

Part 3

Financial status and operation result

13. Important financial data

Financial Statements

A) Independent Auditor's Report

To the Shareholders of Siam Food Products Public Company Limited

I have audited the accompanying 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 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the 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 2016 and their financial performance and cash flows for the nine-month period then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Group's and the Company's adoption from 1 January 2016 of certain new accounting policy. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2015.

Other matter

I draw attention to the following; the Company changed its financial year-end from 31 December to 30 September. Consequently, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the accounting period ended 30 September 2016 comprises only nine months whereas the comparative information presented for the year ended 31 December 2015 comprises 12 months, which results in the periods presented being not comparable. Therefore, supplementary information in Note 35 has been prepared by the Group and the Company as additional information in the form of unaudited consolidated and separate statements of comprehensive income for the nine-month period ended 30 September 2015. I have not audited the supplementary information and do not express any audit opinion on such information.

(Nittaya Chetchotiros)

Certified Public Accountant

Registration No. 4439

KPMG Phoomchai Audit Ltd.

Bangkok

18 November 2016

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

(Unit : 1,000 Baht)

	Consolidated Financial Statements							
	2016 (9 months)		2015 (9 months)		2015 (12 months)		2014 (12 months)	
	Amount	%	Amount	%	Amount	%	Amount	%
Total Assets	2,791,850	100	2,626,527	100	2,779,896	100	2,822,921	100
Total Liabilities	326,435	11.69	327,626	12.47	509,746	18.34	430,295	15.24
Shareholders' Equity	2,465,415	88.31	2,197,708	83.67	2,270,150	81.66	2,392,626	84.76
Total Revenues	3,201,598	100	2,699,674	100	3,714,686	100	3,579,594	100
Revenues from sale	3,077,433	96.12	2,645,828	98.01	3,654,973	98.39	3,482,136	97.28
Gross Profit (loss)	196,988	6.40	(12,540)	(0.47)	128,984	3.53	(107,455)	(3.09)
Net Profit (loss)	191,035	5.97	(155,125)	(5.75)	(88,463)	(2.38)	35,387	0.99
Net cash from (used in) operating activities	540,410		(2,693)		(52,369)		621,094	
Net cash from (used in) investing activities	(115,240)		(87,492)		(129,735)		703,753	
Net cash from (used in) financing activities	(50,084)		(11,865)		(29,040)		(981,008)	
Net increase (decrease) in cash and cash equivalents	375,086		(102,050)		(211,143)		343,839	

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

Financial Ratio	Unit	Consolidated Financial Statements			
		2016 (9 months)	2015		2014 (12 months)
			(9 months)	(12 months)	
Liquidity Ratios					
Current Ratio	Times	4.49	2.53	2.48	3.19
Quick Ratio	Times	2.69	1.43	1.13	1.75
Avg.Collection Period	Days	29.90	27.69	26.98	19.22
Avg.No.Days Inventory In Stock	Days	53.25	50.56	47.99	84.89
Profitability Ratios					
Gross Profit Margin	%	6.40	(0.47)	3.53	(3.12)
Net Profit Margin	%	5.97	(5.75)	(2.38)	0.99
Earning (Per)Share	Baht	9.10	(7.39)	(4.21)	1.62
Price earnings Ratio	Times	26.38	(32.49)	(56.97)	165.25
Assets Management Ratios					
Return On Equity (ROE)	%	7.75	(7.06)	(3.90)	1.42
Return On Total Asset (ROA)	%	6.84	(5.91)	(3.18)	1.20
Return On Total Fixed Asset	%	27.37	(20.59)	(11.86)	4.17
Total Assets Turnover	Times	1.10	0.97	1.34	1.29
Leverage Ratios					
Debt To Total Assets	Times	0.12	0.16	0.18	0.15
Debt To Equity (D/E)	Times	0.13	0.20	0.22	0.18

14. ANALYSIS OF FINANCIAL STATUS AND OPERATING PERFORMANCE

According to The Annual General Meeting of the Shareholders No. Bor Mor Jor 24 for the year 2016 held on Friday 22 April 2016, has approved the change ending date of Annual Accounting Period of the Company to be in September of each year, starting fiscal year 2016 which will be the first year nine-month period from January to September 2016.

For the benefit in comparing and analyzing the financial information, the company clarify the operating results and financial status for the 9 months period ended 30 September 2016 comparing with the 9 months period ended 30 September 2015. (Please see note 35 of the Income Statements for the period 9 months ended September 30,2016.)

