

Tipco Foods Public Company Limited and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month period ended 31 March 2017

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Tipco Foods Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Foods Public Company Limited and its subsidiaries as at 31 March 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Tipco Foods Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Supachai Phanyawattano  
Certified Public Accountant (Thailand) No. 3930

EY Office Limited  
Bangkok: 12 May 2017

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>31 March 2017</b> (Unaudited but reviewed)	<b>31 December 2016</b> (Audited)	<b>31 March 2017</b> (Unaudited but reviewed)	<b>31 December 2016</b> (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		70,885	58,983	33,233	25,296
Current investment		3,869	3,847	-	-
Trade and other receivables	3, 4	502,958	689,864	199,603	317,129
Inventories	5	1,102,998	882,246	644,534	433,587
Biological assets		1,805	2,801	-	-
Advanced payments		30,371	14,189	8,639	7,583
Other current assets		48,308	46,582	18,593	13,032
<b>Total current assets</b>		<b>1,761,194</b>	<b>1,698,512</b>	<b>904,602</b>	<b>796,627</b>
<b>Non-current assets</b>					
Restricted bank deposits		1,016	1,016	-	-
Investments in subsidiaries	6	-	-	915,337	465,337
Investment in associate	7	3,138,065	2,894,859	644,930	644,930
Investment properties		7,270	7,270	7,270	7,270
Property, plant and equipment	8	1,994,963	2,023,191	757,276	761,469
Intangible assets		81,018	68,100	35,479	35,954
Deferred tax assets - net	12	78,113	97,890	38,008	54,217
Other non-current assets		17,554	17,983	5,465	6,117
<b>Total non-current assets</b>		<b>5,317,999</b>	<b>5,110,309</b>	<b>2,403,765</b>	<b>1,975,294</b>
<b>Total assets</b>		<b>7,079,193</b>	<b>6,808,821</b>	<b>3,308,367</b>	<b>2,771,921</b>

The accompanying notes are an integral part of the interim financial statements.

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>31 March 2017</b> (Unaudited but reviewed)	<b>31 December 2016</b> (Audited)	<b>31 March 2017</b> (Unaudited but reviewed)	<b>31 December 2016</b> (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions		828,069	417,000	573,069	120,000
Trade and other payables	4, 9	854,785	859,126	245,482	241,296
Current portion of liabilities					
under finance lease agreements		474	632	-	-
Current portion of long-term loans					
from financial institutions	10	486,750	171,500	106,750	91,500
Income tax payable		2,248	2,248	-	-
Other current liabilities		74,626	57,184	43,910	35,285
<b>Total current liabilities</b>		<b>2,246,952</b>	<b>1,507,690</b>	<b>969,211</b>	<b>488,081</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions -					
net of current portion	10	418,825	776,950	418,825	456,950
Provision for dismantling cost		2,120	2,650	-	-
Provision for long-term employee benefits		81,534	79,097	57,228	55,553
<b>Total non-current liabilities</b>		<b>502,479</b>	<b>858,697</b>	<b>476,053</b>	<b>512,503</b>
<b>Total liabilities</b>		<b>2,749,431</b>	<b>2,366,387</b>	<b>1,445,264</b>	<b>1,000,584</b>

The accompanying notes are an integral part of the interim financial statements.

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>31 March 2017</b> (Unaudited but reviewed)	<b>31 December 2016</b> (Audited)	<b>31 March 2017</b> (Unaudited but reviewed)	<b>31 December 2016</b> (Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
		500,000	500,000	500,000	500,000
500,000,000 ordinary shares of Baht 1 each					
Issued and fully paid					
		482,580	482,580	482,580	482,580
482,579,640 ordinary shares of Baht 1 each					
Non-controlling interests of subsidiary acquired by					
	6	(80,767)	-	-	-
the Company at price higher than book value					
Non-controlling interest in subsidiary					
		1,494	1,494	-	-
of the associated company acquired at price					
lower than book value					
Change in the interest in subsidiaries					
		(135,833)	(135,833)	-	-
of the associated company which did not result					
in a loss of control of the associate					
Capital reserve for share-based payment transactions					
		30,793	28,434	-	-
of associate					
Retained earnings					
		50,000	50,000	50,000	50,000
Appropriated - statutory reserve					
		4,037,253	3,650,873	1,330,523	1,238,757
Unappropriated					
		(55,758)	(3,216)	-	-
Other components of shareholders' equity					
		4,329,762	4,074,332	1,863,103	1,771,337
Equity attributable to owners of the Company					
		-	368,102	-	-
Non-controlling interests of the subsidiaries					
		4,329,762	4,442,434	1,863,103	1,771,337
<b>Total shareholders' equity</b>					
		7,079,193	6,808,821	3,308,367	2,771,921
<b>Total liabilities and shareholders' equity</b>					
		-	-	-	-

