	2017 (12 Months)
<b>Statement of financial position</b>						
Current Assets	926,324	1,551,484	1,545,729	1,009,784	1,700,300	1,584,611
Current Liabilities	169,781	303,678	312,229	153,687	463,978	286,823
Paid-up Share Capital	210,000	210,000	210,000	210,000	210,000	210,000
Shareholders' Equity	1,722,169	2,379,874	2,424,202	1,888,214	2,400,133	2,524,079
Total Liabilities	276,052	386,480	390,908	255,719	542,780	362,160
Total Assets	1,998,220	2,766,354	2,815,110	2,143,933	2,942,914	2,886,239
<b>Profit &amp; Loss Statement</b>						
Total Revenues	1,972,011	2,430,762	3,586,182	2,091,161	2,635,236	3,907,971
Net Profit(Loss)	(467,060)	168,977	384,550	(320,402)	89,359	548,780
<b>Per Share Data</b>						
Par Value (Baht)	10.00	10.00	10.00	10.00	10.00	10.00
Book Value (Baht)	82.01	113.33	115.44	89.91	114.29	120.19
Profit(Loss)per Share (Baht)	(22.24)	8.05	18.31	(15.26)	4.26	26.13
<b>Financial Ratio</b>						
Return on Equity (%)	(27.12)	7.10	15.86	(16.97)	3.72	21.74
Return on Total Assets (%)	(23.37)	6.11	13.66	(14.94)	3.04	19.01
Net Profit (Loss) Margin (%)	(23.68)	6.95	10.72	(15.32)	3.39	14.04
Current Ratio (Times)	5.46	5.11	3.66	6.57	4.45	5.52
Quick Ratio (Times)	2.84	3.40	3.61	3.11	2.22	3.92
Debt-Equity Ratio (Times)	0.16	0.16	0.16	0.14	0.23	0.14

# Chairman's Message

During 2019, the company faced challenges from fluctuating economic and global financial conditions, international trade tensions from the trade war between the USA and China, the US's increasingly restrictive trade policies, China's decelerating economic growth and the disruptive technology trend causing changes to consumers' consumption behavior which gave rise to emerging new product or service business. Such factors had led to Thailand experiencing a general decline in her exports. The strengthening baht relative to other Asean countries contributed to the lower prices of Thailand's competitors in the region and effectively reducing the company's competitiveness thus its decreasing revenues.

Thailand's pineapple business in 2019 continuously slow down attributed to the declining pineapple situation starting from the middle of 2017 until the middle of 2018. This had led to continuing shrinking pineapple prices received by farmers who switched to planting other crops such as cassava, sugar cane, maize etc. The reduced pineapple output was insufficient to meet the factory's requirements resulting in higher pineapple prices at the factory gate in 2019 although the selling prices could not be adjusted in line with rising raw material cost as overseas customers switched to buying from Thailand's competitors such as the Philippines and Indonesia which experienced rising pineapple supply since 2016. This year, Indonesia was able to increase its production capacity thanks to normal weather conditions while the EU has granted it GSP status resulting in the country enjoying 3.5% lower import tariff than Thailand. Philippines was also granted GSP+ status by the EU resulting in the country enjoying lower import tariff by up to 18.5% compared to Thailand. Effectively, both countries enjoy a significantly lower production cost/selling price. Further compounding the situation, Thailand faced a rising cost of tin cans, labor and stronger baht resulting in higher selling prices relative to overseas competitors. As a result, the company experienced difficulty in selling its products. But thanks to product quality, good reputation, good customer service, the close cooperation between the directors and management in monitoring and assessing business risks and the emphasis on quality, services and good customer relationship, the company will be able to ride out these obstacles this year.

As for 2020, the trade war between USA and China is anticipated to deteriorate, the foreign exchange issue will remain, the continuing pineapple shortage in 2019 and Thailand's competitors' robust pineapple stock shall lead to the inability to adjust selling price by much, which shall continue to hamper Thailand's export ambition. 2020 will be another challenging year for the company's management. The company shall cautiously plan to maintain inventory to match the market demand, expand market to Eastern Europe, conduct research to expand product lines, promote the use of innovation to add value to the production process going forward.

For the operating result for the year ended September 30, 2019, the company had total income of baht 1,972.01 million and a net operating loss of baht 537.07 million. Profit from associated companies was baht 70.01 million and total net loss earned was baht 467.06 million. For comparison in the nine months ended September 30, 2018, the company had total income of baht 2,430.76 million and a net operating loss of baht 36.57 million. Profit from associated companies was baht 205.55 million and total net profit earned was baht 168.98 million.

The associated company is Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. The share of profits in the financial statements of baht 70.01 million, increased from the previous year by baht 135.54 million or equal to 65.94% 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 2019, 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 2018 and September 2019. 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, 2019 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

26 November 2019



# 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. Ananta Dalodom, Mr. Sittichai Chaikriangkrai and Mr. Prasert Maekwatana.

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 2019 from October 2018 to September 2019, the Remuneration and Nominating Committee held 2 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 2019 from October 2018 to September 2019, 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

26 November 2019

# 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. Prasit Kovilaikool, independent director and chairman of the Corporate Governance Committee, Police General Krisna Polananta and Mrs. Chaveevan Chandanabhumma.

The corporate governance committee fulfilled its obligations based on the scope of duties assigned by the Board of Directors. In the year 2019 during the period from October 2018 to September 2019, the corporate governance committee held 2 meetings. The significant works done are summarized as follows:

1. Review the corporate governance policies of the company for the year 2019, 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 2019 for the period October 2018 to September 2019, 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. Prasit Kovilaikool)

Chairman of the Corporate Governance Committee

26 November 2019

# 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. Graeme Anthony Cox.

The Risk Management Committee performed its duties based on the scope of the company's risk management policy. In the year 2019 during the period October 2018 to September 2019, the risk management committee held 4 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 2019 during the period from October 2018 to September 2019, 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

21 October 2019

# 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. Chaveevan	Chandanabhumma	Executive of Director
6. Mrs. Nidda	Theerawatanachai	Executive of Director
7. Ms. Pornpimol	Chirtchoochai	Executive of Director
8. Mr. Graeme	Anthony Cox	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 2019 during the period from October 2018 to September 2019, the Executive Management Committee held 11 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 2020 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 2019.
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 2019 for the period from October 2018 to September 2019, 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.



(Mr. Thien Mekanontchai)

Chairman of executive committee

25 November 2019

# Board of Directors



1 **Mr. Thien Mekanontchai**  
Chairman of the Board of Directors  
and Chairman of the Executive Committee



2 **Mr. Prasit Kovilaikool**  
Independent director, Chairman of the Audit  
Committee, Chairman of the Remuneration  
and Nominating Committee and Chairman  
of the Corporate Governance Committee



3 **Mr. Prasert Maekwatana**  
Vice Chairman of the Board of Directors No.1,  
Vice Chairman of the Executive Committee  
and Director of the Remuneration  
and Nominating Committee



4 **Mr. Sithichai Chaikriangkrai**  
Vice Chairman of the Board of Directors No.2,  
The Executive Committee and Director of the  
Remuneration and Nominating Committee



5 **Mr. Siripol Yodmuangcharoen**  
Director, The Executive Committee  
and Chairman of the Risk Management  
Committee



6 **Mr. Ananta Dalodom**  
Independent director and Director of the  
Remuneration and Nominating Committee



7 **Mr. Chai Jroongtanapibarn**  
Independent director, Director of the Audit  
Committee and Director of the Risk  
Management Committee



8 **Mrs. Chaveevarn Chandanabhumma**  
Director, The Executive Committee  
and Director of the Corporate Governance  
Committee



9 **Police General Krisna Polananta**  
Independent director, Director of the Audit  
Committee and Director of the Corporate  
Governance Committee



10 **Mrs. Nidda Theerawatanachai**  
Director  
and The Executive Committee



11 **Ms. Pornpimol Chirtchoochai**  
Director  
and The Executive Committee



12 **Mr. Graeme Anthony Cox**  
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.

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, 43<sup>rd</sup> Floor, South Sathorn 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 31<sup>st</sup> December to be 30<sup>th</sup> 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. 1/2020 held on November 26, 2019 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**

Our overriding goal is to be a modern, innovative food processing company with at least five main product groups and branded, added-value retail products that sell directly to consumers in Thailand and around the world.

We will be a leader in the pineapple industry and will grow a significant proportion of our fruit on our own plantations. Canned pineapple remains our core business, and will contribute no more than 50% of our revenue.

### **Mission**

Siam Foods processes packaged fruit and has a high reputation for its long history as a founder of the pineapple industry in Thailand with consistently good service and quality. We are principled, ethical and loyal, following the way of our owners. We want to make the Thai pineapple industry sustainable for farmers in the long run where we can both make reasonable profits in every year.

We don't stand still and are always looking for new ways to innovate, grow and improve. We are socially responsible and provide an environment that is fair, fun and challenging with long term rewards for those that grow with us.

Our customers are from export markets all over the world. They always see Siam Foods as a reliable partner. They trust us for our quality and we develop loyalty over years so that product price alone is not always the most important factor.

### **Shared Core Values**

#### **Deliver Results**

Get the right things done. Make things happen. Establish a track record of results and accomplishments. Be on time and be correct the first time. Quality is our priority.

#### **Get Better**

Continuously Improve. Have a "can do" attitude and find creative ways to do new things. Be innovative. Take responsibility. Never accept that what we do today is just enough.

#### **Give Trust**

Demonstrate trust to others. Care for others is to treat them with respect. Be open and genuine. Make things right when you are wrong. Give credit to others.

#### **Have Integrity**

Be honest. Keep to ethical principals. Be loyal. Act with the best intentions.



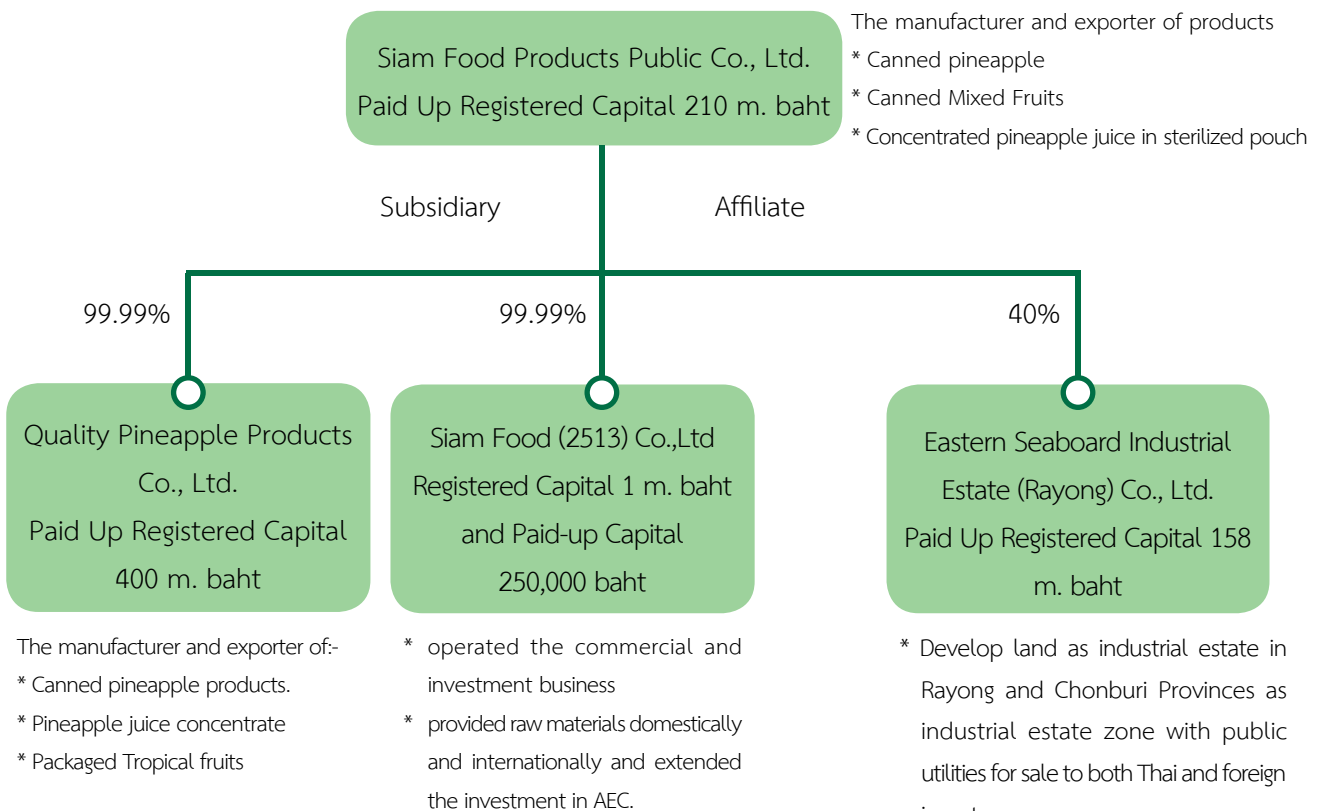
## 1.2 Significant developments in the preceding year

The company is committed to developing new products as per the vision of company. In the year 2019, the company commercialized production of young jackfruit products. This targets the growing trend for vegetarian foods in expert markets around the world.



The company is proud to announce that it was selected to be in the list of “Thailand Sustainability Investment” or “Sustainable stock” for 2019 by the SET. 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.



## 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 2019, 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 2019, the Company together with its subsidiary had market share of raw materials for production of 13.6% of the whole country.

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 2019 (Oct'18 - Sep'19) to each territory as below:

- Europe: 40%
- USA: 35%
- Asia: 15%
- Oceania: 6%
- Middle East, Africa: 4%

### Industrial trend and circumstance of competition in the future

In 2020, it is anticipated that the raw material output (pineapple) by the nation in general will have increased from the previous year slightly. Owing to the rise in raw material prices in the second-half of 2019, the local producers will have to scramble and compete to source raw materials to sufficiently meet the requirements of each factory.

Product selling prices shall depend on market demand and the competitors' production volume, both domestic and overseas.

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					
	2019		2018		2017	
	Amount	%	Amount	%	Amount	%
Pineapple and other fruits	1,913,813	97.05	2,367,600	97.40	3,481,605	97.08
Other	3,996	0.20	8,465	0.35	28,923	0.81
Total sales	1,917,809	97.25	2,376,065	97.75	3,510,528	97.89
Investment income	19,059	0.97	24,879	1.02	22,729	0.63
Other income	35,143	1.78	29,818	1.23	52,925	1.48
Total Revenue	1,972,011	100.00	2,430,762	100.00	3,586,182	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 2019, the competitive situation became very severe due to overseas competitors such Indonesia and Philippines, which enjoy lower production costs relative to Thailand, increased production capacity and tried to grab market share. Nevertheless, Thailand continued to attain the highest market share and better selling prices thanks to good fruit quality, consistent volume and superior production technology/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

	2019 (Oct 18 - Sep 19)	2018 (Oct 17 - Sep 18)	2017 (Oct 16 - Sep 17)	2016 (Jan - Sep)	2015	2014
Manufacturing capacity (one thousand standard cases)	5,500	5,500	5,500	3,850	5,500	5,500
Actual manufacturing quantity (one thousand standard Cases)	2,539	3,271	3,755	2,281	3,604	2,836
Manufacturing capacity rate (%)	46.17	59.48	68.27	59.24	65.52	51.56
Increasing rate of manufacturing capacity (%)	(22.38)	(12.87)	15.24	(9.62)	27.08	(27.47)

Manufacturing capacity and quantity of concentrated juice

	2019 (Oct 18 - Sep 19)	2018 (Oct 17 - Sep 18)	2017 (Oct 16 - Sep 17)	2016 (Jan - Sep)	2015	2014
Manufacturing capacity (ton)	17,500	17,500	17,500	12,250	17,500	17,500
Actual manufacturing quantity (ton)	6,011	7,798	8,677	5,448	7,256	6,472
Manufacturing capacity rate (%)	34.35	44.56	49.58	44.48	41.46	36.98
Increasing rate of manufacturing capacity (%)	(22.91)	(10.13)	11.48	(1.17)	12.11	(28.93)

### 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.<sup>3</sup>/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 1<sup>st</sup> 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 engages in the food business whereby our main products are canned pineapple, pineapple in retort pouch, concentrated pineapple juice in aseptic bags, mixed tropical fruits and seasonal fruits (mangos, jackfruit).

Thailand is the worlds' largest source of pineapple for processing. The volume of pineapple produced each year will depend upon the growing area of farmers and the climate. When the pineapple price is high, the farmers will grow more pineapple, hence gradually leading to an oversupply. On the other hand, when the price goes down, the growing of pineapple will eventually decrease. The price of pineapple is, therefore, cyclical, thus affecting the price of canned pineapple under the demand and supply principle. The projection on volume and the fresh pineapple price is the key factor for the company's performance.

In 2019 we did some operational analyses and assessments to ensure achieving the Company's action plan goals, by following the COSO standard on risk management, with 4 risk types - 1. Strategy, 2. Production, 3. Marketing, and 4. Operation - defined by the Risk Management Committee, and four major risk factors as follows:

**1. Risk about the raw material and strategy:** As pineapple is an agricultural produce, the risk on raw material involves the volume of pineapple available which relies on weather conditions each year and this has an impact on the buying price and the company's cost of production. Even though the company has its own plantation area, serving about 18% of its overall requirements, it relies on more than 1,000 contract farmers who must achieve similar yield per rai as the company's own farms with the help of the company's strong support. The relationship between the farmers and the company goes back more than 48 years enabling the company to oversee the crop management right from the beginning at planting stage until delivery of the produce to the factory. This reduces the raw material supply risk. Moreover, the company has plans to increase plantation areas by leasing land with good potential and source more contract farmers to cultivate the land. On strategic risks, the company plans to add new products by capitalizing on the existing resources to bring about the economy of scope with the aim to increase revenues from other products.

