

Independent Auditor's Report

To the Shareholders of Siam Food Products Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Siam Food Products Public Company Limited and its subsidiaries (the “Group”) and of Siam Food Products Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 30 September 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

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

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Ekkasit Chuthamsatid)
 Certified Public Accountant
 Registration No. 4195

KPMG Phoomchai Audit Ltd.
 Bangkok
 24 November 2020



Siam Food Products Public Company Limited and its Subsidiaries

Statement of financial position

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

Siam Food Products Public Company Limited and its Subsidiaries

Statement of financial position

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



Siam Food Products Public Company Limited and its Subsidiaries

Statement of comprehensive income

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

Siam Food Products Public Company Limited and its Subsidiaries

Statement of comprehensive income

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



Siam Food Products Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements

	Retained earnings							Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Losses on remeasuring available-for-sale investments					
Year ended 30 September 2019										
Balance at 1 October 2018	210,000,000	360,812,498	30,000,000	1,922,868,023	(143,806,200)	2,379,874,321	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		
Year ended 30 September 2020										
Balance at 1 October 2019	210,000,000	360,812,498	30,000,000	1,280,027,748	(158,671,560)	1,722,168,686	7	1,722,168,693		
Comprehensive income (expense) for the year										
Loss	-	-	-	(246,570,745)	-	(246,570,745)	(10)	(246,570,755)		
Other comprehensive income (expense)	-	-	-	2,281,816	(4,459,608)	(2,177,792)	-	(2,177,792)		
Total comprehensive income (expense) for the year	-	-	-	(244,288,929)	(4,459,608)	(248,748,537)	(10)	(248,748,547)		
Balance at 30 September 2020	210,000,000	360,812,498	30,000,000	1,035,738,819	(163,131,168)	1,473,420,149	(3)	1,473,420,146		

Statement of changes in equity

Separate financial statements

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

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Siam Food Products Public Company Limited and its Subsidiaries

Statement of cash flows

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

Siam Food Products Public Company Limited and its Subsidiaries

Statement of cash flows

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



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These notes form an integral part of the financial statements.

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

1 General information

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

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

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

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue* and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3

In addition, the Group’s has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations and disclosed in note 28.

(b) Functional and presentation currency

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

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



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Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 30 September 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

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

3 Change in accounting policies

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

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and after deduction of any trade discounts and volume rebates. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods were transferred to the buyer, and recognised revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue was recognised if there was continuing management involvement with the goods or there were significant uncertainties regarding recovery of the consideration due.

Payment to a customer

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

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

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

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Notes to the financial statements

For the year ended 30 September 2020

4 Significant accounting policies

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

(a) Basis of consolidation

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

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

Loss of control

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

Interests in equity-accounted investees

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

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

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

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



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Notes to the financial statements

For the year ended 30 September 2020

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

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

Foreign currency differences are generally recognised in profit or loss.

(c) *Derivatives*

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

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

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

(d) *Cash and cash equivalents*

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

(e) *Trade and other accounts receivable*

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

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

(f) *Inventories*

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) *Biological assets*

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

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For the year ended 30 September 2020

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

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

(h) *Investments*

Investments in an associate and subsidiaries

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

Investments in other debt and equity securities

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

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

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

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

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.



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Notes to the financial statements

For the year ended 30 September 2020

(i) *Investment properties*

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

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

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

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

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

No depreciation is provided on freehold land.

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Leased assets

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

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For the year ended 30 September 2020

Subsequent costs

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

Depreciation

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

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

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

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

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

(k) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

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



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

(l) *Impairment*

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

Calculation of recoverable amount

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

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

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

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

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

(m) *Interest-bearing liabilities*

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

(n) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

(o) *Employee benefits*

Contribution plans

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

Defined benefit plans

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

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

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

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

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

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

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.



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For the year ended 30 September 2020

(q) Measurement of fair values

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

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

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

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

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

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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

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

(r) Revenue

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

(s) Rental income

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

(t) Investment income

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

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

(u) Finance costs

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

(v) Lease payments

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

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

(w) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that items recognised directly in equity or in other comprehensive income.

