



SIAM FOOD PRODUCTS PUBLIC CO., LTD.

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Ref. SFP 196 / 2019

28 November, 2019

To : President of The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for the Statement of Financial Position and Income Statements for the year ended September 30,2019.

Attachment : The Statement of Financial Position and Income Statements for the year ended September 30,2019 and Independent Auditor's Report.

Business Overview

The consolidated Income Statements for the year ended September 30,2019, the company earned the total income of Baht 1,972.01 million, net loss from the operation in amount of Baht 537.07 million. Upon combination with the profit share from the associated company in amount of Baht 70.01 million, the company earned the net loss of total Baht 467.06 million, while in the same period ended September 30, 2018, the company earned the total income of Baht 2,430.76 million, net loss from the operation in amount of Baht 36.57 million, upon combination with the profit share from the associated company in amount of Baht 205.55 million, the company earned the net profit of total Baht 168.98 million, change in net profit decreasing by Baht 636.04 million or 376.40%.

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

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

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

1.1) Fruit cost was higher than while in the same period 32% which effected from the dry weather, a shortage of fresh pineapple and selling price of world market decreased because foreign buyers

have a lot of stock and as overseas customers switched to buying from Thailand's competitors of the lower cost.

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

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

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

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

5) About the operation result of the associated company; Eastern Seaboard Industrial (Rayong) Co., Ltd. Therefore, the company recognized profit sharing according to the equity method in Statement of Income of the company in amount of Baht 70.01 million, decreasing from the previous year Baht 135.54 million or 65.94 %due to last year had gained from the sale of assets to property fund.

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

Please be informed accordingly.

Yours Truly,



(Mr.Kiertisak Lertsiriamorn)

Executive Vice President