**2. Production risk:** As a result of shortage of pineapple raw material in the past year causing pineapple price to rise continuously, farmers have been increasing land area devoted to pineapple plantation. In 2019, raw material prices steadily increased and it is anticipated that pineapple output will increase in the 2nd half of 2020. Nevertheless, pineapple volume for the year is expected to be lower than

normal which shall put upward pressure on the factory's buying price, in turn, delaying customers' buying decision. To reduce the risk of aged inventory, the company plans to careful control production against orders.

**3. Market risk:** As revenues are predominantly from export sales and the buyers import from different countries, sales are negotiated based on future delivery i.e. in 1-3 month timeframe and in certain case up to 1 year whilst raw material prices during such period may increase at the time of production, consideration on factors covering future demand/supply, output of other domestic factories and that of other competing countries such as Indonesia and Philippines are crucial to decision making on forward sales.

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.

**4. 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.
- Selling price should higher than market price.
- Sale more product such as Mango, Rambutan, Jackfruit, Tropical fruit cocktail, pineapple peel.
- Understand market dynamic in order to manage sales to best advantage. Analysis market status to determine if buyers or sales market.

The activity to control risk meets the target.

## 4. Operating Assets

### (1) Major operating assets of the Company.

As At 30 September 2019, 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	Owned assets	177.12	
<u>Land's Factory</u>			
- Banbung, Chonburi 1,324-1-78 Rai		23.94	No
<u>Land's Plantation</u>			
- Banbung, Chonburi 12,154-1-49 Rai		38.32	No
- Khon buri, Nakhon Ratchasima 2,893-1-45 Rai		52.01	No
- Chai Badan, Lop Buri 2,015-1-37 Rai		62.85	No
Total 18,387-2-9 Rai			
2. Land Location	Leased assets		
<u>Land's Plantation</u>	(2-3 years)		
- 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			
3. Head Office	Leased asset		
1 Empire Tower 43 <sup>rd</sup> Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok.	(3 years)		
4. Factory Office and Warehouse			
- 218 Moo 4 Chachoeng sao-Sattahip Nong I-run,Banbung,Chonburi	Owned assets	36.52	No



Description of assets	Type of Rights	Book value (in million Baht)	Obligation
5. Plantation Office			
- 160/1 Moo 6 Chachoeng sao-Sattahip (Km 72 Nong Prue) Khlong Kio, Banbung, Chonburi	Owned assets	2.15	No
- 15 Moo 7 Nikhom Lam Narai,Chai Badan, Lopburi	Owned assets	1.15	No
6. Machine and equipment	Owned assets	333.06	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 158 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:

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	:	The 43 <sup>th</sup> floor, Empire Tower, 1 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 2019

Company's Name	Type of Business	Investment Amount (m. baht)	Investment Proportion (%)	Registered Capital (m. baht)	Paid Up Capital (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.	400	99.99	400	400

Company's Name	Type of Business	Investment Amount (m. baht)	Investment Proportion (%)	Registered Capital (m. baht)	Paid Up Capital (m. baht)
Siam Food (2513) Co., Ltd.	Subsidiary company 1 Empire Tower, 43 <sup>rd</sup> 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 : (66 2) 009 9000

### External Auditor:

KPMG Phoomchai Audit Ltd.

1 Empire Tower, 50<sup>th</sup> - 51<sup>st</sup> floor, South Sathorn road, Yannawan, Sathorn district, Bangkok 10120

Tel : 02-6677-2000

### Investor Relations

Mr. Kiartisak Lertsiriamorn

1 Empire Tower, 43<sup>th</sup> floor, South Sathorn road, Yannawan, Sathorn district, Bangkok 10120

Tel : 02-287-7003

Fax : 02-670-0154

E-mail : Kiartisak.l@siamfood.co.th

## 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  
Fax : 0-2285-1365
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 of Siam Food Products Public Company Limited more in Disclosure report concerning additional information (Form 56-1) of companies listed in the [www.sec.or.th](http://www.sec.or.th) or [www.siamfood.co.th](http://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, 2019.

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.	1,016,000	4.84%
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, 2019, 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 400,000,000 Baht Paid-up Capital 400,000,000 Baht No. of Listed Share 40,000,000 Shares at Value 10.00 Baht, the company has 3 shareholders as of 30 September, 2019.

No.	Shareholder's Name	Number of Shares	Equity Stake (%)
1	Siam Food Products PLC,	39,999,997	99.997%
2	Plantheon Co.,Ltd.	2	0.002%
3	Plantheon Trading Co.,Ltd.	1	0.001%

#### 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, 2019.

No.	Shareholder's Name	Number of Shares	Equity Stake (%)
1	Siam Food Products PLC,	99,997	99.999%
2	Mrs. Chaveevarn 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 has 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. Management

### 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.

In the year 2019, the Company had no new directors.

As of 30 September 2019, the Board of Directors comprised twelve members as follows:

- |                                    |   |
|------------------------------------|---|
| 1. Mr. Thien Mekanontchai          | Chairman  |
| 2. Mr. Prasit Kovilaikool          | Independent Director<br>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<br>and Director of the Audit Committee |
| 8. Mrs. Chaveevan Chandanabhumma   | Director  |
| 9. Police General Krisna Polananta | Independent Director<br>and Director of the Audit Committee |
| 10. Mrs. Nidda Theerawatanachai    | Director  |
| 11. Ms. Pornpimol Chirtchoochai    | Director  |
| 12. Mr. Graeme Anthony Cox         | 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 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. Police General Krisna Polananta
4. Mr. Chai Jroongtanapibarn



### **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 the year 2019, the Company had no new directors and therefore there is no new director orientation this year.

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 2019 the company attended the seminar as follows.

- Mr. Kiartisak Lertsiriamorn Executive Vice President of Corporate Administration: Insight Financial Management of Stock Exchange of Thailand.

### **8.2 The Board of Executive Directors**

As of 30 September 2019, the Board of Executive Directors comprises 8 members as follows:

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| 1. Mr. Thien Mekanontchai        | Chairman of Executive Director      |
| 2. Mr. Prasert Maekwatana        | Vice Chairman of Executive Director |
| 3. Mr. Siripol Yodmuangcharoen   | Executive Director                  |
| 4. Mrs. Chaveevan Chandanabhumma | Executive Director                  |
| 5. Mr. Sithichai Chaikriangkrai  | Executive Director                  |
| 6. Mrs. Nidda Theerawatanachai   | Executive Director                  |
| 7. Ms. Pornpimol Chirtchoochai   | Executive Director                  |
| 8. Mr. Graeme Anthony Cox        | Executive Director and President    |

#### **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 2019, 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 2019, the Remuneration and Nominating Committee comprises 4 members with 3 years term as follows :

- |                                 |   |
|---------------------------------|---|
| 1. Mr. Prasit Kovilaikool       | Chairman of the Remuneration and Nominating Committee |
| 2. Mr. Sithichai Chaikriangkrai | Director of the Remuneration and Nominating Committee |
| 3. Mr. Prasert Maekwatana       | Director of the Remuneration and Nominating Committee |
| 4. Mr. Ananta Dalodom           | Director of the Remuneration and Nominating Committee |

#### **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 2019, the Corporate Governance Committee comprises 3 members with 3 years term as follows :

1. Mr. Prasit Kovilaikool Chairman of the Corporate Governance Committee
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.xc
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 2019, 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. Graeme Anthony Cox Director of the Risk Management Committee

#### **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 2019, the Company's current management team are as follows:

- |                                |  |
|--------------------------------|--|
| 1. Mr. Graeme Anthony Cox      | Director and President                               |
| 2. Mr. Kiartisak Lertsiriamorn | Executive Vice President - Corporate Administration  |
| 3. Ms. Sutiporn Rungsirikul    | Executive Vice President - Marketing                 |
| 4. Mr. Nopadol Thongprajiad*   | Senior Vice President of Operation, Banbueng Factory |
| 5. Ms. Tanaporn Nuntawowart**  | Senior Vice President of Finance & Administration    |
| 6. Mr. Pattana Chuatong        | Vice President Raw Material                          |
| 7. Mrs. Chaniya Jantrakasemwat | Vice President QA                                    |
| 8. Mr. Chatchawan Powtong      | Vice President Agriculture                           |
| 9. Mr. Pakpoom Termpongisit    | Vice President International Marketing & Sale        |
| 10. Mr. Sophon Muneejinda      | Vice President HR & Administration                   |
| 11. Mr. Kumphol Sasabhuri      | Vice President Strategy and Project Analysis         |
| 12. Mr. Yongyuth Klaysubin     | Vice President Warehouse                             |

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

- Note:
- Mr. Nopadol Thongprajiad\* ; has been appointed to assume the position of Senior Vice President of Operation, Banbueng Factory on 1<sup>st</sup> October 2019.
  - Ms. Tanaporn Nuntawowart\*\* ; has been appointed to assume the position of Senior Vice President of Finance & Administration on 1<sup>st</sup> October 2019.

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 Directors Meeting No. 7/2019, held on Tuesday 24 September 2019, has appointed Ms. Pornpun Premratanachai to be the Company Secretary, effective from October 1, 2019, 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 id disclosed in Form 56-1 / Annual Report / Invitation Letter (in case of extension of position).

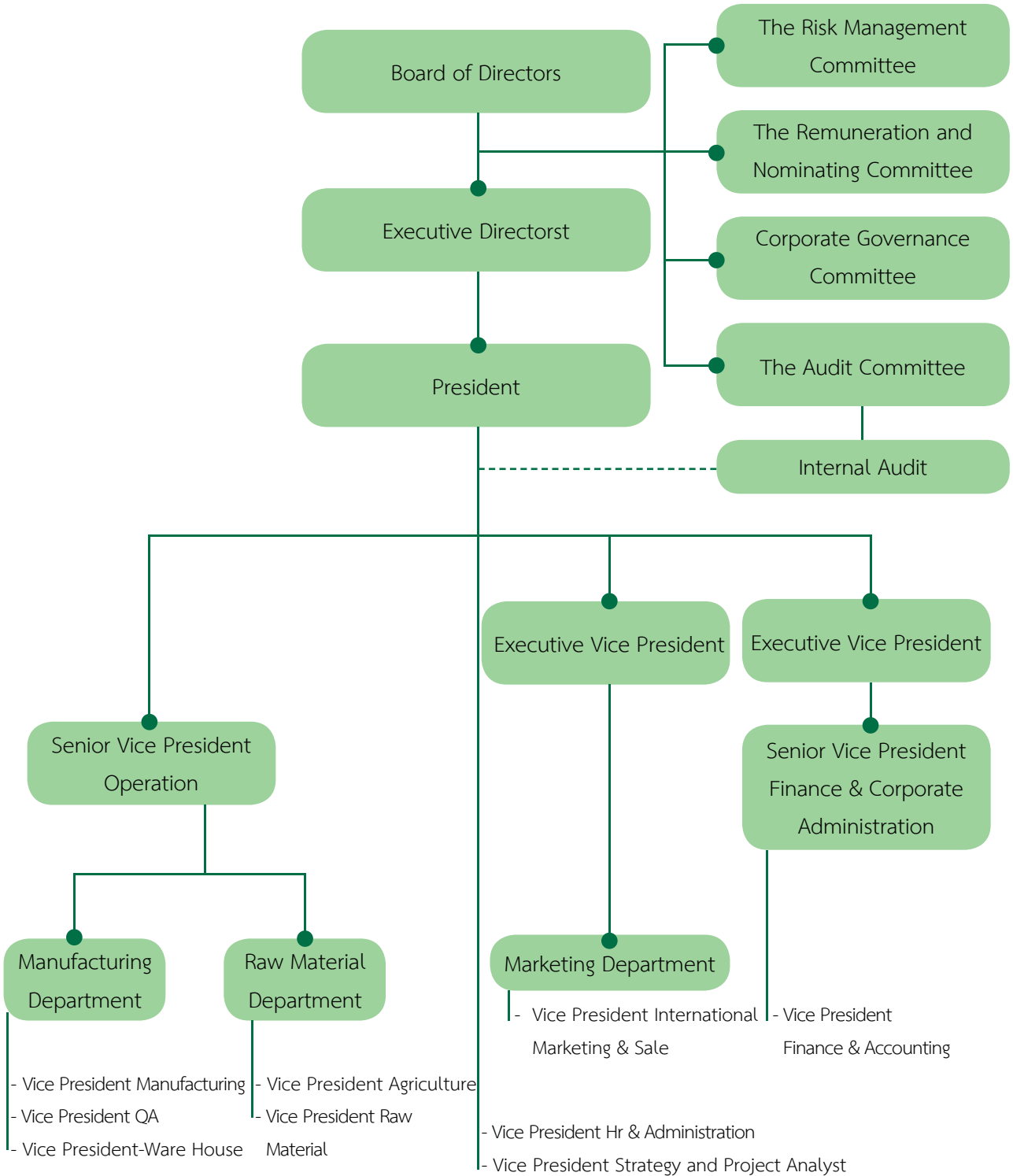
4. Is not or never been the auditor of any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control or partner of the Auditing Office where such auditor is working for unless such person is resigned from those statuses for not less than 2 years before being 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).

#### **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.

# Board of Directors and Executive Committee

## Mr. Thien Mekanontchai

Chairman of Board of Directors  
and Chairman of the Executive Committee

**Age:** 79 Years

**First Appointmen Date:** 10 August 2007

### Education Qualification

- 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 Financial Reporting  
(MFR) No. 17/2013
- Monitoring the Quality of Financial Reporting  
(MFR) รุ่นที่ 17/2013
- 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,  
Chairman of Remuneration and Nominating Committee and  
Chairman of the Corporate Governance Committee

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<b>Age:</b> 76 Years	20 April 2010 - Present
<b>First Appointmen Date:</b> 20 April 2010	Independent Director
<b>Education Qualification</b>	Siam Food Products PCL.
<ul style="list-style-type: none"><li>• LL.B (2nd Class Honour) Chulalongkorn University</li><li>• LL.M., Columbia University, New York,U.S.A.</li><li>• Barrister-at-Law (THE THAI BAR)</li></ul>	2010 - Present Chairman of Board of Directors, Independent Director, Compensation and Remuneration Committee Member Oishi Group PCL.
<b>Share Holding Including</b>	2010 - Present Independent Director and Chairman of the Audit Committee
<b>Related Parties</b>	Berli Jucker PCL.
None	
<b>Relationship between directors and executives</b>	- <b>Non-listed company</b>
None	2012 - Present Independent Director and Chairman of Audit Committee, Thai Beverage PLC.
<b>Other Training Course</b>	- <b>Any other committee (government)</b>
<ul style="list-style-type: none"><li>• Finance for Non-Finance Director (FND)</li><li>• Corporate good governance</li><li>• Director Accreditation Program (DAP) No.41/2005</li></ul>	2018 - Present Member of National Housing Policy Committee Ministry of Social Development and Human Security
Thai Institute of Director (IOD)	
<b>Over 5 years experience</b>	2013 - Present Trial Appeal Committee of civil servants and employees Chulalongkorn University
- <b>The listed company in Thai Stock Exchange</b>	2001 - Present Counselor, Property Management Committee Thai Red Cross Society
June 2019 - Present	1989 - Present Law Counsellor Council of State (Office of the Prime Minister)
Independent Director and Chairman of the Audit Committee	
Asset World Corporation PCL.	
24 February 2014 - Present	1990 - May 2019
Chairman of the Corporate Governance Committee	Lecturer, Legal Education Institute of The Thai Bar.
Siam Food Products PCL.	The Thai Bar
20 February 2012-Present	
Chairman of the Audit Committee, Chairman of the Remuneration and Nominating Committee	
Siam Food Products 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:** 73 Years

24 April 2007 - Present

**First Appointment Date:** 24 April 2007

Director, Vice Chairman of the Executive Committee

### Education Qualification

- 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.

Siam Food Products PCL.  
2008 - Present Director and Vice Chairman of the Executive Board Risk Management Committee  
Berli Jucker PCL.

### - Non-listed company

### Share Holding Including

2018 - Present Director

### Related Parties

None

Taveephol Agriculture Co., Ltd.

### Relationship between directors and executives

None

2018 - Present Director

Taveephol Agriculture (2013) Co., Ltd.

### Other Training Course

- 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

2011 - Present Director and Chairman of the Executive Board

Terragro Bio-Tech Co., Ltd.

### Over 5 years experience

#### - The listed company in Thai Stock Exchange

22 November 2017 - Present

Vice Chairman of the Board of Director No. 1  
Siam Food Products PCL.

2010 - Present Director

Thai Malaya Glass Co., Ltd.

2010 - Present Director

Quality Pineapple Products Co., Ltd.

22 September 2016 - Present

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

2009 - Present Director and Chairman of the Executive Board

Terragro Fertilizer Co., Ltd.

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

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**Age:** 65 Years

**First Appointmen Date:** 24 Aprill 2007

### Education Qualification

- 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)

#### 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 - 10<sup>th</sup> Annual Alpha Southeast Asia Deal & Solution Awards 2016
- Best Thailand Dedl, The Finance Asia - Achievement Awards 2016
- Thai BMA Best Bond Awards 2016

\*Have over 30 years of professional financial experience.

#### 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.

2012 - Present Director

Golden Land Property  
Development PCL.

2011 - Present Director, Sermsuk PCL.

2010 - Present Director and Senior Executive  
Vice President

Thai Beverages PCL.

24 April 2007 - Present

Director and The Executive  
Committee

Siam Food Products PCL.

2007 - Present Director, Univentures PCL.

2006 - Present Director, Oishi Group PCL.

2001 - Present Director, Berli Jucker PCL.

2016 - 2017 Director and Executive Director  
BIG C Supercenter PCL.

**- Non-listed company**

2013 - Present Director, Fraser Property Limited

2013 - Present Director, Fraser and Neave, Limited

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

2007 - Present Director  
Eastern Seaboard Industrial Estate  
(Rayong) Co., Ltd.

2003 - 2010 Director and Senior Vice President  
Thai Beverages PCL.

## Mr. Siripol Yodmuangcharoen

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

**Age:** 71 Years

**First Appointmen Date:** 1 October 2013

### Education Qualification

- 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.