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

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

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

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

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



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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) *Earnings (loss) per share*

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

(y) *Related parties*

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

(z) *Segment reporting*

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

5 Related parties

Relationships with associate and subsidiaries are described in notes 11 and 12. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Plantheon Co., Ltd.	Thailand	Major shareholder and common directors
Indara Insurance Public Co., Ltd.	Thailand	Common group of major shareholder
Horeca Management Co., Ltd.	Thailand	Major shareholder have common directors
Havi Logistics (Thailand) Co., Ltd.	Thailand	Major shareholder have common directors
Southeast Capital Co., Ltd.	Thailand	Common directors with major shareholder of the Company
Southeast Insurance Public Co., Ltd.	Thailand	Common directors with major shareholder of the Company
Concept Land 2 Co., Ltd.	Thailand	Director's relative is indirectly principal shareholder

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

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

Transactions

Revenue from sale of goods
Sale of packaging
Asset rental income
Sale of fixed assets and other assets
Dividend income
Interest income
Other income
Purchase of raw materials
Purchase of goods
Purchase of fixed assets and other assets
Operating lease expense
Director remuneration
Interest expense
Other expenses

Pricing policies

Market price
Mutually agreed prices
Contractually agreed price
Mutually agreed prices
In accordance with the resolution of shareholders' meeting
Mutually agreed rate based on the Company's average cost of capital plus 0.05% or not less than deposit interest rate that the Company received
Mutually agreed prices
Market price
Mutually agreed prices
Mutually agreed prices
Contractually agreed price
In accordance with the resolution of shareholders' meeting
Mutually agreed rate based on the 12-month fixed deposit rate for individual plus 0.15%
Mutually agreed prices



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

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

Directors' remuneration

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

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

Siam Food Products Public Company Limited and its Subsidiaries

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For the year ended 30 September 2020

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

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related party	11,490	-	11,490	-

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

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

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

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

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



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For the year ended 30 September 2020

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

Significant agreements with related parties

Machinery and equipment rental agreement

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

Land lease agreements

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

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

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

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

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

Building lease and service agreements

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

Telephone manage hosting service agreements and computer equipment agreements

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

Car rental agreements

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

Area lease for server computer agreement

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

Employment agreements

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

Consulting services agreement

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

6 Cash and cash equivalents

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



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

7 Trade accounts receivable

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

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

8 Inventories

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

Siam Food Products Public Company Limited and its Subsidiaries

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9 Biological assets

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

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

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

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

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

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



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For the year ended 30 September 2020

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

10 Other investments

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

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

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

11 Investment in associate

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

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

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Notes to the financial statements

For the year ended 30 September 2020

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



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

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

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



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

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12 Investments in subsidiaries

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

All subsidiaries were incorporated and operate in Thailand.

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

Siam Food Products Public Company Limited and its Subsidiaries

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Impairment of testing for investment in subsidiaries

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

<i>Key assumptions used in the estimation of value in use</i>	Separate financial statements (%)
2020	
Discount rate	8.00
Budgeted revenue growth rate (average of next 3 years)	13.20
Budgeted quantities of pineapples processed (average of next 3 years)	13.34

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

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

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

<i>Effect to the estimation of value in use</i>	Separate financial statements (in million Baht)
2020	
Discount rate increase 0.5%	(5.05)
Revenue growth rate decrease 0.5%	(1.29)
Quantities of pineapples processed decrease 0.5%	(0.74)



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

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13 Investment properties

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

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

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

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

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14 Property, plant and equipment

Consolidated financial statements

	Land	Land improvements	Buildings, other constructions and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>Cost</i>				<i>(in thousand Baht)</i>				
At 1 October 2018	179,269	144,690	610,576	1,765,169	40,751	50,748	13,322	2,804,525
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)
At 30 September 2019	179,269	146,310	613,341	1,792,255	41,902	51,886	21,264	2,846,227
Additions	-	-	190	3,182	234	-	13,446	17,052
Transfers	-	-	962	14,116	660	-	(15,738)	-
Disposals	-	-	(331)	(11,792)	(562)	(335)	-	(13,020)
At 30 September 2020	179,269	146,310	614,162	1,797,761	42,234	51,551	18,972	2,850,259
<i>Depreciation and impairment losses</i>								
At 1 October 2018	-	135,764	495,830	1,487,246	36,495	48,524	-	2,203,859
Depreciation charge for the year	-	3,180	16,913	32,649	1,418	1,583	-	55,743
Disposals	-	-	(7)	(3,802)	(823)	-	-	(4,632)
At 30 September 2019	-	138,944	512,736	1,516,093	37,090	50,107	-	2,254,970
Depreciation charge for the year	-	2,656	14,428	33,662	1,445	682	-	52,873
Disposals	-	-	(277)	(11,533)	(556)	(335)	-	(12,701)
At 30 September 2020	-	141,600	526,887	1,538,222	37,979	50,454	-	2,295,142