The accompanying notes are an integral part of the interim financial statements.

Directors

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>					
Sales and service income		1,267,401	1,396,092	668,896	831,449
Other income					
Gain on sales of machine and equipment		7,881	-	5,406	-
Others		9,697	11,663	12,192	12,461
<b>Total revenues</b>		<u>1,284,979</u>	<u>1,407,755</u>	<u>686,494</u>	<u>843,910</u>
<b>Expenses</b>					
Cost of sales and services		853,094	1,035,214	479,071	671,200
Selling expenses		200,012	185,058	22,549	46,696
Administrative expenses		107,780	101,249	69,337	57,456
<b>Total expenses</b>		<u>1,160,886</u>	<u>1,321,521</u>	<u>570,957</u>	<u>775,352</u>
<b>Profit before share of profit from investment in associate, finance cost and income tax expenses</b>					
Share of profit from investment in associate	7	<u>294,542</u>	<u>284,095</u>	-	-
<b>Profit before finance cost and income tax expenses</b>		<u>418,635</u>	<u>370,329</u>	<u>115,537</u>	<u>68,558</u>
Finance cost		<u>(11,347)</u>	<u>(10,752)</u>	<u>(7,562)</u>	<u>(4,855)</u>
<b>Profit before income tax expenses</b>		<u>407,288</u>	<u>359,577</u>	<u>107,975</u>	<u>63,703</u>
Income tax expenses	12	<u>(19,777)</u>	<u>(4,426)</u>	<u>(16,209)</u>	<u>(1,915)</u>
<b>Profit for the period</b>		<u>387,511</u>	<u>355,151</u>	<u>91,766</u>	<u>61,788</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Share of comprehensive income in associate		<u>(52,542)</u>	<u>(24,377)</u>	-	-
<b>Other comprehensive income for the period</b>		<u>(52,542)</u>	<u>(24,377)</u>	-	-
<b>Total comprehensive income for the period</b>		<u>334,969</u>	<u>330,774</u>	<u>91,766</u>	<u>61,788</u>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht except earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	386,380	347,927	<u>91,766</u>	<u>61,788</u>
Non-controlling interests of the subsidiaries	<u>1,131</u>	<u>7,224</u>		
	<u><u>387,511</u></u>	<u><u>355,151</u></u>		
	-	-		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	333,838	323,550	<u>91,766</u>	<u>61,788</u>
Non-controlling interests of the subsidiaries	<u>1,131</u>	<u>7,224</u>		
	<u><u>334,969</u></u>	<u><u>330,774</u></u>		
	-	-		
<b>Earnings per share (Baht)</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.80</u>	<u>0.72</u>	<u>0.19</u>	<u>0.13</u>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries****Cash flow statement****For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>				
Profit before income tax expenses	407,288	359,577	107,975	63,703
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	62,156	63,939	28,339	29,020
Reduction of cost of inventories to net realisable value (reversal)	(19,769)	4,935	(3,945)	4,581
Loss from stock destruction	11,549	599	-	-
Unrealised (gain) loss on fair value of biological assets	996	(596)	-	-
Unrealised (gain) loss on exchange	(1,809)	(60)	(1,716)	97