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

#### - Any other committee (government)

2014 - 2019 Members of the National Legislative  
Assembly

The National Legislative Assembly

2011 - 2016 Public Sector Development Commission  
OPDC Office of the Public Sector  
Development Commission

2009 - Present Director, Plangheon Group

2008 - 2017 Chairman

The Gem and Jewelry Institute of  
Thailand (Public Organization)

## Mr. Ananta Dalodom

Independent Director and Director of the Remuneration and Nominating Committee

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

## Mr. Chai Jroongtanapibarn

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

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**Age:** 64 Years

**First Appointmen Date:** 25 October 2007

25 October 2007 - Present

### Education Qualification

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

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

2003 - Present Independent Director

Siam Future Development PLC.

2002 - Present Independent Director and Chairman of  
Audit Committee

Major Cineplex Group PCL.

### Share Holding Including

#### Related Parties

None

2000 - Present Independent Director and Chairman  
of Audit Committee

Team Precision PCL.

#### 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)

2004 - 2014 Independent Director and Chairman  
of Audit Committee

Thai Metal Trade PLC.

- **Non-listed company**

#### Over 5 years experience

None

- **The listed company in Thai Stock Exchange**

2018 - Present Chairman and Independent Director  
Veranda Resort PLC.

6 August 2014 - Present

Director of Risk Management Committee

Siam Food Products PCL.

2014 - Present Chairman and Chairman of Audit  
Committee

Thai Metal Trade PLC.

25 October 2007 - Present

Independent Director and Director of  
the Audit Committee

Siam Food Products PCL.



## Mrs. Chaveevan Chandanabhumma

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

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**Age:** 72 Years

**First Appointment Date:** 13 November 2007

### Education Qualification

- 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 2007 - 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.

2007-2014 Director and Vice Chairman,  
Executive Board  
BJC International Co., Ltd.

## Police General Krisna Polananta

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

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**Age:** 68 Years

**First Appointment Date:** 7 August 2013

### Education Qualification

- 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

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.

## Ms.Nidda Theerawatanachai

Director and The Executive Committee

**Age:** 57 Years

**First Appointmen Date:** 1 October 2013

### Education Qualification

- 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

TCC Business Management Co., Ltd.

2019 - Present Director, Norm (2019) Co.,Ltd.

2018 - Present Director, Siribhakhitham 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, Vadhanabhakdi Co.,Ltd.

2016 - Present Director

Sarapadsappasin (Social Enterprise) Co., Ltd.

2016 - Present Director, Group of Wattanapat Trading  
Co.,Ltd. and Affiliates

2016 - Present Director, Arun Siripatana PCL.

2016 - Present Director, Siriwana Co.,Ltd.

2016 - Present Director, Golden Wealth Co.,Ltd

2015 - Present Director, Group of TCC Sports and  
Recreation and Affiliates

2015 - Present Director, Siam Food (2513) Co., Ltd.

2015 - Present Director, TCC Holding (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.

1 October 2013 - Present

Director and Executive of Director  
Siam Food Products PCL.

2015 - Present Director, Group of TCC Land  
Development Co.,Ltd. and Affiliates

2012 - Present Director, Terragro Developmeny 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.

## Ms. Pornpimol Chirtchoochai

Director and The Executive Committee

**Age:** 54 Years

**First Appointmen Date:** 11 August 2017

### Education Qualification

- Master of Accountancy, Thammasat University
- Bachelor of Accountancy, Thammasat University

### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

#### Other Training Course

- Director Accreditation Program (DAP),  
No. 143/2017

Thai Institute of Director (IOD)

#### Over 5 years experience

##### - The listed company in Thai Stock Exchange

11 August 2017 - Present

Director and The Executive  
Committee  
Siam Food Products PCL.

##### - Non-listed company

August 2017 - 6 March 2019

Director  
Eastern Seaboard Industrial Estate  
(Rayong) Co., Ltd.

2017 - Present Director and Senior Executive Vice

President - Operation  
Group of TCC Land Co., Ltd. and  
Affiliates

2017 - Present Director and Senior Executive Vice  
President - Operation  
Group of TCC Asset World Corporation  
Co.,Ltd. and Affiliates

2017 - Present Director and Senior Executive Vice  
President - Operation  
Group of TCC Phumipat Co.,Ltd.  
and Affiliates

2017 - Present Director and Senior Executive Vice  
President - Operation  
Group of TCC Capital Land Co.,Ltd.  
and Affiliates

2017 - Present Director and Senior Executive Vice  
President - Operation  
Group of Wattanapat Trading Co.,Ltd.  
and Affiliates

2016 - 2017 Senior Executive Vice President -  
Accounting & Finance  
Asset World Company Limited

2012 - 2016 Deputy Managing Director - Project  
Development BEM - Bangkok  
Expressway and Metro PCL

2004 - 2016 Director  
Metro Mall Development Company  
Limited

2004 - 2016 Director  
BMCL Network Company Limited

2004 - 2016 Director  
Triads Networks Company Limited

## Mr. Graeme Anthony Cox

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

---

**Age:** 52 Years

**First Appointmen Date:** 6 August 2014

### Education Qualification

- Chartered Accountant (ACA) ICAEW  
B.A.(Hons)2:1 Economics  
University of Essex

### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

### Other Training Course

- Director Accreditation Program (DAP),  
No. 125/2016
- Process Innovation Coaching Program 2018  
Thai Institute of Director (IOD)

### Over 5 years experience

#### - The listed company in Thai Stock Exchange

1 March 2016 - Present

Directors, The Executive Committee  
and President  
Siam Food Products PCL.

6 August 2014 - Present

Director of the Risk Management  
Committee  
Siam Food Products PCL.

#### - Non-listed company

March 2016 - Present

Director and President  
Quality Pineapple Products Co.,Ltd.

April 2011 - February 2016

Executive Vice President Cambodia  
Mong Reththy Investment Oil Palm  
Co.,Ltd.

Oknha Mong Port Co.,Ltd.

Suvarnaphum Investment Co.,Ltd.

# Executive Committee

## Mr. Kiartisak Lertsiriamon

Executive Vice President - Corporate Administration  
and Head of Compliance

---

**Age:** 60 Years

### Education Qualification

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

### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

### Over 5 years experience

2015 - Present Director

Siam Food (2513) Co., Ltd.

1 October 2019 - Present

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

2012 - 30 September 2019

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

2011 - Present Directors

Lastica Co.,Ltd.

2011 - Present Directors

Terragro Fertilizer Co.,Ltd.

2010 - Present Directors

Quality Pineapple Products Co.,Ltd.

## Ms. Sutiporn Rungsisirikul

Executive Vice President - Marketing

---

**Age:** 57 Years

### Education Qualification

- 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

## Mr. Nopadol Thongprajiad

Senior Vice President of Operation,  
Ban Bueng Factory

---

**Age:** 46 Years

### Education Qualification

- 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:** 45 Years

### Education Qualification

- 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. Chaniya Jantrakasemwat

Vice President - Quality Assurance

---

**Age:** 50 Years

#### Education Qualification

- Bachelor of Science - Food Technology  
Chulalongkorn University

#### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

#### Over 5 years experience

2012 - Present Vice President - Quality Assurance  
Siam Food Products PCL.

### Mr. Chatchawan Powtong

Vice President - Agriculture

---

**Age:** 52 Years

#### Education Qualification

- Bachelor - Agronomy  
Kasetsart University

#### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

#### Over 5 years experience

2012 - Present Vice President - Agriculture  
Siam Food Products PCL.

### Mr. Pattana Chuatong

Vice President- Agriculture - Raw Material

---

**Age:** 57 Years

#### Education Qualification

- Bachelor - Agronomy  
Chiang - Mai University

#### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

#### Over 5 years experience

2012 - present Vice President - Agriculture - Raw  
Material  
Siam Food Products PCL.

### Mr. Pakpoom Termpongisit

Vice President - Sales & Marketing

---

**Age:** 41 Years

#### Education Qualification

- Bachelor degree of economics (English program)  
Thammasat University
- Master degree of business administration  
Thunderbird, School of Global management, USA

#### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

#### Over 5 years experience

2012 - present Vice President - Sales & Marketing  
Siam Food Product PCL.

## Mr. Sophon Muneejinda

Vice President Hr & Admin

---

**Age:** 54 Years

### Education Qualification

- Bachelor Degree in Human Resoure Administration  
The Prince of Songkhla University
- Master Degree of Labor / Welfare Development  
Thammasat University

### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

#### Over 5 years experience

17 December 2019 - Present

Vice President HR & Admin  
Siam Food Products PCL.

1 October 2014 - 30 November 2018

Genral Manager - HR & Administration  
Kumphawapi Sugars Co, Ltd.  
( Mitsui Group)

1 July 2011 - 30 September 2014

Senior Manager - HR & Administration  
Usha Siam Steel (Public) Co, Ltd.

## Mr. Kumphol Sasabhuri

Vice President - Strategy and Project Analyst

---

**Age:** 51 Years

### Education Qualification

- Bachelor Degree in Electrical Engineering  
King Mongkut's University of Technology Thonburi
- Master of Financial Management  
The Australian National University

### Share Holding Including

#### Related Parties

None

#### Relationship between directors and executives

None

#### Over 5 years experience

1 January 2019 - Present

VP - Strategy & Project Analysis  
Siam Food Products PCL.

16 Aprill 2010 - 31 December 2018

AVP - Project Analysis  
Plantheon Co., Ltd.

1 July 2010 - 15 Aprill 2018

Manager - EVA, Budgeting & Project Analysis  
Mitrphol Group Co., Ltd.



## Mr. Yongyuth Klaysubin

Vice President - Ware House

---

**Age:** 51 Years

### Education Qualification

- Master degree of business administration  
Ramkhamhaeng University

### Share Holding Including

### Related Parties

None

### Relationship between directors and executives

None

### Over 5 years experience

2 May 2019 - Present

Vice President-Ware House  
Siam Food Products PCL.

2017 - 2018 General Manager - Warehouse Online  
Central Group online

2006 - 2017 Sr.Contract Logistic Manager  
DHL Supply Chain

## Ms. Pornpun Premratanachai

Company Secretary

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**Age:** 47 Years

### Education Qualification

- 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:** 42 Years

### Education Qualification

- 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	2019	
	(Bath/person/month)	(Bath/person/time)
<b>1. Monthly remuneration</b>		
1.1 Chairman of the Board of Directors	50,000	-
<b>2. Meeting allowance (monthly)</b>		
2.1 Vice Chairman of the Board of Directors	45,000	-
2.2 Director	30,000	-
<b>3. Meeting allowance (time)</b>		
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 Committee	-	7,500
<b>4. Total Bonus for the year</b>	Depend on performance	
<b>5. Other benefits</b>	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 2018 - September 2019, the remuneration of the Board of Directors (twelve persons) including the directors' responsibilities which hold positions in the company and subsidiaries as following:

	Name	Position	The Director's fees (1)	Salary and Bonus (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	760,000	-	-	760,000
3	Mr. Prasert Maekwatana	Director, Vice Chairman of Executive Director and Director of the Remuneration and Nominating Committee	555,000	-	-	555,000
4	Mr. Sithichai Chaikriangkrai	Director, Executive of Director and Director of the Remuneration and Nominating Committee	555,000	-	-	555,000
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	375,000	-	-	375,000
7	Mr. Chai Jroongtanapibarn	Independent Director, Director of the Audit Committee and Director of the Risk Management Committee	450,000	-	-	450,000

	Name	Position	The Director's fees (1)	Salary and Bonus (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	435,000	-	-	435,000
10	Mrs. Nidda Theerawatanachai	Director and Executive of Director	360,000	-	-	360,000
11	Ms. Pornpimot** Chirtchoochai	Director and Executive of Director	360,000	-	-	360,000
12	Mr. Graeme Anthony Cox	Director , Executive of Director , Director of the Risk Management Committee and President	-	-	-	-
	Total		4,625,000	1,800,000	-	6,425,000

Note: the company has no policy to pay any compensation to the subsidiaries' directors.

(b) Executive of Committee and Management's remuneration

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

Unit : THB	2019		2018	
	No. of Executives	Oct 2018 - Sep 2019	No. of Executives	Oct 2017 - Sep 2018
Total Salaries	12	30,739,969	11	29,077,364
Total Bonuses	12	4,638,471	11	6,807,794
Other compensation or deferred benefits	12	None	11	None
<b>Grand Total</b>		<b>35,378,440</b>		<b>35,885,158</b>

- **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 : THB	2019		2018	
	No. of Executives	Oct 2018 - Sep 2019	No. of Executives	Oct 2017 - Sep 2018
Contributions to the provident fund	11*	1,382,748	11	1,371,764
Life insurance premiums	12	26,790	11	30,961
<b>Total</b>		<b>1,409,538</b>		<b>1,402,725</b>

\* Since the management had not applied to the provident fund, amount 1 person.

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 2019 were as follows: -

No.	Name	Position	Ordinary Share (Units)		
			30 September 2019	30 September 2018	+ / (-)
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	Chairman of the Audit Committee, Chairman of the Remuneration, Nominating Committee and Chairman of the Corporate Governance 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 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	-	-	-
8	Mrs. Chaveevan Chandanabhumma Spouse or de facto partners and Minor child	Director, Executive of Director and Director of the Corporate Governance Committee	-	-	-

No.	Name	Position	Ordinary Share (Units)		
			30 September 2019	30 September 2018	+ / (-)
9	Police General Krisna Polananta Spouse or de facto partners and Minor child	Independent Director, Director of the Corporate Governance Committee and Director of the Audit Committee	-	-	-
10	Mrs. Nidda Theerawatanachai Spouse or de facto partners and Minor child	Director and Executive of Director	-	-	-
11	Ms. Pornpimol Chirtchoochai Spouse or de facto partners and Minor child	Director and Executive of Director	-	-	-
12	Mr. Graeme Anthony Cox Spouse or de facto partners and Minor child	Director, Executive of Director, Director of the Risk Management Committee and President	-	-	-
13	Mr. Kiartisak Lertsiriamon Spouse or de facto partners and Minor child	Executive Vice President - Corporate Administration	-	-	-
14	Ms. Sutiporn Rungsisirikul Spouse or de facto partners and Minor child	Executive Vice President - Marketing	-	-	-
15	Mr. Nopadol Thongprajiad Spouse or de facto partners and Minor child	Senior Vice President of Operation, Ban Bueng Factory	-	-	-
16	Ms. Tanaporn Nuntawowart Spouse or de facto partners and Minor child	Senior Vice President of Finance & Administration	-	-	-
17	Mr. Pattana Chuatong Spouse or de facto partners and Minor child	Vice President Raw Material	-	-	-
18	Mrs. Chaniya Jantrakasemwat Spouse or de facto partners and Minor child	Vice President QA	-	-	-

No.	Name	Position	Ordinary Share (Units)		
			30 September 2019	30 September 2018	+ / (-)
19	Mr. Chatchawan Powtong Spouse or de facto partners and Minor child	Vice President Agriculture	-	-	-
20	Mr. Pakpoom Termpongpisit Spouse or de facto partners and Minor child	Vice President International Marketing & Sale	-	-	-
21	Mr. Sophon Muneejinda Spouse or de facto partners and Minor child	Vice President Hr & Administration	-	-	-
22	Mr. Kumphol Sasabhuri Spouse or de facto partners and Minor child	Vice President Strategy and Project Analyst	-	-	-
23	Mr. Yongyuth Klaysubin Spouse or de facto partners and Minor child	Vice President-Ware House	-	-	-
	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 good governance
3.Mr. Prasert Maekwatana	/	/	-	-	-	-	-
4.Mr. Sithichai Chaikriangkrai	/	-	-	-	-	-	-
5. Mr. Siripol Yodmuangcharoen	/	/	-	-	-	-	-
6.Mr. Ananta Dalodom	-	/	-	-	-	-	-
7.Mr. Chai Jroongtanapibarn	/	-	-	/	-	-	-
8.Mrs. Chaveevan Chandanabhumma	-	/	-	/	-	-	Board Matters and Trends (BMT) No. 6/2018
9.Police General Krisna Polananta	-	/	-	-	-	-	-
10. Mrs.Nidda Theerawatanachai	/	-	-	-	-	-	Company Secretary Program
11.Ms. Pornpimol Chirtchoochai	-	/	-	-	-	-	-
12. Mr. Graeme Anthony Cox	-	/	-	-	-	-	Process Innovation Coaching Program 2018

## 8.10 Personnel

In the year 2019, the company has 1,894 employees. Of which, there were 423 monthly employees, 574 daily employees and 897 seasonal daily employees, as classified by major working area as follows: -

	Office	Monthly Employees	Permanent Daily Employee	Seasonal Daily Employee
1	Head office	70	-	-
2	Factory office (Chonburi)	280	430	833
3	Farm office			
	Agriculture	62	143	64
	Raw material procurement	11	1	-

Total compensation of the employees are classified as follows:-

- Salary /Wage	364.70 m.	baht
- Bonus	24.95 m.	baht
- Accumulated in Provident Fund	8.28 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 polices 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**

	2019 (Oct18 - Sep19)	2018 (Oct17 - Sep18)	2017 (Oct16 - Sep17)
CASE	24	15	17
Day leave	130	67	105
Man hour	5,526,362	5,731,235	5,891,297
IFR ( Injury Frequency Rate )	4.34	2.62	2.89
ISR ( Injury Severity Rate )	23.52	11.69	17.74

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 6 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 2019, 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 2019, the company held the Ordinary Shareholders' Meeting for 2019, No. BorMorJor. 27, on 24 January 2019 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**

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, 43<sup>rd</sup> Floor, South Sathorn Road, Yannawa, Sathon, Bangkok 10120 or at the e-mail address: [auditcommittee@siamfood.co.th](mailto: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](http://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 2019 from the SET. 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 date 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: [pompun.p@siamfood.co.th](mailto:pompun.p@siamfood.co.th) or Tel. 0-2287-7009 and at [www.siamfood.co.th](http://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 of 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)

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 President and Managing Director of the company are not the same person, 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 2019 between October 2018 - September 2019, 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 consist of 1 independent directors and 2 director as the executive, with the scope of duty as prescribed in the management structure. On 26 November 2019, the Board of Directors approved to expand the role of the Nominating Committee 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 2019 between October 2018 - September 2019, the Remuneration and Nominating Committee held two meetings.