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

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

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For the year ended 30 September 2020

	Separate financial statements										Total
	Land	Land improvements	Buildings, other constructions and building improvements	Machinery and equipment (in thousand Baht)	Machinery and equipment for rent	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation			
Cost											
At 1 October 2018	114,269	126,753	488,951	1,495,487	170,388	38,259	48,644	12,598	2,495,349		
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)		
At 30 September 2019	114,269	128,373	491,734	1,522,845	170,388	39,437	49,782	20,466	2,537,294		
Additions	-	-	190	3,150	-	234	-	13,175	16,749		
Transfers	-	-	509	14,116	-	660	-	(15,285)	-		
Disposals	-	-	(331)	(11,785)	-	(562)	(335)	-	(13,013)		
At 30 September 2020	114,269	128,373	492,102	1,528,326	170,388	39,769	49,447	18,356	2,541,030		
Depreciation and impairment losses											
At 1 October 2018	-	125,229	441,916	1,327,601	-	34,141	46,631	-	1,975,518		
Depreciation charge for the year	-	490	11,150	27,717	8,026	1,368	1,499	-	50,250		
Disposals	-	-	-	(3,166)	-	(792)	-	-	(3,958)		
At 30 September 2019	-	125,719	453,066	1,352,152	8,026	34,717	48,130	-	2,021,810		
Depreciation charge for the year	-	746	9,341	28,767	8,026	1,414	597	-	48,891		
Disposals	-	-	(277)	(11,526)	-	(556)	(335)	-	(12,694)		
At 30 September 2020	-	126,465	462,130	1,369,393	16,052	35,575	48,392	-	2,058,007		

Siam Food Products Public Company Limited and its Subsidiaries

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For the year ended 30 September 2020

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

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

Machinery and equipment for rent

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

Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

15 Interest-bearing liabilities

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

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

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

16 Non-current provisions for employee benefits

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

Defined benefit plan

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



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

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

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

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

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

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

Sensitivity analysis

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

Siam Food Products Public Company Limited and its Subsidiaries

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For the year ended 30 September 2020

<i>Effect to the defined benefit obligation At 30 September</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(10,472)	(10,245)	2,934	3,565
Future salary growth	3,761	3,423	(11,317)	(10,254)
Employee turnover rate	(8,833)	(7,931)	949	823

<i>Effect to the defined benefit obligation At 30 September</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(10,126)	(9,935)	2,519	3,194
Future salary growth	3,288	3,020	(10,921)	(9,910)
Employee turnover rate	(8,633)	(7,774)	719	643

17 Share capital

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

Share premium

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

18 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Other components of equity

Fair value changes in available-for-sale investments

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



Siam Food Products Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 30 September 2020

19 Segment information and disaggregation of revenue

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

Geographical segments

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

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

Geographical information

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

Major customer

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

20 Employee benefit expenses

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

Contribution plans

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

Siam Food Products Public Company Limited and its Subsidiaries

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For the year ended 30 September 2020

21 Expenses by nature

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

22 Income tax

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



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Notes to the financial statements

For the year ended 30 September 2020

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

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

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

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Reconciliation of effective tax rate

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

Deferred tax At 30 September	Consolidated financial statements		Separate financial statements	
	2020	2019 (in thousand Baht)	2020	2019
Assets	100,243	48,625	87,431	34,689
Liabilities	(11,143)	(9,512)	(10,463)	(2,777)
Net deferred tax assets	89,100	39,113	76,968	31,912

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



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

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

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

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

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

23 Loss per share

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



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24 Dividends

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

25 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

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

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

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Foreign currency risk

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

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

Credit risk

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

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

Liquidity risk

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

Carrying amount and fair values

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



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

	Consolidated financial statements/ Separate financial statements						
	Carrying amount			Fair value			
	Current	Non-current	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total
30 September 2019							
<i>Financial assets measured at fair value</i>							
Equity securities available-for-sale	-	159,641	159,641	159,641	-	-	159,641
Sale currency 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)

Financial instruments measured at fair value

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

Financial instruments not measured at fair value

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

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26 Commitments with non-related parties

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

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

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

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

Other agreement

Sale of finished goods forward contracts

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

27 Events after the reporting period

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



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

28 Thai Financial Reporting Standards (TFRS) not yet adopted

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

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

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

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

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

(b) TFRS 16 Leases

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

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

Transition

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

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

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

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