Changes in fair value of forward exchange contracts	857	908	1,233	367
(Gain) loss on sales of machinery and equipment	(7,881)	721	(5,406)	-
Loss on written-off of equipment	212	52	-	52
Provision for long-term employee benefits	2,649	2,260	1,886	1,429
Provision for dismantling cost	62	133	-	-
Share of profit from investment in associate	(294,542)	(284,095)	-	-
Interest income	(52)	-	(30)	-
Interest expenses	11,115	10,752	7,419	4,855
Profit from operating activities before changes in operating assets and liabilities	172,831	159,125	135,755	104,104
(Increase) decrease in operating assets				
Trade and other receivables	188,629	96,450	118,601	(36,137)
Inventories	(212,532)	(90,062)	(207,002)	(110,928)
Other current assets	(17,611)	(42,305)	(7,179)	(24,095)
Other non-current assets	428	3,676	652	4,175
Increase (decrease) in operating liabilities				
Trade and other payables	(3,336)	129,957	4,983	30,484
Other current liabilities	18,225	61,481	8,624	57,937
Other non-current liabilities	(803)	363	(211)	-
<b>Cash flows from operating activities</b>	<b>145,831</b>	<b>318,685</b>	<b>54,223</b>	<b>25,540</b>
Cash paid for interest expenses	(11,199)	(11,412)	(7,412)	(5,308)
Cash paid for corporate income tax	(784)	(316)	(670)	(256)
<b>Net cash flows from operating activities</b>	<b>133,848</b>	<b>306,957</b>	<b>46,141</b>	<b>19,976</b>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from investing activities:</b>				
Cash paid for investments in subsidiaries	-	-	(450,000)	-
Increase in current investment	(22)	(22)	-	-
Cash received from sales of machinery and equipment	12,619	168	5,406	-
Cash paid for acquisition of land and equipment	(45,830)	(50,861)	(23,464)	(7,965)
Cash paid for acquisition of intangible assets	(6,801)	(12,585)	(370)	(3,882)
Interest received	52	-	30	-
<b>Net cash flows used in investing activities</b>	<b>(39,982)</b>	<b>(63,300)</b>	<b>(468,398)</b>	<b>(11,847)</b>
<b>Cash flows from financing activities:</b>				
Cash paid to acquisition of non-controlling interests of subsidiary	(450,000)	-	-	-
Increase (decrease) in short-term loans from financial institutions	411,069	(223,141)	453,069	(2,912)
Cash paid under finance lease agreements	(158)	(695)	-	(537)
Repayment of long-term loans	(42,875)	(35,525)	(22,875)	(15,525)
<b>Net cash flows from (used in) financing activities</b>	<b>(81,964)</b>	<b>(259,361)</b>	<b>430,194</b>	<b>(18,974)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11,902</b>	<b>(15,704)</b>	<b>7,937</b>	<b>(10,845)</b>
Cash and cash equivalents at beginning of period	58,983	76,356	25,296	39,155
<b>Cash and cash equivalents at end of period</b>	<b>70,885</b>	<b>60,652</b>	<b>33,233</b>	<b>28,310</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions:				
Purchase of equipment for which cash has not been paid	8,062	10,770	2,471	4,204
Purchase of intangible assets for which cash has not been paid	15,040	-	-	-