- **Risk Management Committee**

Established on 30<sup>th</sup> September 2003, and the Board of Directors No. 212 on Wednesday, 6<sup>th</sup> 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 2019 between October 2018 - September 2019, 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 24<sup>th</sup> 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 2019 between October 2018 - September 2019, 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 2019 between October 2018 - September 2019, the Board of Executive Directors held eleven 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 96 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 2019 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 92.70 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 95.17 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 91.06 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 2019 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 director 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 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. Graeme Anthony Cox |                | Director      |
| 5. | Mr. Kiartisak          | Lertsiriamorn  | Director      |

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

- |    |                 |                  |          |
|----|-----------------|------------------|----------|
| 1. | Mrs. Chaveevorn | 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 2019 the auditors' remuneration including three quarterly reviews and the audit of the financial statement for the year ended September 30, 2019 was Baht 1,525,000, plus other service of Baht 30,600 The total sum of the fee was Baht 1,555,600.

## **9.8 The level of understanding and application of good corporate governance principles for listed companies in the year 2017.**

The Board recognizes its role as the leader of the organization. In the year 2017, the Board 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 2019, the Board 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 6 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	2016 Annual Ordinary Shareholders
1 Mr. Thien Mekanontchai	7/7	-	11/11	-	-	-	1/1
2 Mr. Prasit Kovilaikool	7/7	4/4	-	2/2	2/2	-	1/1
3 Mr. Prasert Maekwatana	6/7	-	10/11	2/2	-	-	1/1
4 Mr. Sithichai Chaikriangkrai	6/7	-	10/11	2/2	-	-	1/1
5 Mr. Siripol Yodmuangcharoen	6/7	-	10/11	-	-	4/4	1/1
6 Mr. Ananta Dalodom	6/7	-	-	2/2	-	-	1/1
7 Mr. Chai Jroongtanapibarn	6/7	4/4	-	-	-	4/4	1/1
8 Mrs. Chaveevan Handanabhumma	7/7	-	10/11	-	2/2	-	1/1
9 Police General Krisna Polananta	7/7	4/4	-	-	2/2	-	1/1
10 Mrs. Nidda Theerawatanacha	7/7	-	11/11	-	-	-	1/1
11 Ms. Pornpimol Chirtchoochai	7/7	-	10/11	-	-	-	1/1
12 Mr. Graeme Anthony Cox	7/7	-	11/11	-	-	4/4	1/1

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 2019, the Committee had held 1 Meetings.

## 10. Corporate Social Responsibility

### CSR-DIW Continuous Report 2019

#### 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. Graeme Cox)

President

Siam Food Products Public Co., Ltd.

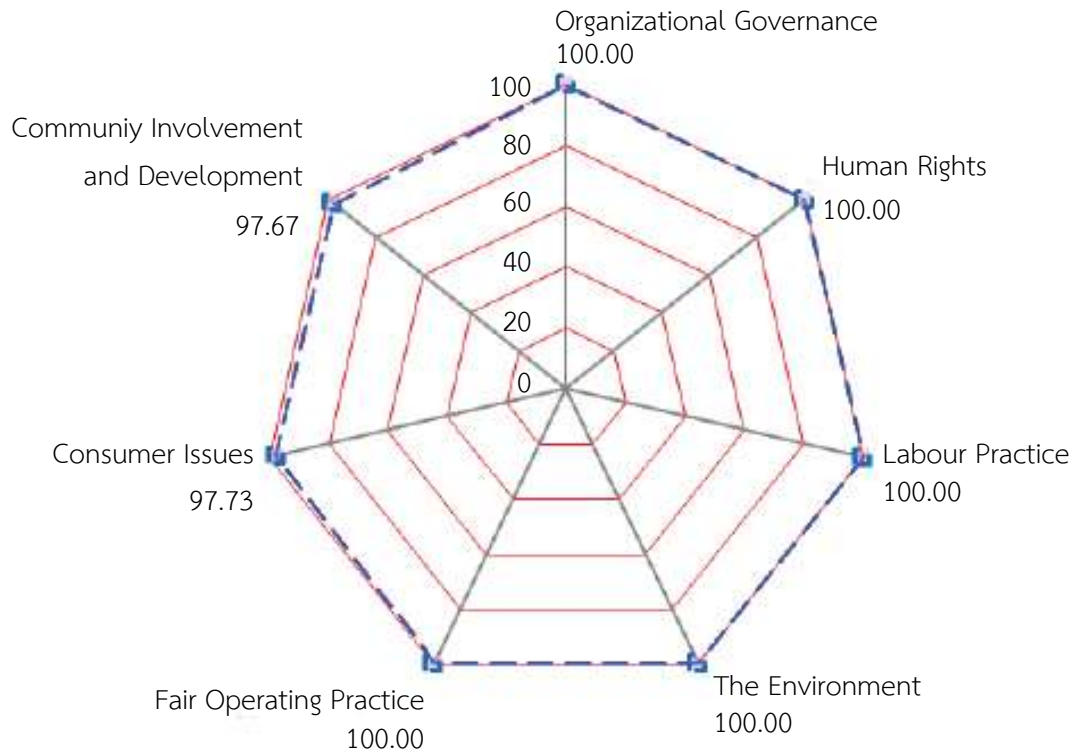
#### CSR practice follow CSR-DIW Standard

Siam Food Products Public Co., Ltd. adheres to the principles of good corporate governance, recognizes the importance of running a business with true social responsibility, community in mind and environment concern in order to give maximum satisfaction to stakeholders of the organization and create lasting happiness in every dimension. Our Corporate Social Responsibility standards are equivalent to ISO 26000 that are consistent with the business. We have followed the main contents of the standard continuously since 2011.

### CSR Practice in 2019

- Practices following CSR-DIW Standard

Siam Food Products evaluates and reviews our practices following the CSR-DIW Standard every year. In this year 2019, we fully comply 100% in five out of seven principles. The other two principles for which we do not comply 100% is because the sub-clauses do not concern our business.



— ■ — % Practice compliance to the standard in 2019

As we have followed CSR Standard for consecutive years so we received the CSR-DIW Continuous Award from the Department of Industrial Works, Ministry of Industrial on September 23<sup>rd</sup> 2019.





- CSR for Sustainable Organization



Economic Sustainability:

Siam Food Products does business on the concept of good governance and economic sustainability. We develop new products with high quality and in compliance with customer specifications using the entirety of the fruit for satisfaction of customers, consumers, business partners, shareholders and employees.

- Produce new product for export, Young jack fruit in can.



- Teaching employees to make soap.

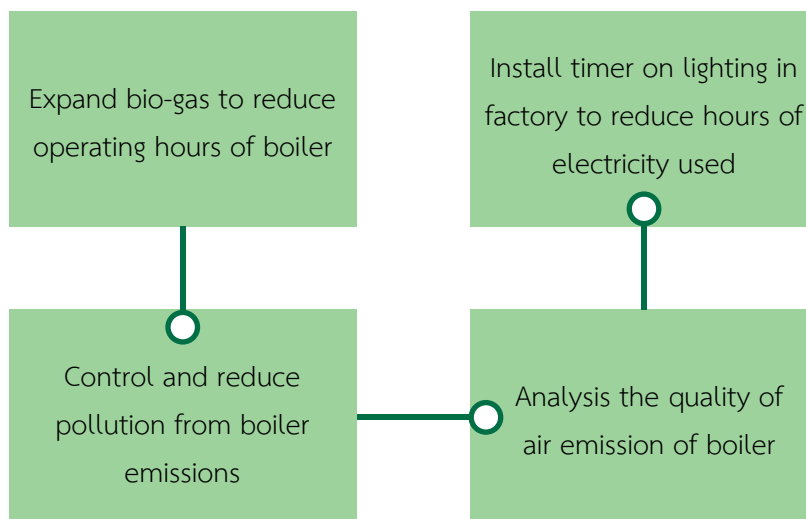


- Buy vegetable products from Ban Tandum School.



#### Environmental Sustainability :

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

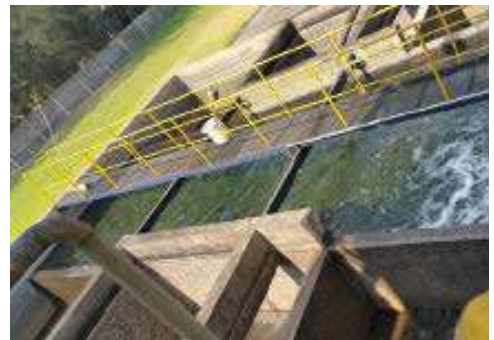




- Expanding the blower of biogas to reduce operating hours of the boiler. This reduced energy consumption by 59,839 kWh/year



- Controlling and reducing pollution from boiler emissions by cleaning the small tubes of the boiler, wet scrubber tube and settling pond, and inspecting and monitoring the wet scrubber efficiency.



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



- Analysis Report of the quality of air emission of boilers. All are in compliance with standards.

No.	Area of sampling	Parameter	Results	Standard <sup>(1)</sup>	Unit	Results compare to standard
1	Boiler No.1	Total Suspended Particulate (TSP)	82.64	240	mg/m <sup>3</sup>	Pass
		Sulfur dioxide (SO <sub>2</sub> )	462.53	950	ppm	Pass
		Oxide of nitrogen (NO <sub>x</sub> )	180.20	200	ppm	Pass
		Carbon monoxide (CO)	409	690	ppm	Pass
		Opacity	5.00	10 <sup>(2)</sup>	ppm	Pass

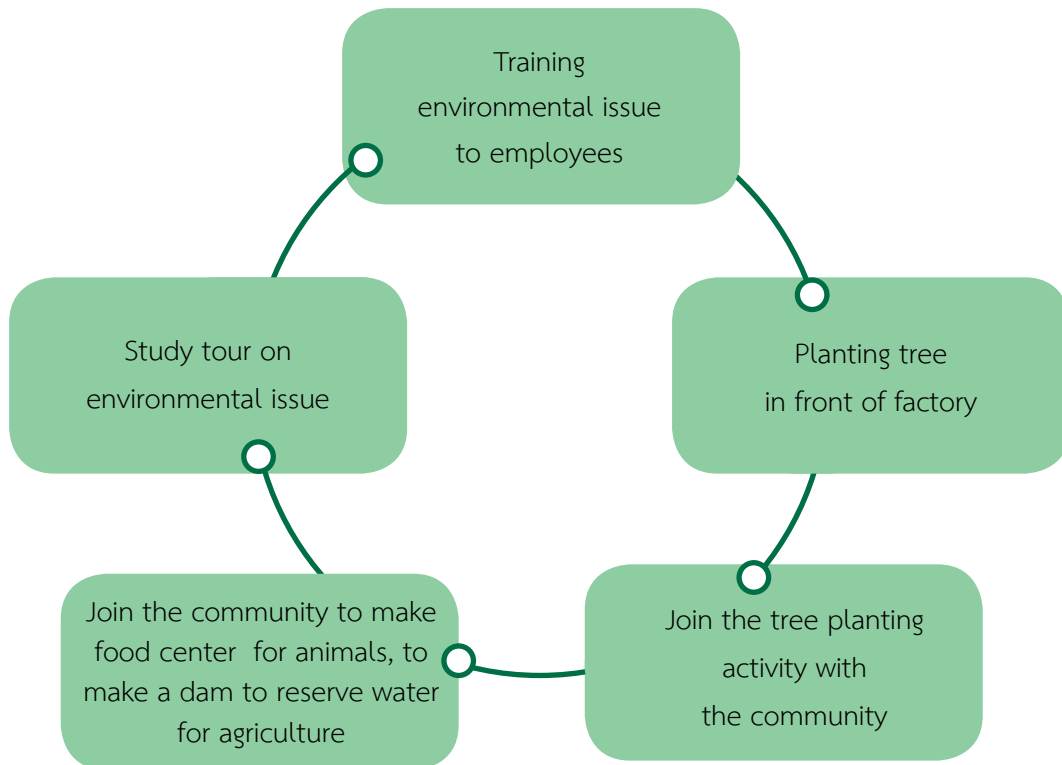
No.	Area of sampling	Parameter	Results	Standard <sup>(1)</sup>	Unit	Results compare to standard
1	Boiler No.2	Total Suspended Particulate (TSP)	93.66	320	mg/m <sup>3</sup>	Pass
		Sulfur dioxide (SO <sub>2</sub> )	89.76	700	ppm	Pass
		Oxide of nitrogen (NO <sub>x</sub> )	25.63	400	ppm	Pass
		Carbon monoxide (CO)	287	690	ppm	Pass
		Opacity	5.00	10 <sup>(2)</sup>	ppm	Pass
2	Boiler No.3	Total Suspended Particulate (TSP)	110.23	320	mg/m <sup>3</sup>	Pass
		Sulfur dioxide (SO <sub>2</sub> )	85.16	700	ppm	Pass
		Oxide of nitrogen (NO <sub>x</sub> )	56.24	400	ppm	Pass
		Carbon monoxide (CO)	323	690	ppm	Pass
		Opacity	5.00	10 <sup>(2)</sup>	ppm	Pass

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

<sup>(2)</sup> 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), 25°C, dry basis and excess air of 50% or at O<sub>2</sub> of 7%

- Install timer on lighting to reduce hours of electricity used. Can reduce energy by 7,227 kWh/year



- Training environmental issues to employees.



- Study tour on environmental issues, waste management by 3Rs principle.



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



- Join the planting trees activity with the community in Cholburi province.



- Join the community to make food center for animals, to make a dam to reserve water for agriculture in Cholburi province



Society sustainability:

Siam Food Products joins community activities on education, culture, occupational health and safety.

- Happy 8 principle for good health; running, swimming, cycling, aerobics, futsal.



- Annual excursions for all employees.



- Knowledge sharing about logistics to students at the university in Samutprakarn province.



- Supporting students of local schools to make study tours at Bangsaen beach, Marine Science Institute and temple in Cholburi province.



- Volunteer employees help to improve the playground at Ban Tandum School.



Improve playground at Ban Tandum School



Join the community on Buddhist Lent Days.



Provide the big water tank to Ban Tandun school for vegetable growing activity.



Student visit factory to learn on fruit manufacturing process.





## 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 2019, 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

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

Relationships with an associate and subsidiaries are described in notes 10 and 11. 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
Plantheon Co., Ltd.	Thailand	Major shareholder and common directors
Indara Insurance Public Company Limited	Thailand	Common group of major shareholder
Horeca Management Co., Ltd.	Thailand	Major shareholder and common directors
United Products Co., Ltd.	Thailand	Major shareholder and common directors
Havi Logistics (Thailand) Co., Ltd.	Thailand	Major shareholder and common directors
Southeast Capital Co., Ltd.	Thailand	Common directors with major shareholder of the Company
Southeast Insurance Public Company Limited	Thailand	Common directors with major shareholder of the Company
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
Lake View Golf and Yacht Club Co., Ltd.	Thailand	Common directors
T.C.C. Technology Co., Ltd.	Thailand	Common directors

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
Bang Pa-In Paper Mill Industry 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
Kaset Thip (2017) Co., Ltd.	Thailand	Common directors
Oishi Trading 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

Transactions	Pricing policies
Revenue from sale of goods	Market price
Sale of packaging	Mutually agreed prices
Asset rental income	Contractually agreed price
Sale of fix assets and other assets	Mutually agreed prices
Dividend income	In accordance with the resolution of shareholders' meeting
Interest income	Interest rate 2.00 - 2.50% per annum
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	Interest rate 1.45% per annum
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 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 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 3 years to 5 years and the agreements will expire during 2020 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 3 years to 5 years and the agreements will expire during 2020 to 2024. 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 2019, 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 2019 to 31 August 2020. The Company is committed to pay a service fee at the rate 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)

	Consolidated Financial Statements					
	2019 (12 months)		2018 (12 months)		2017 (12 months)	
	Amount	%	Amount	%	Amount	%
Total Assets	1,998,220	100	2,766,354	100	2,815,110	100
Total Liabilities	276,052	13.81	386,480	13.97	390,908	13.89
Shareholders' Equity	1,722,169	86.19	2,379,874	86.03	2,424,202	86.11
Total Revenues	1,972,011	100	2,430,762	100	3,586,182	100
Revenues from sale	1,917,809	97.25	2,376,065	97.75	3,510,528	97.89
Gross Profit (loss)	(315,963)	(16.48)	166,258	7.00	462,135	13.16
Net Profit (loss)	(467,060)	(23.68)	168,977	6.95	384,550	10.72
Net cash from (used in) operating activities	(279,859)		(10,432)		501,443	
Net cash from (used in) investing activities	190,443		(110,826)		242,656	
Net cash from (used in) financing activities	(271,308)		(111,078)		(325,588)	
Net increase (decrease) in cash and cash equivalents	(360,731)		(232,334)		422,511	

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

Financial Ratio	Unit	Consolidated Financial Statements		
		2019 (12 months)	2018 (12 months)	2017 (12 months)
<b>Liquidity Ratios</b>				
Current Ratio	Times	5.46	5.11	4.95
Quick Ratio	Times	2.84	3.40	3.61
Avg.Collection Period	Days	25.73	24.68	17.42
Avg.No.Days Inventory In Stock	Days	71.21	70.36	44.03
<b>Profitability Ratios</b>				
Gross Profit (Loss) Margin	%	(16.48)	7.00	13.16
Net Profit (Loss) Margin	%	(23.68)	6.95	10.72
Earning (Per) Share	Baht	(22.24)	8.05	18.31
Price earnings Ratio	Times	<b>(8.63)</b>	<b>23.86</b>	<b>12.23</b>
<b>Assets Management Ratios</b>				
Return On Equity (ROE)	%	(27.12)	7.10	15.86
Return On Total Asset (ROA)	%	(23.37)	6.11	13.66
Return On Total Fixed Asset	%	(78.99)	28.13	60.13
Total Assets Turnover	Times	<b>0.81</b>	<b>0.85</b>	<b>1.25</b>
<b>Leverage Ratios</b>				
Debt To Total Assets	Times	0.14	0.14	0.14
Debt To Equity (D/E)	Times	0.16	0.16	0.16

## 14. ANALYSIS OF FINANCIAL STATUS AND OPERATING PERFORMANCE

The consolidated Income Statements for the year 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, while in the same period ended September 30, 2018, the company earned the total income of Baht 2,430.76 million, net loss from the operation in amount of Baht 36.57 million, upon combination with the profit share from the associated company in amount of Baht 205.55 million, the company earned the net profit of total Baht 168.98 million, change in net profit decreasing by Baht 636.04 million or 376.40%.

