18 November 2004

Subject: Opinion of the Independent Financial Advisor on the tender offer

To: The Shareholders of The Siam Agro Industry Pineapple and Others Plc.

Pursuant to Fresh Del Monte Produce N.V.'s ("FDM" or "the Offeror") acquisition of 15,000,001 ordinary shares and 26,645,704 warrants in The Siam Agro Industry Pineapple and Others Plc. ("SAICO" or "the Company") from Cirio Del Monte Italia S.P.A. and Cirio Del Monte N.V., the then major shareholders in SAICO, FDM is required to make a tender offer to purchase all the remaining ordinary shares of the Company according to the Securities and Exchanges Commission of Thailand's rules and regulations governing the acquisition of securities, dated 18 November 2002.

FDM has therefore made a tender offer to purchase 14,999,999 ordinary shares of the Company and has submitted the tender form 247-4 dated 3 November 2004.

SAICO has appointed Thai Strategic Capital Co., Ltd. ("the Independent Financial Advisor") as its financial advisor to provide opinion on this tender offer to the minority shareholders. The Independent Financial Advisor has studied the information in the tender offer (form 247-4) of the Offeror; information and documents provided by the Company, such as its financial statements, annual reports, management's financial projection; interviews with executives and related persons; and other information disseminated to the public, for use as the basis of analysis and its opinion. Our opinion expressed herein is based on the assumption that such information is correct and accurate at the time of this analysis. However, this analysis cannot validate any result that might happen in the event of any material change in SAICO's situation.

Inherent risks in SAICO

The Company operates in the agribusiness sector which is volatile due to the commodity nature of the industry and its dependence on the availability of raw material. This makes it harder to make financial forecasts, especially of the cash flow, for SAICO than many other companies.

In addition the Company has a high level of debt, negative shareholders funds, current liabilities higher than current assets, has almost fully utilized its existing borrowing capacity, has an option to repurchase important land and buildings from its creditor, and the obligation to start repaying its loan principals from April 2005 as per its debt restructuring agreement.

Therefore the Company faces several high risks and its survival will depend on its first quarter 2005 performance and its ability either to find additional sources of financing and/or to restructure its debt obligations. However its ability to find additional sources of funds or to restructure will be dependent on the policies of its new shareholders which, at this stage, have not been clarified.

Our opinion can be summarized as follows:

1. Appropriateness of the offer price

The Offeror has made a tender offer to purchase ordinary shares of the Company at Bt. 0.50 per share. We have carried out a valuation of the ordinary shares using various methods to identify the appropriateness of the offer price, with details as follows:

1.1 Book value approach

This approach assesses the book value of the Company at a certain point in time. For SAICO we have used the company's book value as shown in its financial statement as at 30th September 2004 as follows:

Unit : Baht Million

Issued and paid-up capital	300.00
Revaluation of land holding	5.55
Retained losses	(912.60)
Total shareholders' equity	(607.05)
No. of shares in issue (million shares)	30.00
Book value per share (Bt.)	(20.24)

Source : SAICO's financial statement 30 September 2004

Using this method, the book value of the Company is appraised at negative Bt. 20.24 per share. Therefore, the offer price of Bt. 0.50 per share is Bt. 19.74 per share higher than the book value.

However, this method only considers the current book value of the assets and disregards the market value of the assets or earnings ability of the Company. Moreover, it does not consider the debt repayment obligations of the Company. We therefore consider that this methodology to be inappropriate under this situation because its current debt level of the Company exceed the value of the assets, as shown in the books.

1.2 Adjusted Book Value Approach

By this method, the share price is derived from considering the market value of the Company's fixed assets revalued by an independent appraiser, reduced by the Company's liabilities and divided by the number of shares in issue. However, most of the Company's fixed assets were sold to its creditors as part of its debt restructuring in 1999. Based on the latest valuation report by Sallmanns (Far East) Ltd.,, a recognized property appraisal firm, on 5 October 2003 the machinery owned by the company has a market value of Baht 166.80 million higher than its book value. The adjusted valuation is therefore as follows:

Unit : Baht Million

Book Value as at 30th September 2004	(607.05)
add Net incremental value of the machinery	166.80
Adjusted Book Value	(440.25)
No. of shares in issue (million shares)	30.00
Adjusted Book Value (Baht per share)	(14.68)

Using this method, the adjusted book value of the Company is appraised at negative Bt. 14.68 per share. Therefore, the offer price of Bt. 0.50 per share is Bt. 14.18 per share higher than the adjusted book value. However we believe that this methodology is also inappropriate as the current debt level exceeds the value of the assets.