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

## Tipco Foods Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Non-controlling interests of subsidiary acquired by the Company	Non-controlling interest of subsidiary of the associated company acquired at price lower than book value	Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	Capital reserve for share-based payment transactions of the associate	Retained earnings			Other components of equity			Equity	
					Appropriated - statutory reserve	Unappropriated		Share of comprehensive income in associate	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
<b>Balance as at 1 January 2016</b>	482,580	-	1,494	(73,901)	18,078	50,000	3,081,058	6,110	6,110	3,565,419	415,360	3,980,779
Cumulative effect of change in accounting policy for agriculture	-	-	-	-	-	-	2,012	-	-	2,012	-	2,012
Profit for the period	-	-	-	-	-	-	347,927	-	-	347,927	7,224	355,151
Other comprehensive income for the period	-	-	-	-	-	-	-	(24,377)	(24,377)	(24,377)	-	(24,377)
Total comprehensive income for the period	-	-	-	-	-	-	347,927	(24,377)	(24,377)	323,550	7,224	330,774
Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	-	-	-	(41,577)	-	-	-	-	-	(41,577)	-	(41,577)
Share-based payment transactions of associate	-	-	-	-	3,022	-	-	-	-	3,022	-	3,022
<b>Balance as at 31 March 2016</b>	<b>482,580</b>	<b>-</b>	<b>1,494</b>	<b>(115,478)</b>	<b>21,100</b>	<b>50,000</b>	<b>3,430,997</b>	<b>(18,267)</b>	<b>(18,267)</b>	<b>3,852,426</b>	<b>422,584</b>	<b>4,275,010</b>
<b>Balance as at 1 January 2017</b>	482,580	-	1,494	(135,833)	28,434	50,000	3,650,873	(3,216)	(3,216)	4,074,332	368,102	4,442,434
Profit for the period	-	-	-	-	-	-	386,380	-	-	386,380	1,131	387,511
Other comprehensive income for the period	-	-	-	-	-	-	-	(52,542)	(52,542)	(52,542)	-	(52,542)
Total comprehensive income for the period	-	-	-	-	-	-	386,380	(52,542)	(52,542)	333,838	1,131	334,969
Acquisition of non-controlling interests of subsidiary (Note 6)	-	(80,767)	-	-	-	-	-	-	-	(80,767)	(369,233)	(450,000)
Share-based payment transactions of associate	-	-	-	-	2,359	-	-	-	-	2,359	-	2,359
<b>Balance as at 31 March 2017</b>	<b>482,580</b>	<b>(80,767)</b>	<b>1,494</b>	<b>(135,833)</b>	<b>30,793</b>	<b>50,000</b>	<b>4,037,253</b>	<b>(55,758)</b>	<b>(55,758)</b>	<b>4,329,762</b>	<b>-</b>	<b>4,329,762</b>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>			<b>Total</b>	
	<b>Issued and paid-up</b>	<b>Retained earnings</b>			<b>shareholders' equity</b>
		<b>share capital</b>	<b>Appropriated - statutory reserve</b>		
<b>Balance as at 1 January 2016</b>	482,580	50,000	1,102,488	1,635,068	
Profit for the period	-	-	61,788	61,788	
Other comprehensive income for the period	-	-	-	-	
Total comprehensive income for the period	-	-	61,788	61,788	
<b>Balance as at 31 March 2016</b>	<u>482,580</u>	<u>50,000</u>	<u>1,164,276</u>	<u>1,696,856</u>	
<b>Balance as at 1 January 2017</b>	482,580	50,000	1,238,757	1,771,337	
Profit for the period	-	-	91,766	91,766	
Other comprehensive income for the period	-	-	-	-	
Total comprehensive income for the period	-	-	91,766	91,766	
<b>Balance as at 31 March 2017</b>	<u>482,580</u>	<u>50,000</u>	<u>1,330,523</u>	<u>1,863,103</u>	
				-	

The accompanying notes are an integral part of the interim financial statements.

**Tipco Foods Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month period ended 31 March 2017**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.2 Basis of consolidation**

The consolidated interim financial statements include the financial statements of Tipco Foods Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016, except the change in percentage of shareholding in a subsidiary as described in Note 6 to the interim financial statements.

### **1.3 New financial reporting standards**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, one standard involves changes to key principles, which are summarised below.

#### **TAS 27 (revised 2016) Separate Financial Statements**

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard does not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

### **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

(Unaudited but reviewed)

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Audited)		(Audited)
<b><u>Trade receivables - related parties</u></b> (Note 4)				
Aged on the basis of due dates				
Not yet due	306	2,637	37,065	20,611
Past due				
Up to 3 months	71	12	-	-
Total trade receivables - related parties	377	2,649	37,065	20,611
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	408,027	518,858	133,843	232,785
Past due				
Up to 3 months	60,798	54,661	19,339	37,859
3 - 6 months	1,041	4,172	-	4,144
Over 12 months	7,230	7,235	6,479	6,479
Total	477,096	584,926	159,661	281,267
Less: Allowance for doubtful accounts	(7,230)	(7,230)	(6,479)	(6,479)
Total trade receivables - unrelated parties, net	469,866	577,696	153,182	274,788
Total trade receivables - net	470,243	580,345	190,247	295,399
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 4)	-	476	5,334	18,327
Amounts due from unrelated parties	26,890	103,871	3,715	3,227
Less: Allowance for doubtful accounts	(70)	(70)	(70)	(70)
Total amount due from, net	26,820	104,277	8,979	21,484
Advance to employees	2,059	709	323	154
Accrued income	3,836	4,533	54	92
Total other receivables	32,715	109,519	9,356	21,730
Total trade and other receivables - net	502,958	689,864	199,603	317,129