### Analysis of Income Statements for the year ended September 30, 2019 (The audited Consolidated Financial Statements)

1) Revenue from sale amount of Baht 1,917.81 million, a decreased by Baht 458.25 million or 19.29%. Because the volume of products had sold according to the decreasing of raw material and the US dollar had been weaker.

The ratio of cost of goods sold and sales for the year 2019 was 116% while the same period of the previous year equal to 93%. Because:

1.1) Fruit cost was higher than while in the same period 32% which effected from the dry weather, a shortage of fresh pineapple and selling price of world market decreased because foreign buyers have a lot of stock and as overseas customers switched to buying from Thailand's competitors of the lower cost.

1.2) Due to a shortage of fresh pineapple fruit, production volume decreased by 25%, this resulted in a higher cost per unit.

2) The company had a gain on changes in fair value of biological assets of Baht 14.92 million in the year 2019 which effected from the company has adopted TAS 41: Agriculture start from 1 January 2016 because fruit cost from farmers as at September 30, 2019, 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 63.28 million.

3) Idle capacity cost of the company increased by Baht 31.03 million from shortage of fresh pineapple, production was lower normal capacity.

4) The company had profit on the exchange rate of Baht 1.34 million in the year 2019 while the same period of the previous year had profit on exchange rate Baht 2.45 million.

5) 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 70.01 million, decreasing from the previous year Baht 135.54 million or 65.94 % due to last year had gained from the sale of assets to property fund.

As at 30 September 2019, the consolidated statement of financial position had a Debt to Equity Ratio at 0.16 equal to as at 30 September 2018.



## Financial Status

As at 30 September 2019, the company's statements of financial position presents total assets of Baht 1,998.22 million, decreased of Baht 768.13 million from balance as at 30 September 2018 or 27.77%. The details of changes in assets and liabilities are as follows.

### Assets

- Cash and cash equivalents an decreased Baht 360.73 million.
- Current investment decreased Baht 177.47 million.
- Investment in an associate decreased Baht 116.31 million
- Inventories decreased Baht 59.50 million.
- Deferred tax assets decreased Baht 32.28 million.
- Equity securities available-for-sale decreased Baht 14.87 million.
- Account receivable decreased Baht 12.85 million.
- Other receivables decreased Baht 10.24 million.
- Property, plant and equipment decreased Baht 9.41 million.
- Biological assets increased Baht 31.92 million.

### Liabilities

The company's total liabilities were Baht 276.05 million, an decreased by Baht 110.43 as at 30 September 2018 million from the previous year or 28.57%. The main transactions were decreased in Short-term loan from associate decreased Baht 100.00 million, Other payables decreased Baht 20.18 million, Account payable decreased Baht 15.46, employee benefit increased Baht 22.73 million and Advances received from sale of goods increased Baht 1.16 million.

### The Shareholders' Equity

In 2019, the balance was Baht 1,722.17 million, decreased by Baht 657.70 million from balance as at 30 September 2018 or 27.64%, Dividends paid Baht 168 million, net loss from operating for year 2019 amount Baht 467.06 million and decreased in other comprehensive income Baht 22.65 million.

## Statement of Cash Flow

The statement of cash flow for year ended 30 September 2019 shows that the company had cash and cash equivalents decreased from balance as at September 30, 2018 by Baht 360.72 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 (279.86) million, there were main activities as the following :

- Cash used in operation.	(268.24)	Million Baht
- Cash used in other payables	(20.47)	Million Baht
- Cash used in account payable	(15.46)	Million Baht
- Cash used in employee benefit.	(10.66)	Million Baht
- Cash received from trade accounts receivable.	12.18	Million Baht
- Cash received from other receivables	10.77	Million Baht
- Cash received from inventories.	5.67	Million Baht
- Cash received from other current assets	2.52	Million Baht

2. Net cash flow received from investing activities in the amount of Baht 190.44 million, there were main activities as the following :

- Cash received from other debt securities.	175.00	Million Baht
- Cash received from dividend from associated company.	117.47	Million Baht
- Cash received from reduction in ordinary shares of associate	80.00	Million Baht
- Cash received from Interest	7.88	Million Baht
- Cash used for increasing crop of biological assets.	(145.55)	Million Baht
- Cash used in purchases of property, plant and equipment.	(44.50)	Million Baht

3. Net cash flow used in financing activities in the amount of Baht (271.31) million, there were main activities as the following :

- Dividend paid.	(168.00)	Million Baht
- Repayment of short-term loan from associate.	(100.00)	Million Baht
- Payment by a lessee for reduction of the outstanding liability relating to a finance lease.	(1.72)	Million Baht
- Interest paid.	(1.58)	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 2019, 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, 2019. 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. Graeme Anthony Cox)  
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 2019, 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 2019 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.

Recognition of deferred tax assets	
Refer to notes 3 (v) and 25 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Company have recognised deferred tax assets arising from unutilised tax losses carried forward. The recoverability of the deferred tax asset is dependent on future taxable profits and the ability to utilise those losses in the future prior to the expiry of tax losses. Because the consideration of the forecast of future taxable profits and assessing the ability to utilise those tax losses involved a significant level of judgment in determining the key assumptions of management. This area was focused on my audit accordingly.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding the basis of forecasting future taxable profit;</li> <li>• assessing the reasonableness of the key assumptions use by management in the forecast of future taxable profit by considering with the internal and external sources of information, and considering the operation plan approved by management by comparing to the actual and the historical operating results and assessed the sensitivity of the outcomes to reasonably possible changes in assumptions, including of calculation testing the future taxable profits;</li> <li>• evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.</li> </ul>

Valuation of investments in subsidiaries and property, plant and equipment of the Group	
Refer to notes 3 (h), 3 (j), 11 and 13 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group and the Company have the operating loss and the subsidiaries incurred cumulative losses for many years. This indicate that investments in subsidiaries and the Group's property, plant and equipment may be impair. The management considers the impairment at the reporting period by the estimated recoverable amount was based on its value in use, determined by discounting future cash flows from its operations.</p> <p>Because the projection of cash flows involved a significant level of judgment in determining the key assumptions of management. This area was focused on my audit accordingly.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding the process of identifying and considering the assessment of impairment on investments in subsidiaries and property, plant and equipment;</li> <li>• assessing the reasonableness of the key assumptions use by management in the forecast of future profit and cash flows projection by considering with the internal and external sources of information and considering the operation plan approved by management by comparing to the actual and the historical operating results, also consulted with valuation specialist relating to financial methodologies used in the calculating the estimates and discount rate;</li> <li>• Understanding the process and valuation methods of land and buildings, assessing the independence, competency, professional qualifications and experience of the external expert, including using the work of expert engaged by KPMG in evaluation methodologies and key assumptions of the valuation;</li> </ul>

	<ul style="list-style-type: none"> <li>• evaluating the sensitivity of key assumptions used in future cash flows projection which affect to the recoverable amount of cash-generating unit;</li> <li>• evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.</li> </ul>
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### *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  
 26 November 2019

# 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	
		2019	2018	2019	2018
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	5	351,017,515	711,748,152	347,670,910	709,265,469
Current investments	6	-	177,471,582	-	177,471,582
Trade accounts receivable	4, 7	130,669,320	143,517,615	130,669,320	143,212,465
Other receivables	4	11,698,982	21,940,034	20,702,700	24,290,252
Short-term loans to subsidiary	4	-	-	149,000,000	89,000,000
Current portion of long-term loan to subsidiary	4	-	-	-	85,000,000
Inventories	8	412,072,803	471,577,375	341,522,477	447,013,520
Current biological assets	9	10,923,432	12,584,786	10,923,432	12,584,786
Other current assets		9,941,866	12,644,565	9,295,071	12,462,013
<b>Total current assets</b>		<b>926,323,918</b>	<b>1,551,484,109</b>	<b>1,009,783,910</b>	<b>1,700,300,087</b>
<b>Non-current assets</b>					
Equity securities available-for-sale	6	159,641,040	174,506,400	159,641,040	174,506,400
Investment in associate	10	72,362,921	188,675,663	63,200,000	143,200,000
Investments in subsidiaries	11	-	-	197,355,705	197,355,705
Investment properties	12	64,003,826	64,189,011	64,003,826	64,189,011
Property, plant and equipment	13	591,256,959	600,666,305	515,484,441	519,830,878
Intangible assets		1,379,290	2,194,002	1,379,270	2,193,982
Non-current biological assets	9	134,409,916	102,487,949	92,064,580	78,244,775
Deferred tax assets	25	39,113,223	71,388,521	31,912,056	52,976,420
Other non-current assets	4	9,729,281	10,762,531	9,108,365	10,116,360
<b>Total non-current assets</b>		<b>1,071,896,456</b>	<b>1,214,870,382</b>	<b>1,134,149,283</b>	<b>1,242,613,531</b>
<b>Total assets</b>		<b>1,998,220,374</b>	<b>2,766,354,491</b>	<b>2,143,933,193</b>	<b>2,942,913,618</b>

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



# Siam Food Products Public Company Limited and its Subsidiaries

## Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September		30 September	
		2019	2018	2019	2018
		(in Baht)			
<b>Current liabilities</b>					
Trade accounts payable	4	91,047,745	106,508,389	84,101,896	101,402,788
Other payables	4, 15	67,806,210	87,987,438	58,763,535	253,517,752
Advances received from sale of goods		7,639,709	6,478,058	7,621,810	6,460,159
Short-term loan from associate	4, 14	-	100,000,000	-	100,000,000
Other current liabilities		3,287,257	2,703,903	3,200,053	2,596,955
<b>Total current liabilities</b>		<b>169,780,921</b>	<b>303,677,788</b>	<b>153,687,294</b>	<b>463,977,654</b>
<b>Non-current liabilities</b>					
Non-current provisions for employee benefits	16	103,690,135	80,962,189	99,561,347	76,962,485
Other non-current liabilities		2,580,625	1,840,175	2,470,377	1,840,175
<b>Total non-current liabilities</b>		<b>106,270,760</b>	<b>82,802,364</b>	<b>102,031,724</b>	<b>78,802,660</b>
<b>Total liabilities</b>		<b>276,051,681</b>	<b>386,480,152</b>	<b>255,719,018</b>	<b>542,780,314</b>
<b>Equity</b>					
Share capital:	17				
Authorised share capital		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up share capital		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		1,280,027,748	1,922,868,023	1,446,073,237	1,943,127,006
Other component of equity	18	(158,671,560)	(143,806,200)	(158,671,560)	(143,806,200)
<b>Equity attributable to owners of the parent</b>		<b>1,722,168,686</b>	<b>2,379,874,321</b>	<b>1,888,214,175</b>	<b>2,400,133,304</b>
Non-controlling interests		7	18	-	-
<b>Total equity</b>		<b>1,722,168,693</b>	<b>2,379,874,339</b>	<b>1,888,214,175</b>	<b>2,400,133,304</b>
<b>Total liabilities and equity</b>		<b>1,998,220,374</b>	<b>2,766,354,491</b>	<b>2,143,933,193</b>	<b>2,942,913,618</b>

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

# Siam Food Products Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
<b>Revenue</b>					
Revenue from sale of goods	4	1,917,808,926	2,376,064,804	1,916,293,774	2,363,987,534
Investment income	4, 20	19,059,339	24,878,571	140,568,098	244,274,385
Gains on remeasuring biological assets	9	14,916,137	-	14,927,745	-
Net foreign exchange gain		1,339,158	2,447,425	1,339,158	2,447,425
Other income	4	18,887,003	27,371,156	18,032,194	24,526,939
<b>Total revenue</b>		<b>1,972,010,563</b>	<b>2,430,761,956</b>	<b>2,091,160,969</b>	<b>2,635,236,283</b>
<b>Expenses</b>					
Cost of sales of goods	4, 8, 24	2,233,771,814	2,209,806,567	2,164,917,628	2,187,024,978
Distribution costs	4, 21, 24	83,136,323	87,453,547	74,530,223	77,739,387
Administrative expenses	4, 22, 24	114,750,694	119,427,551	118,874,208	118,691,333
Idle expenses		41,807,784	10,784,591	28,738,939	-
Losses on remeasuring biological assets	9	-	63,281,058	-	57,287,963
Losses on impairment of investment in subsidiary	11	-	-	-	90,000,000
Finance costs	4	1,274,643	226,709	1,274,234	226,584
<b>Total expenses</b>		<b>2,474,741,258</b>	<b>2,490,980,023</b>	<b>2,388,335,232</b>	<b>2,530,970,245</b>
Share of profit of investment in associate, net of income tax	4, 10	70,010,312	205,549,700	-	-
<b>Profit (loss) before income tax expense</b>		<b>(432,720,383)</b>	<b>145,331,633</b>	<b>(297,174,263)</b>	<b>104,266,038</b>
Tax (expense) income	25	(34,339,609)	23,645,633	(23,227,392)	(14,907,087)
<b>Profit (loss) for the year</b>		<b>(467,059,992)</b>	<b>168,977,266</b>	<b>(320,401,655)</b>	<b>89,358,951</b>

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

# Siam Food Products Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring available-for-sale investments	6	(14,865,360)	(3,231,600)	(14,865,360)	(3,231,600)
Income tax relating to items that will be reclassified subsequently to profit or loss		-	-	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(14,865,360)</b>	<b>(3,231,600)</b>	<b>(14,865,360)</b>	<b>(3,231,600)</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Losses on remeasurements of defined benefit plans	16	(10,321,550)	(91,172)	(10,815,143)	(91,172)
Share of other comprehensive income of investment in associate, net of income tax	4, 10	476,946	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	25	2,064,310	18,234	2,163,029	18,234
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(7,780,294)</b>	<b>(72,938)</b>	<b>(8,652,114)</b>	<b>(72,938)</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(22,645,654)</b>	<b>(3,304,538)</b>	<b>(23,517,474)</b>	<b>(3,304,538)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(489,705,646)</b>	<b>165,672,728</b>	<b>(343,919,129)</b>	<b>86,054,413</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		(467,059,981)	168,977,264	(320,401,655)	89,358,951
Non-controlling interests		(11)	2	-	-
<b>Profit (loss) for the year</b>		<b>(467,059,992)</b>	<b>168,977,266</b>	<b>(320,401,655)</b>	<b>89,358,951</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		(489,705,635)	165,672,726	(343,919,129)	86,054,413
Non-controlling interests		(11)	2	-	-
<b>Total comprehensive income (expense) for the year</b>		<b>(489,705,646)</b>	<b>165,672,728</b>	<b>(343,919,129)</b>	<b>86,054,413</b>
<b>Basic earnings (loss) per share</b>	26	<b>(22.24)</b>	<b>8.05</b>	<b>(15.26)</b>	<b>4.26</b>

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

# Siam Food Products Public Company Limited and its Subsidiaries

## Statement of changes in equity

		Consolidated financial statements							
		Retained earnings			Other component of equity				
		Share premium on ordinary shares	Legal reserve	Unappropriated	Losses on remeasuring available-for-sale investments	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
		<i>(in Baht)</i>							
Year ended 30 September 2018									
	Balance at 1 October 2017	210,000,000	360,812,498	30,000,000	1,963,963,697	(140,574,600)	2,424,201,595	16	2,424,201,611
Transactions with owners, recorded directly in equity									
	Dividends to owners of the Company	-	-	-	(210,000,000)	-	(210,000,000)	-	(210,000,000)
	Total transactions with owners, recorded directly in equity	-	-	-	(210,000,000)	-	(210,000,000)	-	(210,000,000)
Comprehensive income (expense) for the year									
	Profit	-	-	-	168,977,264	-	168,977,264	2	168,977,266
	Other comprehensive income (expense)	-	-	-	(72,938)	(3,231,600)	(3,304,538)	-	(3,304,538)
	Total comprehensive income (expense) for the year	-	-	-	168,904,326	(3,231,600)	165,672,726	2	165,672,728
	Balance at 30 September 2018	210,000,000	360,812,498	30,000,000	1,922,868,023	(143,806,200)	2,379,874,321	18	2,379,874,339
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	18	2,379,874,339
Transactions with owners, recorded directly in equity									
	Dividends to owners of the Company	-	-	-	(168,000,000)	-	(168,000,000)	-	(168,000,000)
	Total transactions with owners, recorded directly in equity	-	-	-	(168,000,000)	-	(168,000,000)	-	(168,000,000)
Comprehensive income (expense) for the year									
	Loss	-	-	-	(467,059,981)	-	(467,059,981)	(11)	(467,059,992)
	Other comprehensive income (expense)	-	-	-	(7,780,294)	(14,865,360)	(22,645,654)	-	(22,645,654)
	Total comprehensive income (expense) for the year	-	-	-	(474,840,275)	(14,865,360)	(489,705,635)	(11)	(489,705,646)
	Balance at 30 September 2019	210,000,000	360,812,498	30,000,000	1,280,027,748	(158,671,560)	1,722,168,686	7	1,722,168,693