The Adjusted Book Value Approach includes in the valuation of the ordinary shares the effects of an increase in the market value of its assets. However, it still does not account for the earnings ability of the company. Moreover, it still also does not consider the debt position of the company.

1.3 Price to Book Value Approach : P/BV

By this method, the share price is determined by multiplying the Company's book value from its latest financial statement at 30th September 2004 by the average of the closing price to book value (P/BV) ratios of the comparable listed companies in the Agriculture,

Food & Beverages sector. However, there are only three companies engaged in a similar business to the Company, namely Tipco Foods (Thailand) Plc., Malee Plc. and Siam Food Products Plc. The average P/BV ratios of these three companies over the past 3 months, 6 months and 12 months (from one business day before the date of the Company's receipt of the tender offer from the Offeror) can be concluded as follows:

Period	Average P/BV of similar companies (times)	Implied Share Price (Baht per share)
3 months	1.33	(26.91)
6 months	1.34	(27.12)
12 months	1.50	(30.36)

Source: SetSmart

According to financial statement as at 30th September 2004, by this method, the share value of the Company is appraised at negative Bt. 26.91-30.60 per share. Therefore, the offer price of Bt. 0.50 per share is Bt. 26.41-29.86 per share higher than the share value estimated by this approach.

However this methodology is only appropriate only when used for companies that have positive shareholders funds. As the Company's shareholders funds are negative by over Baht 607 million, this methodology can not be used.

1.4 Market Value Approach

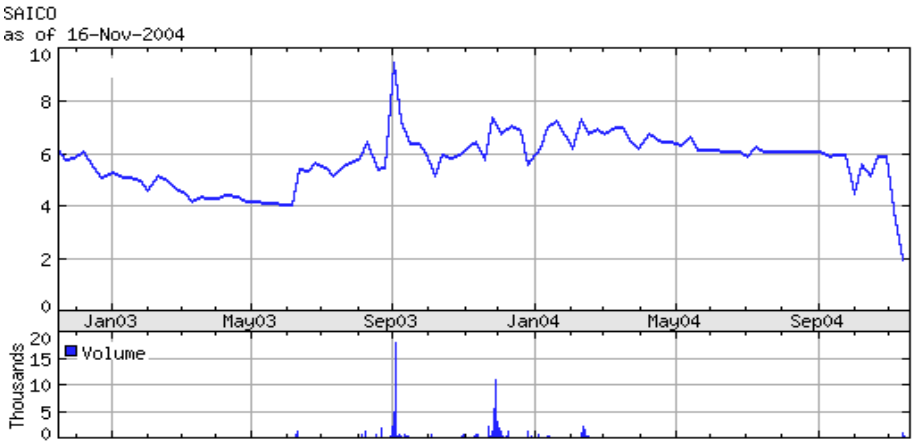
The share price of the company can be calculated by using the weighted average market price of the Company's shares traded on the SET, using the average market price during the period of 3 months, 6 months and 12 months (from one business day before the date of the Company's receipt of the tender offer from the Offeror) which can be concluded as follows:

Period	Average Market Price (Baht per share)	Turnover Ratio (%)
3 months	5.28	0.05
6 months	6.16	0.48
12 months	6.98	16.45

Source: SetSmart

By this method, the shares of the Company can be appraised at Bt. 5.28-6.98 per share. Therefore, the offer price of Bt. 0.50 per share is Bt. 4.78-6.48 per share lower than the share value estimated by this approach.

The turnover ratio of the company's shares is volatile and illiquid as demonstrated by the graph below over the last 24 months, which shows that, in general, SAICO's shares are normally illiquid except for an abnormal period during September to December 2003.



Source: www.yahoo.com

This methodology, whilst it gives rise to a positive value, is inappropriate as the shares were illiquid and this method is only appropriate if the shares are traded consistently and in reasonable volume.