Business Overview

The consolidated Income Statements for the period 9 months ended September 30,2016, the company earned the total income of Baht 3,201.60 million, net profit from the operation in amount of Baht 119.62 million. Upon combination with the profit share from the associated company in amount of Baht 71.41 million, the company earned the net profit of total Baht 191.03 million, while in the period 9 months ended September 30, 2015, the company earned the total income of Baht 2,699.67 million, net loss from the operation in amount of Baht 200.49 million, upon combination with the profit share from the associated company in amount of Baht 45.36 million, the company earned the net loss of total Baht 155.13 million, change in net profit increasing by Baht 346.17 million or 223.16%.

Analysis of Income Statements for the period 9 months ended September 30,2016 (The audited Consolidated Financial Statements)

1) Revenue from sale amount of Baht 3,077.43 million, an increased by Baht 431.60 million or 16.31% from the same period of the previous year.

Ratio of cost of goods sold and sales for the period 9 months ended 30 September 2016 was 93.60% while the same period of the previous year equal to 100.47%. Due to

1.1) We could increase selling prices because customer realized of raw material costs higher for 3 years ago because of drought in Thailand effected to pineapple shortages.

1.2) We could purchase raw material from other region into production volume increased this resulted in lower of cost per unit.

2) Selling expenses decreased by Baht 8.54 million, financial costs decreased by Baht 2.38 million from the same period of the previous year and administrative expenses increased by Baht 4.09 million

3) The company had profit on exchange rate of Baht 10.52 million while the same period of the previous year had loss on exchange rate Baht 110.63 million.

4) About the operation result of the associated company for the 9 months period of 2016; Eastern Seaboard Industrial (Rayong) Co., Ltd., the company recognized profit sharing according to the equity method in Statement of Income in amount of Baht 71.41 million, increasing from the same period of previous year Baht 26.05 million or 57.43% due to the associated company had revenue from sale of real estate increased.

As at 30 September 2016, the consolidated statement of financial position had a Debt to Equity Ratio at 0.13, a decreased from the end of year 2015 which was 0.22, the main point was accounts payable decreasing and the subsidiary company prepaid of long-term loan.

Financial Status

As at 30 September 2016, the company's statements of financial position presents total assets of Baht 2,791.85 million, an increase of Baht 11.95 million from balance as at 31 December 2015 or 0.43%. The details of changes in assets and liabilities are as follows.

Assets

- Cash and cash equivalents an increased Baht 374.25 million.
- Account receivable decreased Baht 196.29 million.
- Inventories decreased Baht 145.01 million.
- Property, plant and equipment decreased Baht 47.77 million.
- Biological assets increased Baht 33.34 million.
- Prepaid income tax decreased Baht 32.37 million.

Liabilities The company's total liabilities were Baht 326.43 million, an decreased by Baht 183.32 as at 31 December 2015 million from the previous year or 35.96%. The main transactions were increased in Account payable decreased Baht 126.63 million, Current portion of long-term loan from financial institution decreased Baht 50.00 million other Account payable decreased Baht 10.36 million, other current liabilities decreased Baht 7.04 million, Advances received from sale of goods increased Bath 2.77 million and employee benefit increased Baht 9.02 million.

The Shareholders' Equity In 2016, the balance was Baht 2,465.41 million, increased by Baht 195.26 million from balance as at 31 December 2015 or 8.60%, increased in net profit from operating for period nine months of the year 2016 amount Baht 191.03 million and increased in other comprehensive income Baht 4.23 million.

Statement of Cash Flow

The statement of cash flow for nine-month period ended 30 September 2016 shows that the company had cash and cash equivalents decreased from balance as at December 31, 2015 by Baht 375.08 million. The cash flow was separated from each activity as the following :

1. Net cash flow from operating activities in the amount of Baht 540.41 million, there were main activities as the following :

- Cash received form operation.	294.28	Million Baht
- Cash received from trade accounts receivable.	195.92	Million Baht
- Cash received from inventories.	131.86	Million Baht
- Cash received from proceed from prepaid income tax refund.	32.35	Million Baht
-Cash received from other current assets.	10.70	Million Baht
Cash received from other receivable.	10.49	Million Baht
- Cash used in trade accounts payable.	(126.63)	Million Baht
- Cash used in other current liabilities.	(7.04)	Million Baht

2. Net cash flow use in investing activities in the amount of Baht (115.24) million, there were main activities as the following :

- Cash used for increasing crop of biological assets.	(112.75)	Million Baht
- Cash used in purchases of property, plant and equipment.	(23.82)	Million Baht
- Cash received from dividend from associated company.	16.24	Million Baht
- Cash received from interest.	5.07	Million Baht

3. Net cash flow used in financing activities in the amount of Baht (50.08) million ,there were main activities as the following :

- Repayment of long-term loans from financial institutions.	(50.00)	Million Baht
- Cash paid interest expense.	(0.08)	Million Baht