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

# Siam Food Products Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Separate financial statements						Total equity
	Retained earnings			Other component of equity			
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Losses on re-measuring available-for-sale investments		
<b>Year ended 30 September 2018</b>							
Balance at 1 October 2017	210,000,000	360,812,498	30,000,000	2,063,840,993	(140,574,600)	2,524,078,891	
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to owners of the Company	-	-	-	(210,000,000)	-	(210,000,000)	
Total transactions with owners, recorded directly in equity	-	-	-	(210,000,000)	-	(210,000,000)	
<b>Comprehensive income (expense) for the year</b>							
Profit	-	-	-	89,358,951	-	89,358,951	
Other comprehensive income (expense)	-	-	-	(72,938)	(3,231,600)	(3,304,538)	
Total comprehensive income (expense) for the year	-	-	-	89,286,013	(3,231,600)	86,054,413	
Balance at 30 September 2018	210,000,000	360,812,498	30,000,000	1,943,127,006	(143,806,200)	2,400,133,304	
<b>Year ended 30 September 2019</b>							
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	
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to owners of the Company	-	-	-	(168,000,000)	-	(168,000,000)	
Total transactions with owners, recorded directly in equity	-	-	-	(168,000,000)	-	(168,000,000)	
<b>Comprehensive income (expense) for the year</b>							
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	

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

# 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	
		2019	2018	2019	2018
<i>(in Baht)</i>					
<b>Cash flows from operating activities</b>					
Profit (loss) for the year		(467,059,992)	168,977,266	(320,401,655)	89,358,951
<b>Adjustments to reconcile profit (loss) to cash receipts (payments)</b>					
Tax expense (Income)	25	34,339,609	(23,645,633)	23,227,392	14,907,087
Finance costs		1,274,643	226,709	1,274,234	226,584
Depreciation and amortisation		55,479,663	74,237,334	51,344,276	43,103,158
Write off of withholding tax		-	1,487	-	-
Impairment losses on investment in subsidiaries	11	-	-	-	90,000,000
Unrealised loss on exchange rates		414,698	1,081,147	414,698	557,389
(Gains) losses on remeasuring biological assets	9	(14,916,137)	63,281,058	(14,927,745)	57,287,963
Share of profit of investment in associate, net of income tax	4, 10	(70,010,312)	(205,549,700)	-	-
Losses on inventories devaluation	8	54,096,755	42,567,907	60,670,496	35,666,446
Decrease from harvest/sale of biological assets	9	133,944,162	99,541,695	132,287,220	94,111,279
(Gain) losses on disposal of equipment		453,377	334,871	375,325	(193,202)
Gain on disposal of spare parts and factory supplies		(262,164)	(531,359)	(270,243)	(532,719)
Employee benefits expense	16	23,067,046	7,592,448	22,290,715	6,935,474
Dividends income	20	(10,667,512)	(11,795,340)	(117,467,512)	(227,395,340)
Interest income	20	(8,391,827)	(11,435,594)	(9,560,264)	(15,231,408)
		(268,237,991)	204,884,296	(170,743,063)	188,801,662
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		12,180,762	37,088,060	11,875,612	37,393,210
Other receivables		10,770,787	(9,220,275)	3,073,465	(10,653,094)
Inventories		5,669,981	(121,423,165)	45,090,790	(98,412,718)
Other current assets		2,515,248	(3,618,492)	2,979,491	(3,975,968)
Other non-current assets		1,729,924	(4,497,908)	1,701,924	(4,514,908)
Trade accounts payable		(15,458,503)	(55,166,419)	(17,298,751)	(42,343,316)
Other payables		(20,471,152)	(10,711,838)	(12,745,270)	(19,750,834)
Advances received from sale of goods		1,161,651	(43,012,609)	1,161,651	(43,011,844)
Other current liabilities		(5,307)	334,549	14,437	376,963
Other non-current liabilities		1,455,176	(20,000)	1,344,928	(20,000)
Employee benefit paid		(10,660,651)	(5,244,693)	(10,506,995)	(5,244,693)
Net cash used in operating		(279,350,075)	(10,608,494)	(144,051,781)	(1,355,540)
Taxes received (paid)		(509,223)	10,005	(506,478)	11,795
Net cash use in operating activities		(279,859,298)	(10,598,489)	(144,558,259)	(1,343,745)

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

# 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	
		2019	2018	2019	2018
		(in Baht)			
<i>Cash flows from investing activities</i>					
Proceeds from reduction in ordinary shares of associate	10	80,000,000	-	80,000,000	-
Proceeds from redemption of debt securities held to maturity		175,000,000	-	175,000,000	-
Acquisition of debt securities held to maturity	6	-	(177,703,231)	-	(177,703,231)
Proceeds from sale of equipment		146,536	675,581	143,594	525,733
Acquisition of plant and equipment		(44,500,204)	(35,692,950)	(226,287,237)	(22,431,807)
Proceeds from repayment of short-term loans to subsidiary	4	-	-	143,000,000	55,000,000
Increase in short-term loans to subsidiary	4	-	-	(203,000,000)	(108,000,000)
Proceeds from repayment of long-term loans to subsidiary	4	-	-	85,000,000	15,000,000
Increase from crop of biological assets	9	(145,553,026)	(137,378,079)	(127,140,680)	(123,990,202)
Dividends received		117,467,512	227,395,340	117,467,512	227,395,340
Interest received		7,882,265	11,877,374	10,094,524	14,491,960
<b>Net cash from (used in) investing activities</b>		<b>190,443,083</b>	<b>(110,825,965)</b>	<b>54,277,713</b>	<b>(119,712,207)</b>
<i>Cash flows from financing activities</i>					
Proceeds from short-term loan from associate	4	-	100,000,000	-	100,000,000
Repayment of short-term loan from associate	4	(100,000,000)	-	(100,000,000)	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease		(1,722,855)	(767,833)	(1,722,855)	(767,833)
Dividends paid to owners of the Company	27	(168,000,000)	(210,000,000)	(168,000,000)	(210,000,000)
Interest paid		(1,584,651)	(143,284)	(1,584,242)	(143,158)
<b>Net cash used in financing activities</b>		<b>(271,307,506)</b>	<b>(110,911,117)</b>	<b>(271,307,097)</b>	<b>(110,910,991)</b>
Net decrease in cash and cash equivalents before effect of exchange rates		(360,723,721)	(232,335,571)	(361,587,643)	(231,966,943)
Effect of exchange rate changes on cash and cash equivalents		(6,916)	1,987	(6,916)	1,987
<b>Net decrease in cash and cash equivalents</b>		<b>(360,730,637)</b>	<b>(232,333,584)</b>	<b>(361,594,559)</b>	<b>(231,964,956)</b>
Cash and cash equivalents at 1 October 2018/2017		711,748,152	944,081,736	709,265,469	941,230,425
<b>Cash and cash equivalents at 30 September</b>	5	<b>351,017,515</b>	<b>711,748,152</b>	<b>347,670,910</b>	<b>709,265,469</b>
<i>Non-cash transactions</i>					
Decrease in fair value of available-for-sale investments		(14,865,360)	(3,231,600)	(14,865,360)	(3,131,600)
Payables for acquisition of machinery and equipment		927,675	90,306	927,675	182,389,177
Using finance lease agreements to purchase of equipment		1,596,790	3,650,000	1,596,790	3,650,000

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

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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 26 November 2019.

### 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 2019 and 2018 are given in note 11.

### 2 Basis of preparation of the financial statements

#### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) guidelines promulgated by the Federation of Accounting Professions 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 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that may have an impact on the Group’s operations are disclosed in note 30.

#### (b) Basis of measurement

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

<i>Items</i>	<i>Measurement bases</i>
Derivatives	Fair value
Available-for-sale investments	Fair value
Biological assets	Fair value less costs to sell
Defined benefit liability	Present value of the defined benefit obligation

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### (c) *Functional and presentation currency*

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

### (d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of 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.

#### *Assumptions and estimation uncertainties*

Information about assumption and estimation uncertainties at 30 September 2019 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:

Note 16	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 25	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

#### *Measurement of fair values*

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Finance 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 (see note 2(b)), 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:

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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

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

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

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

- Note 9            Biological assets
- Note 12          Investment property
- Note 28          Financial instruments

### 3 Significant accounting policies

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

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in 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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *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.

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).

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### (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*

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

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

### (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.

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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### (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.

### (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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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

The Group does not depreciate the investment property - 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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *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	5 - 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.

As at 30 September 2018, the Company has reviewed the useful lives of machinery and equipment for rent which presented under "Property, plant and equipment". The Company's management believes that the extend useful lives of the assets for another 15 years from 1 October 2018, are more appropriate since they are consistent with their revised expected utility to the Company.

The Company applied the changes on estimates prospectively. This change have no material effect on the statement of financial position as at 30 September 2018 and statement of comprehensive income for the year ended 30 September 2018.

### **(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.



# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *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.

### *(1) 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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *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.

### **(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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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.

## **(q) Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

### *Sale of goods and services rendered*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

### *Freight income*

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of freight made by the Group.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### (r) *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.

### (s) *Investment income*

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

### (t) *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.

### (u) *Lease payments*

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

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

#### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

### (v) *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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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.

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.

### (w) *Basic earnings (loss) per share*

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

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### (x) *Related parties*

Related parties are 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.

### (y) *Segment reporting*

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

## 4 Related parties

Relationships with an associate and subsidiaries are described in notes 10 and 11. 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
Platheon Co., Ltd.	Thailand	Major shareholder and common directors
Indara Insurance Public Company Limited	Thailand	Common group of major shareholder
Horeca Management Co., Ltd.	Thailand	Major shareholder have common directors
United Products 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 Company Limited	Thailand	Common directors with major shareholder of the Company
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
Lake View Golf and Yacht Club 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

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
Pornpattanasin Co., Ltd.	Thailand	Common directors
United Winery and Distillery Co., Ltd.	Thailand	Common directors
Bang Pa-In Paper Mill Industry 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
Kaset Thip (2017) Co., Ltd.	Thailand	Common directors
Oishi Trading 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

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 fix assets and other assets	Mutually agreed prices
Dividend income	In accordance with the resolution of shareholders' meeting
Interest income	Interest rate 2.00 - 2.50% per annum
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	Interest rate 1.45% per annum
Other expenses	Mutually agreed prices

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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

<i>Year ended 30 September</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Revenue from sale of goods	-	-	-	951
Sale of packaging	-	-	1,833	2,712
Assets rental income	-	-	13,540	-
Interest income	-	-	1,189	3,814
Other income	-	-	1,223	517
Purchase of goods	-	-	333,816	360,438
Purchase of fixed assets and other assets	-	-	-	170,388
<b>Associate</b>				
Dividend income	-	-	106,800	215,600
Interest expense	-	-	1,060	83
Share of profit of investment in associate, net of income tax	70,010	205,550	-	-
Share of other comprehensive income of investment in associate, net of income tax	477	-	-	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	47,914	42,806	47,914	42,806
Post-employment benefits	4,751	2,962	4,751	2,962
Other long-term benefits	4	4	4	4
<b>Total key management personnel compensation</b>	<b>52,669</b>	<b>45,772</b>	<b>52,669</b>	<b>45,772</b>
<b>Other related parties</b>				
Revenue from sale of goods	310	352	310	352
Asset rental income	-	1,648	-	1,648
Other income	4	-	4	-
Purchase of raw materials	57,705	68,303	46,767	58,156
Operating lease expense	23,300	22,925	20,290	19,915
Other expenses	7,774	2,350	2,448	1,898

### *Directors' remuneration*

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.

At the annual general meeting of the shareholders of the Company held on 24 January 2018, the shareholders approved the directors' remuneration for the year 2018 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 2019

Balances as at 30 September with related parties were as follows:

<i>Trade accounts receivables - related party</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related party	-	29	-	29
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	10,987	2,588
Other related parties	613	584	403	383
<b>Total</b>	<b>613</b>	<b>584</b>	<b>11,390</b>	<b>2,971</b>

Movements during the years ended 30 September of loans to subsidiary were as follows:

<i>Short-term loans</i>	Interest rate	Separate financial statements				
		At 30 September <i>(% per annum)</i>	At 1 October 2018/2017	Increase <i>(in thousand Baht)</i>	Decrease <i>(in thousand Baht)</i>	At 30 September
<b>2019</b>						
Subsidiary	2.00	<u>89,000</u>	203,000	(143,000)	<u>149,000</u>	
<b>2018</b>						
Subsidiary	2.00	<u>36,000</u>	108,000	(55,000)	<u>89,000</u>	
<i>Current portion of long-term loan</i>	Interest rate	Separate financial statements				
	At 30 September <i>(% per annum)</i>	At 1 October 2018/2017	Increase	Decrease	Reclassified from long-term loan	At 30 September
			<i>(in thousand Baht)</i>			
<b>2019</b>						
Subsidiary	2.50	<u>85,000</u>	-	(85,000)	-	<u>-</u>
<b>2018</b>						
Subsidiary	2.50	<u>15,000</u>	-	(15,000)	85,000	<u>85,000</u>
<i>Deposit paid - related parties (a part of other non-current assets in statement of financial position)</i>	Consolidated financial statements		Separate financial statements			
	2019	2018	2019	2018		
	<i>(in thousand Baht)</i>					
Other related parties	<u>3,892</u>	<u>3,892</u>	<u>3,349</u>	<u>3,349</u>		
<i>Trade accounts payable - related parties</i>	Consolidated financial statements		Separate financial statements			
	2019	2018	2019	2018		
	<i>(in thousand Baht)</i>					
Other related parties	<u>3,575</u>	<u>5,352</u>	<u>3,409</u>	<u>5,176</u>		

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

<i>Other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	-	182,315
Associate	-	83	-	83
Key management personnel	2,314	5,428	2,314	5,428
Other related parties	6,470	2,495	2,449	2,232
<b>Total</b>	<b>8,784</b>	<b>8,006</b>	<b>4,763</b>	<b>190,058</b>

Movements during the years ended 30 September of loan from associate were as follows:

<i>Short-term loan</i>	Interest rate	Consolidated financial statements/ Separate financial statements			
		At 1 October 2018/2017	Increase	Decrease	At 30 September
	At 30 September <i>(% per annum)</i>	<i>(in thousand Baht)</i>			
<b>2019</b>					
Associate	1.45	<u>100,000</u>	-	(100,000)	<u>-</u>
<b>2018</b>					
Associate	1.45	<u>-</u>	100,000	-	<u>100,000</u>

<i>Commitments with related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payment under non-cancellable operating lease</i>				
Within one year	19,130	13,479	16,660	11,733
After one year but within five years	18,911	15,338	15,373	14,088
<b>Total</b>	<b>38,041</b>	<b>28,817</b>	<b>32,033</b>	<b>25,821</b>

### *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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *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 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 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 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 3 years to 5 years and the agreements will expire during 2020 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 3 years to 5 years and the agreements will expire during 2020 to 2024. 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 2019, 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 2019 to 31 August 2020. 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 2019 to 31 December 2019. The Company is committed to pay a remuneration at the rate as stipulated in the agreements.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	85	85	60	60
Cash at banks - current accounts	13,067	9,458	10,729	7,800
Cash at banks - savings accounts	117,866	352,205	116,882	351,405
Government bond	220,000	350,000	220,000	350,000
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>351,018</b>	<b>711,748</b>	<b>347,671</b>	<b>709,265</b>

### 6 Other investments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Current investments</b>				
Debt securities held to maturity	-	177,472	-	177,472
<b>Long-term investments</b>				
Equity securities available-for-sale	159,641	174,506	159,641	174,506
<b>Total</b>	<b>159,641</b>	<b>351,978</b>	<b>159,641</b>	<b>351,978</b>

Debt securities held to maturity have interest rates of 4.41% to 4.92% and mature within one year.

Movements during the years ended 30 September of marketable equity securities were as follows:

	Consolidated financial statements/Separate financial statements			
	At 1 October 2018/2017	Purchase	Redemption	Fair value adjustment
	<i>(in thousand Baht)</i>			
<b>2019</b>				
<b>Current investments</b>				
Debt securities held to maturity	177,472	-	(177,472)	-
<b>Long-term investments</b>				
Equity securities available- for-sale	174,506	-	-	(14,865)
<b>2018</b>				
<b>Current investments</b>				
Debt securities held to maturity	-	177,472	-	-
<b>Long-term investments</b>				
Equity securities available- for-sale	177,738	-	-	(3,232)

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 7 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Related party</b>					
Within credit terms	4	-	29	-	29
		<u>-</u>	<u>29</u>	<u>-</u>	<u>29</u>
<b>Other parties</b>					
Within credit terms		94,734	121,311	94,734	121,311
Overdue:					
Less than 3 months		35,929	21,631	35,929	21,631
3-6 months			496	-	190
6-12 months		6	51	6	51
		<u>130,669</u>	<u>143,489</u>	<u>130,669</u>	<u>143,183</u>
<b>Total</b>		<u>130,669</u>	<u>143,518</u>	<u>130,669</u>	<u>143,212</u>

The normal credit term granted by the Group to local and foreign trade customers ranges from 7 days to 30 days and from 15 days to 70 days, respectively.

### 8 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Finished goods	40,414	40,466	40,414	40,466
Semi-finished goods	394,639	403,573	332,571	377,519
Raw materials	24,095	16,558	19,009	14,463
Packaging materials	20,198	29,077	19,766	28,613
Factory supplies	12,383	9,305	10,341	7,971
Spare parts	7,338	8,205	5,587	6,186
	<u>499,067</u>	<u>507,184</u>	<u>427,688</u>	<u>475,218</u>
Less allowance for decline in value and obsolete	<u>(86,994)</u>	<u>(35,607)</u>	<u>(86,166)</u>	<u>(28,204)</u>
<b>Net</b>	<u>412,073</u>	<u>471,577</u>	<u>341,522</u>	<u>447,014</u>
Inventories recognised as an expense in 'cost of sales of goods'				
- Cost of sales of goods	2,182,385	2,179,587	2,106,957	2,163,707
- Write-down to net realisable value	57,961	30,220	57,961	23,318
- Reversal of write-down	(6,574)	-	-	-
<b>Net</b>	<u>2,233,772</u>	<u>2,209,807</u>	<u>2,164,918</u>	<u>2,187,025</u>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 9 Biological assets

Biological assets as at 30 September were as follow:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Current biological assets</b>				
Biological assets-matured pineapple fruit	10,923	12,585	10,923	12,585
<b>Non-current biological assets</b>				
Biological assets-immature pineapple plant and pineapple fruit	134,410	102,488	92,065	78,245
<b>Total</b>	<b>145,333</b>	<b>115,073</b>	<b>102,988</b>	<b>90,830</b>

Movements in biological assets during the years ended 30 September were as follow:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 October 2018/2017	115,073	136,691	90,830	115,770
Increase from cropping	145,553	137,378	127,141	123,990
Depreciation of plant and equipment	3,736	3,827	2,377	2,469
Decrease from harvest/sale at fair value	(133,945)	(99,542)	(132,288)	(94,111)
Gains (losses) on remeasuring biological assets	14,916	(63,281)	14,928	(57,288)
<b>At 30 September</b>	<b>145,333</b>	<b>115,073</b>	<b>102,988</b>	<b>90,830</b>

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.