1.5 Price to Earnings Ratio Approach : P/E Approach

By this method, the share price is derived by multiplying the projected earnings per share of the Company for 2004 by the average price to earnings per share (P/E) ratios of the listed companies in the Agriculture and Food & Beverages sector. However, there are only two companies engaging in a similar business to the Company, namely Tipco Foods (Thailand) Plc. and Siam Food Products Plc., that are profitable. The average P/E ratios of these two companies over the past 3 months, 6 months and 12 months (counted from one business day before the date of the Company's receipt of the tender offer from the Offeror) can be concluded as follows:

Period	Average P/E of selected companies (times)	Share Price (Baht per share)
3 months	8.33	3.44
6 months	8.03	3.32
12 months	8.90	3.68

Source: SetSmart

However these companies are different from SAICO in many respects, including their structure, strong performance and higher trading liquidity, therefore their P/E ratios should be higher than SAICO's. Therefore, a lower P/E than the average above should be applied to derive SAICO's share value as follows;

Average P/E (times)	Share Price (Baht per share)
5.00	2.07
6.00	2.48
7.00	2.89

By this method, the share value of the Company is appraised at Bt. 2.07-2.89 per share. Therefore, the offer price of Bt. 0.50 per share is Bt.1.57-2.39 per share lower than the share value estimated by this approach.

This method uses the full year forecast for 2004. At 30 September 2004, the company has made a loss of Baht 18.94 million. However, management is still optimistic that the 4th quarter result will be profitable similarly to the 4th quarter of 2003. The month of October was the only profitable month of 2004 so far. For the Quarter, management is expecting a net profit of Baht 31.34 million.

If we use the actual earnings of the last 12 months (1 October 2003 – 30 September 2004), the valuation of share will be:

Average P/E (times)	Share Price (Baht per share)
5.00	1.00
6.00	1.20
7.00	1.40

By this method, the share value of the Company is appraised at Bt. 1.00-1.40 per share. Therefore, the offer price of Bt. 0.50 per share is Bt.0.50-0.90 per share lower than the share value estimated by this approach.

This Price to Earnings Ratio Approach is a valuation method that does not consider the debt level in the company nor the Company's future cash flow.

1.6 Discounted Cash Flow Approach

This method takes into account the future profitability of the Company by applying an appropriate discount rate to the company's projected free cash flow, net of all liabilities. We have used the weighted average cost of capital ("WACC") as the discount rate and the expected free cash flow from the Company's financial projection for the next five years and three months (Q4 2004-end 2009), as prepared by the Company's management. This assumes that the business continues as a going concern without any material changes and under the current economic conditions and circumstances.

The Assumptions in the Company's projection are as follows:

- Sales

  Sales grow by 5%-6% annually during 2006-2009 and by 37% in 2005 annually because the Company expects high pineapple prices which will lead a high volume of supply.
- Cost of Sales

  Cost of Sales is estimated to be 86%-90% of Sales during 2005-2009
- Other Revenue
- Other Revenue is from the sale of waste by-product from pineapple. Expect this revenue to increase by Baht 1 million annually during 2006-2009
- Selling & Administration

  Selling & Administration is estimated to increase at the same rate as Sales i.e. 6% annually during 2005-2009

- Capital Expenditure

  Capital Expenditure is estimated at Baht 60 million annually during 2005-2006 and Baht 45 million during 2007-2009

- Current Assets and Liabilities Turnover

  Collection period for Account Receivables at 35-40 days

  Turnover ratio for Inventories at 40-55 days

  Payment period for Account Payables at 50-60 days

- Foreign Exchange rate :

  US$ 1 : Baht 41

- Discount Rate

  The discount rate used in the calculation of the expected discounted cash flow is the Weighted Average Cost of Capital ("WACC") which can be calculated as follows:

  - Cost of Debt : Kd = 5.75% p.a.
  - Cost of Capital : Ke = 5.26 p.a. derived from

Ke	=	Rf + β (Rm – Rf)
Risk free rate (Rf)	=	5 year government bond rate
		= 3.88 *(source : Bank of Thailand)*
Market Risk Premium (Rm-Rf)	=	5.50% p.a.
Beta (β)	=	0.25 times (12 months)

  - Debt to Equity Ratio: as at 30th September 2004 financial statement, the Company's equity was negative, therefore its D/E was negative 1.81 times. We have therefore decided to use the average D/E of REHABCO sector (the Company is currently categorized under this group on SET) The average D/E of REHABCO as of 30 June 2004 was 1.79 times
  - Growth for Terminal Value of Cashflow

    The growth is estimated at 0% p.a.

  The Company's WACC is therefore estimated at 5.57% p.a.