An analysis of the estimates of physical quantities of the group's biological assets as at 30 September are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(unit)</i>			
Immature pineapple plant (in thousand plants)	20,869	20,529	19,333	19,500
Immature pineapple fruit (tons)	8,322	5,793	7,772	5,543
Matured pineapple fruit (tons)	1,828	3,907	1,828	3,907

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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### Measurement of fair value

#### Fair value hierarchy

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 measurement for biological assets has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

#### Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of biological assets, as well as the significant unobservable inputs used.

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"> <li>Matured pineapple fruit Baht 5.98 per kilogram</li> </ul>	The estimated fair value increase (decrease) Baht 1.09 million if the price at harvest on the reporting date are higher (lower) 10%

## 10 Investment in associate

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
At 1 October 2018/2017		188,676	198,726	143,200	143,200
Share of profit of investment in associate, net of income tax	4	70,010	205,550	-	-
Share of other comprehensive income of investments in associate, net of income tax	4	477	-	-	-
Reduction of shares capital		(80,000)	-	(80,000)	-
Dividends	4	(106,800)	(215,600)	-	-
<b>At 30 September</b>		<b>72,363</b>	<b>188,676</b>	<b>63,200</b>	<b>143,200</b>

During the year ended 30 September 2019, there was no acquisitions or disposals of investment in associate.

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 2019

Investment in associate as at 30 September 2019 and 2018, and dividends from the investment for the years ended 30 September were as follows:

Consolidated financial statements										
Type of business	Ownership interests (%)		Paid-up capital		Cost		Equity method		Dividends income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Associate</i>										
Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.	40	40	158,000	358,000	63,200	143,200	72,363	188,676	106,800	215,600
Separate financial statements										
Type of business	Ownership interests (%)		Paid-up capital		Cost		Dividends income for the year			
	2019	2018	2019	2018	2019	2018	2019	2018		
<i>Associate</i>										
Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.	40	40	158,000	358,000	63,200	143,200	106,800	215,600		

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.



# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

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.	
	2019	2018
	<i>(in thousand Baht)</i>	
Revenue	580,966	1,141,900
Profit from continuing operations	175,026	513,874
Other comprehensive income	1,192	-
Total comprehensive income (100%)	<u>176,218</u>	<u>513,874</u>
Total comprehensive income of the Group's interest	<u>70,487</u>	<u>205,550</u>
<b>Group's share of total comprehensive income</b>	<b><u>70,487</u></b>	<b><u>205,550</u></b>
Current assets	506,814	982,593
Non-current assets	423,868	385,585
Current liabilities	(116,773)	(238,145)
Non-current liabilities	<u>(622,867)</u>	<u>(648,209)</u>
Net assets (100%)	<u>191,042</u>	<u>481,824</u>
Group's share of net assets	76,417	192,730
Eliminate of unrealised profit on sales assets to associate	<u>(4,054)</u>	<u>(4,054)</u>
<b>Carrying amount of interest in associate at 30 September</b>	<b><u>72,363</u></b>	<b><u>188,676</u></b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 11 Investments in subsidiaries

Investments in subsidiaries as at 30 September 2019 and 2018, and dividends income from those investments for the years ended 30 September were as follows:

Cost Method	Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividends income for the year	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>Separate financial statements</i>													
<i>(in thousand Baht)</i>													
<b>Subsidiaries</b>													
Quality Pineapple Products Co., Ltd.	Manufacturing and distribution	99.99	99.99	400,000	400,000	400,000	400,000	(202,894)	(202,894)	197,106	197,106	-	-
Siam Food (2513) Co., Ltd.	Commercial and Investment	99.99	99.99	250	250	250	250	-	-	250	250	-	-
<b>Total</b>				<b>400,250</b>	<b>400,250</b>	<b>400,250</b>	<b>400,250</b>	<b>(202,894)</b>	<b>(202,894)</b>	<b>197,356</b>	<b>197,356</b>	<b>-</b>	<b>-</b>

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 2019

	Consolidated financial statements/ Separate financial statements			Total
	Land	Land improvements (in thousand Baht)	Building, other constructions and building improvements	
<b>Cost</b>				
At 1 October 2017	62,854	15,943	3,883	82,680
At 30 September 2018 and 1 October 2018	62,854	15,943	3,883	82,680
At 30 September 2019	62,854	15,943	3,883	82,680
<b>Depreciation</b>				
At 1 October 2017	-	15,942	2,364	18,306
Depreciation charge for the year	-	-	185	185
At 30 September 2018 and 1 October 2018	-	15,942	2,549	18,491
Depreciation charge for the year	-	-	185	185
At 30 September 2019	-	15,942	2,734	18,676
<b>Net book value</b>				
At 1 October 2017	62,854	1	1,519	64,374
At 30 September 2018 and 1 October 2018	62,854	1	1,334	64,189
At 30 September 2019	62,854	1	1,149	64,004

The fair value of investment properties as at 30 September 2019 of Baht 132.76 million (2018: Baht 132.76 million) was determined by independent professional valuers, by considering the market values on an existing use basis.

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

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### Measurement of fair value

#### *Fair value hierarchy*

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

#### *Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Cost approach	Current replacement cost	The estimated fair value increase (decrease) if the replacement cost is higher (lower)

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 13 Property, plant and equipment

	Consolidated financial statements (in thousand Baht)							Total
	Land	Land improvements	Buildings, other constructions and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
<b>Cost</b>								
At 1 October 2017	179,269	144,261	608,553	1,759,667	37,807	51,229	3,686	2,784,472
Additions	-	-	-	8,211	4,124	1,896	23,934	38,165
Transfers	-	429	2,023	11,748	98	-	(14,298)	-
Disposals	-	-	-	(14,457)	(1,278)	(2,377)	-	(18,112)
<b>At 30 September 2018 and 1 October 2018</b>	<b>179,269</b>	<b>144,690</b>	<b>610,576</b>	<b>1,765,169</b>	<b>40,751</b>	<b>50,748</b>	<b>13,322</b>	<b>2,804,525</b>
Additions	-	-	-	5,016	1,817	1,138	38,964	46,935
Transfers	-	1,620	2,783	26,423	196	-	(31,022)	-
Disposals	-	-	(18)	(4,353)	(862)	-	-	(5,233)
<b>At 30 September 2019</b>	<b>179,269</b>	<b>146,310</b>	<b>613,341</b>	<b>1,792,255</b>	<b>41,902</b>	<b>51,886</b>	<b>21,264</b>	<b>2,846,227</b>
<b>Depreciation and impairment losses</b>								
At 1 October 2017	-	132,400	476,656	1,448,487	36,930	50,417	-	2,144,890
Depreciation charge for the year	-	3,364	19,174	52,215	834	484	-	76,071
Disposals	-	-	-	(13,456)	(1,269)	(2,377)	-	(17,102)
<b>At 30 September 2018 and 1 October 2018</b>	<b>-</b>	<b>135,764</b>	<b>495,830</b>	<b>1,487,246</b>	<b>36,495</b>	<b>48,524</b>	<b>-</b>	<b>2,203,859</b>
Depreciation charge for the year	-	3,180	16,913	32,649	1,418	1,583	-	55,743
Disposals	-	-	(7)	(3,802)	(823)	-	-	(4,632)
<b>At 30 September 2019</b>	<b>-</b>	<b>138,944</b>	<b>512,736</b>	<b>1,516,093</b>	<b>37,090</b>	<b>50,107</b>	<b>-</b>	<b>2,254,970</b>

# Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements  
For the year ended 30 September 2019

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	Total
	<i>(in thousand Baht)</i>							
<i>Net book value</i>								
<b>At 1 October 2017</b>	179,269	11,861	131,897	311,180	877	812	3,686	639,582
Owned assets								
<b>At 30 September 2018 and 1 October 2018</b>	179,269	8,926	114,746	277,923	1,038	2,224	13,322	597,448
Owned assets	-	-	-	-	3,218	-	-	3,218
Assets under finance leases	<b>179,269</b>	<b>8,926</b>	<b>114,746</b>	<b>277,923</b>	<b>4,256</b>	<b>2,224</b>	<b>13,322</b>	<b>600,666</b>
<b>At 30 September 2019</b>	179,269	7,366	100,605	276,162	1,046	1,779	21,264	587,491
Owned assets	-	-	-	-	3,766	-	-	3,766
Assets under finance leases	<b>179,269</b>	<b>7,366</b>	<b>100,605</b>	<b>276,162</b>	<b>4,812</b>	<b>1,779</b>	<b>21,264</b>	<b>591,257</b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

		Separate financial statements											
		Buildings, other constructions and building improvements					Machinery and equipment					Assets under construction and installation	Total
		Land	Land improvements	Land	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		
		<i>(in thousand Baht)</i>											
<b>Cost</b>													
At 1 October 2017	114,269	126,324	486,928	1,487,251	-	35,421	49,124	3,591	2,302,908				
Additions	-	-	-	7,795	170,388	4,019	1,896	23,208	207,306				
Transfers	-	429	2,023	11,651	-	98	-	(14,201)	-				
Disposals	-	-	-	(11,210)	-	(1,279)	(2,376)	-	(14,865)				
<b>At 30 September 2018</b>	<b>114,269</b>	<b>126,753</b>	<b>488,951</b>	<b>1,495,487</b>	<b>170,388</b>	<b>38,259</b>	<b>48,644</b>	<b>12,598</b>	<b>2,495,349</b>				
Additions	-	-	-	4,582	-	1,817	1,138	38,886	46,423				
Transfers	-	1,620	2,783	26,423	-	192	-	(31,018)	-				
Disposals	-	-	-	(3,647)	-	(831)	-	-	(4,478)				
<b>At 30 September 2019</b>	<b>114,269</b>	<b>128,373</b>	<b>491,734</b>	<b>1,522,845</b>	<b>170,388</b>	<b>39,437</b>	<b>49,782</b>	<b>20,466</b>	<b>2,537,294</b>				
<b>Depreciation and impairment losses</b>													
At 1 October 2017	-	124,704	430,335	1,308,153	-	34,672	48,608	-	1,946,472				
Depreciation charge for the year	-	525	11,581	30,337	-	737	399	-	43,579				
Disposals	-	-	-	(10,889)	-	(1,268)	(2,376)	-	(14,533)				
<b>At 30 September 2018</b>	<b>-</b>	<b>125,229</b>	<b>441,916</b>	<b>1,327,601</b>	<b>-</b>	<b>34,141</b>	<b>46,631</b>	<b>-</b>	<b>1,975,518</b>				
Depreciation charge for the year	-	490	11,150	27,717	-	1,368	1,499	-	50,250				
Disposals	-	-	-	(3,166)	-	(792)	-	-	(3,958)				
<b>At 30 September 2019</b>	<b>-</b>	<b>125,719</b>	<b>453,066</b>	<b>1,352,152</b>	<b>-</b>	<b>34,717</b>	<b>48,130</b>	<b>-</b>	<b>2,021,810</b>				

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

	Separate financial statements							Total	
	Land	Land improvements	Buildings, other constructions and building improvements	Machinery and equipment	Machinery and equipment for rent (in thousand Baht)	Furniture, fixtures and office equipment	Vehicles		Assets under construction and installation
<b>Net book value</b>									
<b>At 1 October 2017</b>									
Owned assets	114,269	1,620	56,593	179,098	-	749	516	3,591	356,436
<b>At 30 September 2018 and 1 October 2018</b>									
Owned assets	114,269	1,524	47,035	167,886	170,388	900	2,013	12,598	516,613
Assets under finance leases	-	-	-	-	-	3,218	-	-	3,218
	<b>114,269</b>	<b>1,524</b>	<b>47,035</b>	<b>167,886</b>	<b>170,388</b>	<b>4,118</b>	<b>2,013</b>	<b>12,598</b>	<b>519,831</b>
<b>At 30 September 2019</b>									
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
	<b>114,269</b>	<b>2,654</b>	<b>38,668</b>	<b>170,693</b>	<b>162,362</b>	<b>4,720</b>	<b>1,652</b>	<b>20,466</b>	<b>515,484</b>

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 2019 amounted to Baht 1,783.74 million and Baht 1,749.85 million, respectively (2018: Baht 1,698.83 million and Baht 1,675.74 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 4).



# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 14 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<b>Unsecured</b>					
Short-term loan from associate	4	-	100,000	-	100,000
Finance lease liabilities		2,756	2,882	2,756	2,882
<b>Total interest-bearing liabilities</b>		<b>2,756</b>	<b>102,882</b>	<b>2,756</b>	<b>102,882</b>

As at 30 September 2019, the Group and the Company had unutilised credit facilities totaling Baht 1,075 million and Baht 1,010 million, respectively (2018: Baht 1,075 million and Baht 1,010 million, respectively).

<i>Finance lease liabilities At 30 September</i>	Consolidated financial statements/Separate financial statements					
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
<i>(in thousand Baht)</i>						
Within one year	1,871	105	1,766	1,299	121	1,178
After one year but within five years	1,011	21	990	1,769	65	1,704
<b>Total</b>	<b>2,882</b>	<b>126</b>	<b>2,756</b>	<b>3,068</b>	<b>186</b>	<b>2,882</b>

### 15 Other payables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Accrued bonus	19,189	23,816	17,429	21,685
Accrued wage expenses	11,187	11,435	10,505	10,845
Accrued electricity expenses	4,641	5,652	4,340	5,380
Accrued commission	3,501	4,205	3,501	4,205
Accrued transportation expense	2,927	4,845	2,927	4,845
Fixed asset payables	928	90	928	182,389
Value added tax payable	-	11,939	-	-
Others	25,433	26,005	19,134	24,169
<b>Total</b>	<b>67,806</b>	<b>87,987</b>	<b>58,764</b>	<b>253,518</b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 16 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements		
	2019	2018	2019	2018	
	<i>(in thousand Baht)</i>				
<b>Statement of financial position</b>					
<b>Non-current provisions for:</b>					
Post-employment benefits					
Defined benefit plan	98,488	77,259	94,359	73,259	
Other-long term employee benefits	5,202	3,703	5,202	3,703	
<b>Total</b>	<b>103,690</b>	<b>80,962</b>	<b>99,561</b>	<b>76,962</b>	
<i>Year ended 30 September</i>					
<b>Statement of comprehensive income:</b>					
<b>Recognised in profit or loss:</b>					
Post-employment benefits					
Defined benefit plan	22,907	7,306	22,131	6,648	
Other-long term employee benefits	160	287	160	287	
	<b>23,067</b>	<b>7,593</b>	<b>22,291</b>	<b>6,935</b>	
<b>Recognised in other comprehensive income:</b>					
Actuarial losses recognised in the year	10,322	91	10,815	91	
Cumulative actuarial losses recognised	39,504	29,182	39,372	28,557	
<i>Defined benefit plan</i>					
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.					
<i>Present value of the defined benefit obligations</i>					
		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
At 1 October 2018/2017		80,962	78,523	76,962	75,181
<b>Include in profit or loss</b>	23				
Current service cost		6,735	5,550	6,076	5,004
Past service cost		13,868	-	13,868	-
Interest on obligation		2,464	2,043	2,347	1,931
		<b>23,067</b>	<b>7,593</b>	<b>22,291</b>	<b>6,935</b>
<b>Included in other comprehensive income</b>					
Actuarial loss		10,322	91	10,815	91
		<b>10,322</b>	<b>91</b>	<b>10,815</b>	<b>91</b>
<b>Other</b>					
Benefit paid		(10,661)	(5,245)	(10,507)	(5,245)
		<b>(10,661)</b>	<b>(5,245)</b>	<b>(10,507)</b>	<b>(5,245)</b>
At 30 September		<b>103,690</b>	<b>80,962</b>	<b>99,561</b>	<b>76,962</b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demographic assumptions	(6,747)	-	(6,747)	-
Financial assumptions	1,124	-	1,124	-
Experience adjustment	15,945	91	16,438	91
<b>Total</b>	<b>10,322</b>	<b>91</b>	<b>10,815</b>	<b>91</b>

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 at 30 September 2019 well as past service cost recognised during the year then ended in the consolidated and separate financial statements increased by an amount of Baht 13.87 million.

### *Actuarial assumptions*

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.53 - 3.34	2.71 - 3.21	2.53	2.71
Future salary growth	4.00 - 5.00	4.00 - 5.00	4.00	4.00
Employee turnover	0.00 - 20.00	0.00 - 20.00	0.00 - 20.00	0.00 - 17.00

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

At 30 September 2019, the weighted-average duration of the defined benefit obligation was 10 years to 14 years (2018 : 11 years to 16 years).