Considering all the factors above, the estimated value of the Company's shares using the discounted cash flow method is negative Bt. 18.12 share

The sensitivity analysis of the Company's share value at different level of Ke would be as follows:

Ke	WACC	Share Price (Baht per share)
5%	5.48%	(17.86)
6%	5.84%	(18.84)
7%	6.20%	(19.72)

By this method, the share value of the Company is appraised at negative Bt. 17.86-19.72 per share. Therefore, the offer price of Bt. 0.50 per share is Bt. 17.36-19.52 per share higher than the share value estimated by this approach.

The forecast financial statements used were prepared by the current management team of SAICO. We have been advised that the new directors representing the Offeror were not involved in their preparation. However, although the current managing director is a secondee of FDM, by virtue of the Offeror having also purchased the company that was his employer, the Company has confirmed that he was acting independently of the Offeror for the benefit of all SAICO's shareholders.

In addition, we do not believe that this methodology is appropriate as the debt level of the Company is too high and also because it has been difficult to forecast the future of the Company for two principal reasons: (a) the volatile nature of the industry has made it difficult to accurately forecast the likely trend in earnings and cash flow, and (b) the Offeror who will be the major shareholder in the Company has not provided any details of its plans for the future. Therefore any changes in the policies and operation of the Company from those set out by the current managing director and Board of directors may have a material and unquantifiable effect on the business and its prospects.

Conclusion of the Independent Financial Advisor's opinion on the offer price

The table below summarizes and compares the Company's share price, as calculated by the above methods, with the tender offer price:

Unit : Baht per share

Method	Valuation Price	Offering Price	Higher (Lower) than the offering price	
			Baht	%
1. Book Value Approach	n.m*	0.50	n.m.	n.m.
2. Adjusted Book Value Approach	n.m	0.50	n.m.	n.m.
3. Price to Book Value Approach	n.m.	0.50	n.m.	n.m.
4. Market Value Approach	5.28-6.98	0.50	4.78-6.48	956-1296
5.1 Price to Earnings Ratio Approach, using 2004 forecast	2.07-2.89	0.50	1.57-2.39	314-478
5.2 Price to Earnings Ratio Approach, using actual 12 month EPS	1.00-1.40	0.50	0.50-0.90	100-180
6. Discounted Cash Flow Approach	n.m.	0.50	n.m.	n.m.

** not meaningful*

From the above table it can be seen that all but two of the methodologies have either produced a negative valuation for the shares or a value can not be determined. The two methods are the market value approach and the PE ratio approach. The principal adverse reasons for the negative valuation are:

- The company has negative shareholders' funds of Baht 607.06 million and debts as at 30th September 2004 of Baht 742.32 (out of total liabilities of Baht 1,100.88 million), which renders the valuation methodologies 1,2,3, and 6 negative.
- The company's future performance, although forecast by management to improve, is not expected to recover sufficiently and, under the 6th methodology, the valuation is still expected to be negative.

Of the two methodologies that give rise to a positive valuation, the market approach is deemed to be unreliable, as the company's shares have been illiquid and therefore may not reflect the shares' true value.

Therefore we have concluded that, of the 6 different methodologies, the most appropriate methodology is the Price to Earnings approach. Using 2004 forecasts, the Price to Earnings

approach indicates a value of Baht 2.07 to 2.89 per share; using actual 12 month historical EPS, the Price to Earnings approach indicates a value of Baht 1.00 to 1.40 per share respectively

2. Reasons to accept and / or to reject the tender offer

2.1 From assessing the different factors we conclude that shareholders should reject the tender offer for the following reasons:

2.1.1 The price is inappropriate

We have concluded that the PE approach gives rise to a valuation of the Company's share which is higher than the tender offer price and therefore the tender offer price is inappropriate.

2.1.2 Alternative option

Shareholders will see that the current market price for the Company's shares between 16th and 18th November 2004 is within our assessment of the price and is also higher than the tender offer price. Therefore, given the uncertainties and inherent risks in the business, we recommend that shareholders consider selling their shares in the market even though the liquidity is low.

2.2 Other factors

2.2.1 De-listing

The tender Offeror has stated in the tender offer form that it has no intention to de-list the Company's securities from the Stock Exchange of Thailand for a 12 months period except in the circumstance that the Company fails to maintain its listing status.

Having made this statement the tender Offeror will not be able to de-list the Company during the 12 months period and shares in the Company are likely to continue to have a secondary market. However it is possible that the liquidity in the Company's shares will decrease after the tender offer period.

In addition for the next twelve months the tender Offeror will not be able to make further tender offers for the Company's shares. Moreover, for six months after the tender, the tender Offeror cannot purchase any additional shares in the Company at a price higher than the tender offer price, unless such shares are newly issued shares.

2.2.2 Management participation by the tender Offeror

FDM, which is now a major shareholder owning more than 50 per cent of the shares in the Company, has appointed 4 directors to the board of the Company (out of a current total of 9 directors) as at 30th September 2004 and intends to become active in the Company's management.

The Company's current Managing Director is also deemed to be an employee of FDM by virtue of FDM having also purchased the company that had previously been his employer. Therefore the tender Offeror has the right to change his status in SAICO at any time.

The Company has informed us that representatives of the tender Offeror have been in discussions with the Company as to its management, trading and financial status and have also had discussions with the Company's creditors as to the possibility of further restructuring.

2.2.3 Loan Guarantee by FDM

The Company has been informed that the tender Offeror has assumed a guarantee of up to Baht 100 million over the Company's working capital borrowing facilities.

Our assessment of the value of the Company's shares does not include any potential beneficial or adverse effects arising from changes in the operations nor of any restructuring of the company's financial liabilities. This is because insufficient details have been given in the tender offer form for any potential effects to be calculated.

2.2.4 Financial problems

The Company faces two obstacles: its operations are not consistently profitable and its financial position is weak.

Although the Company has been profitable from time to time, its profitability and cash flow are volatile.

The Company's financial position is weak due to excessive debt, in spite of having already concluded a debt restructuring, and negative shareholders funds. This will make it difficult for the Company to invest in order to maintain or increase its capacity. It will also be necessary for the Company to find additional sources of funds to finance its working capital and to repay the bank loan, on which it is due to start repayments in April 2005. Any sources of new funds are as yet unclear and the tender Offeror has made no mention of additional financial support for the Company in its tender offer form.

3 **Benefits or impact from the policies or plans stated by the Offeror in the tender offer form, including the possibilities of such plan and policies**

The plans and policies stated by tender Offeror were provided only in general terms and are as follows:

3.1 The tender Offeror has stated that it has no intention of de-listing the Company's shares from the Stock Exchange of Thailand for a period of 12 months from the conclusion of this tender offer, except in the case where the Company can not maintain its listing status pursuant to the SET's listing criteria.

In addition we note that the tender Offeror is not a Thai company and that the Company's current Articles of Association require that no more than 51 per cent of the Company's shares be held by foreign shareholders (this foreign shareholding level is allowed to increase to 80 per cent but only pursuant to the exercise of the currently outstanding warrants). The tender Offeror has not stated how it intends to hold the shares it receives in the tender should it exceed the level allowed in the Articles of Association.

3.2 The tender Offeror has stated that it intends to maintain the Company's operations as an important manufacturer of pineapple and other food products in Thailand and for export and intends to maintain and strengthen its competitive position.

We believe that the tender Offeror intends to maintain the business as it is itself involved in the food produce business, although only recently has become involved

in the canning business. The parent company of the tender Offeror is also a profitable and large concern that is listed on the New York Stock Exchange.

3.3 The tender Offeror has stated that it intends to analyze in detail the operations of the Company in order to better understand it and to decide upon an appropriate course of action for the Company which may include negotiating a debt restructuring plan, a restructuring of the operations and / or sales or purchases of assets, which may lead to changes in the organization or management structure including a change in the management team and staff structure.

The tender Offeror has stated in the tender offer that 2 directors of the company resigned on 30th September 2004 and that the Company's Board of directors have resolved to appoint 4 new directors, all of whom are from FDM. In addition the Company's new directors have been involved, as directors of the company, in the management of the company including in business discussions and negotiations with financial creditors.

4 Benefits that the shareholders will receive and effect in the case that shareholders reject the tender offer (only in the case of a tender offer for the delisting of the shares from a lisitng pursuant to the SET's regulations)

This tender offer is not a tender offer pursuant to delisting of the shares form the SET.

Summary of the Independent Financial Adviser's Opinion

From the available information and for the reasons stated above we believe that the tender offer price is not appropriate and we recommend shareholders not to accept the tender offer. However, we also recommend the shareholders to consider selling their shares in the Stock exchange of Thailand, even though liquidity is low, as there are still significant risks and uncertainty associated with the Company.

Thai Strategic Capital Co., Ltd.

Aung Htun

(Executive Chairman)