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 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.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<b>At 30 September 2019</b>				
Discount rate (1% movement)	(10,245)	3,565	(9,935)	3,194
Future salary growth (1% movement)	3,423	(10,254)	3,020	(9,910)
Employee turnover rate (1% movement)	(7,931)	823	(7,774)	643
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<b>At 30 September 2018</b>				
Discount rate (1% movement)	(7,274)	4,612	(6,946)	4,219
Future salary growth (1% movement)	6,005	(8,553)	5,501	(8,218)
Employee turnover rate (1% movement)	(6,142)	3,263	(6,085)	3,200

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 17 Share capital

	Par value per share <i>(in Baht)</i>	Consolidated financial statements/ Separate financial statements			
		2019		2018	
		Number	Baht	Number	Baht
		<i>(thousand shares/thousand Baht)</i>			
<b>Authorised</b>					
At 1 October 2018/2017					
- ordinary shares	10	30,000	300,000	30,000	300,000
<b>At 30 September</b>					
- ordinary shares	10	30,000	300,000	30,000	300,000
<b>Issued and paid-up</b>					
At 1 October 2018/2017					
- ordinary shares	10	21,000	210,000	21,000	210,000
<b>At 30 September</b>					
- ordinary shares	10	21,000	210,000	21,000	210,000

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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *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.

#### **Movements in reserves**

Movements in reserves are shown in the statements of changes in equity.

## 19 Segment information

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			
	2019	Revenues 2018	Non-current assets 2019	2018
		(in thousand Baht)		
Overseas	1,869,214	2,279,900	-	-
Thailand	102,797	150,862	1,071,896	1,214,870
<b>Total</b>	<b>1,972,011</b>	<b>2,430,762</b>	<b>1,071,896</b>	<b>1,214,870</b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### Major customer

Revenues from major customers represents approximately Baht 443.13 million (2018: Baht 566.56 million) of the Group's total revenues.

### 20 Investment income

Note	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Rental income</b>				
Operating lease rental income:				
Investment properties	12	-	1,648	-
Machinery and equipment for rent	13	-	-	13,540
		<u>-</u>	<u>1,648</u>	<u>13,540</u>
			<u>13,540</u>	<u>1,648</u>
Dividends income		10,667	11,795	117,468
Interest income		8,392	11,436	9,560
<b>Total</b>		<u>19,059</u>	<u>24,879</u>	<u>140,568</u>
			<u>140,568</u>	<u>227,395</u>
				<u>15,231</u>
				<u>244,274</u>

### 21 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Export expenses	51,863	55,343	43,257	45,630
Employee benefit expenses	21,575	17,418	21,575	17,418
Commission	3,774	7,829	3,774	7,829
Travelling expenses	1,785	1,988	1,785	1,988
Others	4,139	4,876	4,139	4,874
<b>Total</b>	<u>83,136</u>	<u>87,454</u>	<u>74,530</u>	<u>77,739</u>

### 22 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Employee benefit expenses	68,857	67,866	68,857	67,866
Rental expenses	10,926	10,838	10,926	10,838
Committee fee	6,435	6,890	6,435	6,890
Loss from write-off of obsolete inventories	2,709	12,348	2,709	12,348
Depreciation and amortisation	2,040	2,012	10,065	2,112
Others	23,784	19,474	19,882	18,637
<b>Total</b>	<u>114,751</u>	<u>119,428</u>	<u>118,874</u>	<u>118,691</u>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 23 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Salaries and wages		437,900	416,216	364,701	342,077
Bonus		27,143	20,961	24,954	19,657
Defined benefit plans	16	23,067	7,593	22,291	6,935
Contribution to social security fund		14,120	12,449	11,519	10,591
Contribution plans		8,285	8,912	8,285	8,912
Committee fee		6,435	6,890	6,435	6,890
Others		12,943	13,216	12,684	12,812
<b>Total</b>		<b>529,893</b>	<b>486,237</b>	<b>450,869</b>	<b>407,874</b>

#### Contribution plans

The defined 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.

### 24 Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Changes in inventories of finished goods and semi-finished goods		8,986	(106,739)	45,000	(82,736)
Raw materials and consumables used		1,371,789	1,466,176	1,060,361	1,218,513
Employee benefit expenses	23	529,893	486,237	450,869	407,874
Depreciation and amortisation		56,738	77,832	51,244	45,341
Others		464,253	493,182	750,848	794,464
<b>Total cost of sales of goods, distribution costs and administrative expenses</b>		<b>2,431,659</b>	<b>2,416,688</b>	<b>2,358,322</b>	<b>2,383,456</b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 25 Income tax expense

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	-	-	-	-
<b>Deferred tax expense</b>				
Movements in temporary differences	34,340	(15,072)	23,227	15,243
Recognition of previously unrecognised tax losses	-	(8,574)	-	(336)
	<u>34,340</u>	<u>(23,646)</u>	<u>23,227</u>	<u>14,907</u>
<b>Total tax expense (income)</b>	<u>34,340</u>	<u>(23,646)</u>	<u>23,227</u>	<u>14,907</u>

<i>Income tax recognised in other comprehensive income</i>	Consolidated financial statements					
	Before tax	2019 Tax benefit	Net of tax	Before tax	2018 Tax benefit	Net of tax
	<i>(in thousand Baht)</i>					
Actuarial losses	10,322	(2,064)	8,258	91	(18)	73
Share of other comprehensive income of investment in associate, net of income tax	(477)	-	(477)	-	-	-
<b>Total</b>	<u>9,845</u>	<u>(2,064)</u>	<u>7,781</u>	<u>91</u>	<u>(18)</u>	<u>73</u>

<i>Income tax recognised in other comprehensive income</i>	Separate financial statements					
	Before tax	2019 Tax benefit	Net of tax	Before tax	2018 Tax benefit	Net of tax
	<i>(in thousand Baht)</i>					
Actuarial losses	<u>10,815</u>	<u>(2,163)</u>	<u>8,652</u>	<u>91</u>	<u>(18)</u>	<u>73</u>



# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2019 (in thousand Baht)	Rate (%)	2018 (in thousand Baht)
Profit (loss) before income tax expense		(432,720)		145,332
Income tax using the Thai corporation tax rate	20.00	(86,544)	20.00	29,066
Share of profit of investment in associate, net of income tax		(14,002)		(41,110)
Dividends income not subject to tax		(2,134)		(2,359)
Expenses for tax incentive		(942)		(747)
Expenses not deductible for tax purposes		64		78
Recognition of previously unrecognised tax losses		-		(8,574)
Current year losses for which no deferred tax asset was recognised		104,027		-
Derecognition for which no deferred tax asset was recognised		33,871		-
<b>Total</b>	<b>(7.94)</b>	<b>34,340</b>	<b>(16.27)</b>	<b>(23,646)</b>

### Reconciliation of effective tax rate

	Separate financial statements			
	Rate (%)	2019 (in thousand Baht)	Rate (%)	2018 (in thousand Baht)
Profit (loss) before income tax expense		(297,174)		104,266
Income tax using the Thai corporation tax rate	20.00	(59,435)	20.00	20,853
Dividends income not subject to tax		(23,494)		(45,479)
Expenses for tax incentive		(869)		(747)
Expenses not deductible for tax purposes		51		18,037
Recognition of previously unrecognised tax losses		-		(336)
Current year losses for which no deferred tax asset was recognised		74,584		-
Derecognition for which no deferred tax asset was recognised		32,390		22,579
<b>Total</b>	<b>(7.82)</b>	<b>23,227</b>	<b>14.30</b>	<b>14,907</b>

### Deferred tax assets and liabilities At 30 September

	Consolidated financial statements		Separate financial statements	
	2019	2018 (in thousand Baht)	2019	2018
Deferred tax assets	48,625	71,561	34,689	53,148
Deferred tax liabilities	(9,512)	(172)	(2,777)	(172)
<b>Net</b>	<b>39,113</b>	<b>71,389</b>	<b>31,912</b>	<b>52,976</b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

Movements in deferred tax balances are as follows:

	Consolidated financial statements (Charged) / Credited to:			At 30 September 2019
	At 1 October 2018	Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
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)	14,052	(941)	-	13,111
Others	160	-	-	160
Loss carry forward	31,088	(16,472)	-	14,616
<b>Total</b>	<b>71,561</b>	<b>(25,000)</b>	<b>2,064</b>	<b>48,625</b>
<b>Deferred tax liabilities</b>				
Inventories	-	(6,735)	-	(6,735)
Biological assets	-	(1,899)	-	(1,899)
Others	(172)	(706)	-	(878)
<b>Total</b>	<b>(172)</b>	<b>(9,340)</b>	<b>-</b>	<b>(9,512)</b>
<b>Net</b>	<b>71,389</b>	<b>(34,340)</b>	<b>2,064</b>	<b>39,113</b>
<b>Consolidated financial statements (Charged) / Credited to:</b>				
	At 1 October 2017	Profit or loss (in thousand Baht)	Other comprehensive income	At 30 September 2018
<b>Deferred tax assets</b>				
Inventories	1,432	6,455	-	7,887
Biological assets	2,065	117	-	2,182
Employee benefit liability	15,705	469	18	16,192
Property, plant and equipment (elimination of gains on inter -sale of machinery)	-	14,052	-	14,052
Others	641	(481)	-	160
Loss carry forward	27,882	3,206	-	31,088
<b>Total</b>	<b>47,725</b>	<b>23,818</b>	<b>18</b>	<b>71,561</b>
<b>Deferred tax liabilities</b>				
Others	-	(172)	-	(172)
<b>Total</b>	<b>-</b>	<b>(172)</b>	<b>-</b>	<b>(172)</b>
<b>Net</b>	<b>47,725</b>	<b>23,646</b>	<b>18</b>	<b>71,389</b>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

	At 1 October 2018	Separate financial statements (Charged) / Credited to:		At 30 September 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
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
<b>Total</b>	<b>53,148</b>	<b>(20,622)</b>	<b>2,163</b>	<b>34,689</b>
<i>Deferred tax liabilities</i>				
Biological assets	-	(1,899)	-	(1,899)
Others	(172)	(706)	-	(878)
<b>Total</b>	<b>(172)</b>	<b>(2,065)</b>	<b>-</b>	<b>(2,777)</b>
<b>Net</b>	<b>52,976</b>	<b>(23,227)</b>	<b>2,163</b>	<b>31,912</b>
	At 1 October 2017	Separate financial statements (Charged) / Credited to:		At 30 September 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Inventories	977	4,664	-	5,641
Biological assets	2,065	117	-	2,182
Investment in a subsidiary	22,579	(22,579)	-	-
Employee benefit liability	15,036	338	18	15,392
Others	641	(481)	-	160
Loss carry forward	26,567	3,206	-	29,773
<b>Total</b>	<b>67,865</b>	<b>(14,735)</b>	<b>18</b>	<b>53,148</b>
<i>Deferred tax liabilities</i>				
Others	-	(172)	-	(172)
<b>Total</b>	<b>-</b>	<b>(172)</b>	<b>-</b>	<b>(172)</b>
<b>Net</b>	<b>67,865</b>	<b>(14,907)</b>	<b>18</b>	<b>52,976</b>

The tax losses will expire during 2020 and 2023. The Group has recognised tax losses as deferred tax assets because the management considers that it 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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Inventories	17,399	-	17,233	-
Investment in a subsidiary	-	-	40,579	40,579
Loss carry forward	124,798	36,368	74,584	-
<b>Total</b>	<b>142,197</b>	<b>36,368</b>	<b>132,396</b>	<b>40,479</b>

The above tax losses of a subsidiary will expire during 2020 to 2024. The Group have not been recognised deferred tax assets in respect of these items because it is not possible future taxable profit will be utilised against this deferred tax assets.

### 26 Basic earnings (loss) per share

<i>Profit (loss) attributable to ordinary shareholders for the year ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) for the year attributable to ordinary shareholders of the Company (basic)	(467,060)	168,977	(320,402)	89,359
Number of ordinary shares outstanding	21,000	21,000	21,000	21,000
<b>Earnings (loss) per share (basic) (in Baht)</b>	<b>(22.24)</b>	<b>8.05</b>	<b>(15.26)</b>	<b>4.26</b>

### 27 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.

At the Annual General Meeting of Shareholders' Meeting held on 24 January 2018, the shareholders' meeting approved the appropriation of dividend of Baht 16.50 per share, amounting to Baht 346.50 million. In June 2017, the Company paid an interim dividend of Baht 6.50 per share, amounting to Baht 136.50 million. The remaining dividend payment shall be Baht 10.00 per share, amounting to Baht 210.00 million. The dividend was paid to shareholders on 16 February 2018.

### 28 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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 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 is included in note 14. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

The interest rates of debt securities and loans receivable as at 30 September and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2018</b>					
<b>Current</b>					
Debt securities	4.41 - 4.92	<u>177,472</u>	<u>-</u>	<u>-</u>	<u>177,472</u>
		Separate financial statements			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2019</b>					
<b>Current</b>					
Short-term loans to subsidiary	2.00	<u>149,000</u>	<u>-</u>	<u>-</u>	<u>149,000</u>
<b>Total</b>		<u>149,000</u>	<u>-</u>	<u>-</u>	<u>149,000</u>
<b>2018</b>					
<b>Current</b>					
Debt securities	4.41 - 4.92	177,472	-	-	177,472
Short-term loans to subsidiary	2.00	89,000	-	-	89,000
Current portion of long-term loan to a subsidiary	2.50	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
<b>Total</b>		<u>351,472</u>	<u>-</u>	<u>-</u>	<u>351,472</u>

The interest rates of interest-bearing financial liabilities as at 30 September and the periods in which those liabilities mature or re-price were as follows:

	Interest rate (% per annum)	Consolidated financial statements/ Separate financial statements			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2018</b>					
<b>Current</b>					
Short-term loan from associate	1.45	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 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.

At 30 September, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>United States Dollars</b>				
Cash and cash equivalents	124	133	124	133
Trade accounts receivable	117,935	127,300	117,935	127,300
Other payables	(3,502)	(4,205)	(3,502)	(4,205)
<b>Gross balance sheet exposure</b>	<b>114,557</b>	<b>123,228</b>	<b>114,557</b>	<b>123,228</b>
Estimated forecast sales	546,945	740,098	546,945	740,098
<b>Gross exposure</b>	<b>661,502</b>	<b>863,326</b>	<b>661,502</b>	<b>863,326</b>
Currency forwards sales	(74,677)	(179,786)	(74,677)	(179,786)
<b>Net exposure</b>	<b>586,825</b>	<b>683,540</b>	<b>586,825</b>	<b>683,540</b>
<b>Euro</b>				
Trade accounts receivable	3,491	3,110	3,491	3,110
<b>Gross balance sheet exposure</b>	<b>3,491</b>	<b>3,110</b>	<b>3,491</b>	<b>3,110</b>

### 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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### 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.

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

	Consolidated financial statements/ Separate financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total
<b>30 September 2018</b>							
<i>Financial assets measured at fair value</i>							
Equity securities available-for-sale	-	174,506	174,506	174,506	-	-	174,506
Sale forward contracts	524	-	524	-	524	-	524
<i>Financial assets and financial liabilities not measured at fair value</i>							
Debt securities held to maturity	177,472	-	177,472	-	177,415	-	177,415
Finance lease liabilities	(1,178)	(1,704)	(2,882)	-	-	(2,799)	(2,799)

### Measurement of fair values

#### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

### Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Debt securities held to maturity	Bid prices from the Thai Bond Market Association as of the reporting date	None
Finance lease liabilities	Discounted cash flow	Discount rate

## 29 Commitments with non-related parties

### Capital commitments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Contracted but not provided for:</i>				
Commitments under purchase order				
Machinery and equipment	<u>13,639</u>	<u>6,700</u>	<u>13,639</u>	<u>6,700</u>

### Future minimum lease payment under non-cancellable operating lease

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within one year	2,344	3,136	2,236	2,979
After one year but within five years	906	3,178	906	3,068
<b>Total</b>	<u><b>3,250</b></u>	<u><b>6,314</b></u>	<u><b>3,142</b></u>	<u><b>6,047</b></u>

### Other commitments

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Commitments under purchase order	85,516	81,488	71,419	73,283
Sale forward contracts*	74,677	179,786	74,677	179,786
Bank guarantees	10,798	10,802	8,914	8,918
<b>Total</b>	<u><b>170,991</b></u>	<u><b>272,076</b></u>	<u><b>155,010</b></u>	<u><b>261,987</b></u>

\* Sale forward contracts have maturities of less than one year and counterparties to the transactions are commercial banks. These contracts classified by currencies were as follows:

	Consolidated financial statements/ Separate financial statements		Fair value	
	Amount in contract		Fair value	
	2019	2018	2019	2018
	<i>(in million United States Dollars)</i>		<i>(in million Baht)</i>	
Sale forward contracts	<u>2.44</u>	<u>5.54</u>	<u>74.66</u>	<u>179.26</u>



# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *Other agreement*

#### *Sale of finished goods forward contracts*

As at 30 September 2019, the Company had entered into several sale of finished goods forward contracts with overseas companies totaling Baht 546.95 million (2018: Baht 740.10 million).

### **30 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which are expected to have a material impact on the consolidated and separate financial statements when initially adopted, and which will become effective in annual reporting periods beginning on or after 1 January in the year indicated in the following table:

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

\* TFRS - Financial instruments standards

#### *(a) TFRS 15 Revenue from Contracts with Customers*

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. When this TFRS becomes effective, some accounting standards and interpretations which are currently effective will be cancelled.

#### *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.

# Siam Food Products Public Company Limited and its Subsidiaries

## Notes to the financial statements For the year ended 30 September 2019

### *Transition*

The Group plans to apply TFRS 15 initially on 1 October 2019, using the cumulative effect method taking into account the effect of initially applying this standard only to contracts that were not completed before 1 October 2019 as an adjustment to the retained earnings at 1 October 2019. Therefore, the Group has not restated the information presented for comparative financial statements, as previously reported under TAS 18 and related interpretations.

The preliminary impact assessment of initially applying TFRS 15 on the financial statements is as follows:

<i>Statement of comprehensive income For the year ended 30 September</i>	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
	2019	2019
	<i>(in thousand Baht)</i>	
Decrease in revenue from sale of goods	(3,773)	(3,773)
Decrease in distribution costs	3,773	3,773
<b>Profit (loss) for the year</b>	<b>-</b>	<b>-</b>

### *(b) TFRS - Financial instruments standards*

These TFRS 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.

### *(c) 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.

Management is currently considering the potential impact from these TFRS on the financial statements in the period of initial adoption.



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