(Unaudited but reviewed)

#### 4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon among the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements	financial statements	financial statements	financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	97	89	Cost plus certain margin
Rental income	-	-	-	1	Contract price
Service income	-	-	7	4	As agreed
Purchases of goods	-	-	7	7	Cost plus certain margin
<b><u>Transactions with related companies</u></b>					
Sales of goods	1	-	-	-	Market price
Rental and service expenses	11	12	4	6	Market price

The balances of the accounts as at 31 March 2017 and 31 December 2016 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Audited)		(Audited)	
<b><u>Trade and other receivables - related parties</u></b> (Note 3)				
Subsidiaries	-	-	42,399	18,327
Associate	172	1,206	-	20,611
Related companies (common shareholders and directors)	205	1,919	-	-
<b>Total trade and other receivables - related parties</b>	<b>377</b>	<b>3,125</b>	<b>42,399</b>	<b>38,938</b>
<b><u>Prepaid expenses - related parties</u></b>				
Related companies (common shareholders and directors)	2,722	905	857	858
<b>Total prepaid expenses - related parties</b>	<b>2,722</b>	<b>905</b>	<b>857</b>	<b>858</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<b><u>Retentions - related parties</u></b>				
Related companies (common shareholders and directors)	8,830	8,681	3,524	3,591
<b>Total retentions - related parties</b>	<b>8,830</b>	<b>8,681</b>	<b>3,524</b>	<b>3,591</b>

**Trade and other payables - related parties** (Note 9)

Subsidiaries	-	-	2,455	2,640
Associate	-	453	-	34
Related companies (common shareholders and directors)	8,381	8,224	1,589	1,862
<b>Total trade and other payables - related parties</b>	<b>8,381</b>	<b>8,677</b>	<b>4,044</b>	<b>4,536</b>

**Directors and management's benefits**

For the three-month periods ended 31 March 2017 and 2016, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	13	14	10	11
Post-employment benefits	1	1	1	1
<b>Total</b>	<b>14</b>	<b>15</b>	<b>11</b>	<b>12</b>

**5. Inventories**

Movements in the reduction of cost to net realisable value of inventories account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
<b>Balance as at 1 January 2017</b>	49,531		30,749	
Reversal of reduction of cost to net realisable value of inventory account during the period	(19,769)		(3,945)	
<b>Balance as at 31 March 2017</b>	<b>29,762</b>		<b>26,804</b>	

(Unaudited but reviewed)

## 6. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	(Unit: Thousand Baht)	
	Cost	
	31 March 2017	31 December 2016
		(Audited)
Tipco F&B Company Limited	729,050	279,050
Tipco Retail Company Limited	25,500	25,500
Tipco Biotech Company Limited	160,787	160,787
Total	915,337	465,337

### Investment in Tipco F&B Company Limited ("TFB")

The Board of Directors Meeting No.2/2017 held on 21 February 2017 passed a resolution approving the Company's acquisition of 50 percent of ordinary shares of TFB at a price of Baht 450 million. Subsequently, on 23 February 2017, the Company entered into Share Purchase Agreement with Suntory Beverage & Food Asia Pte. Ltd., to acquire ordinary shares of such company. The Company paid for the shares and received the transfer of such shares on 13 March 2017.

As a result of the transactions, the shareholding of the Company in TFB increased from 50 percent to 100 percent and the Company recorded the effect of the change in TFB interest under the caption of "Non-controlling interests of subsidiary acquired by the Company at price higher than book value" in the consolidated shareholders' equity. The details are as follows:

	(Unit: Thousand Baht)
	Consolidated
	financial statement
Purchase price	450,000
Less: Non-controlling interests of subsidiary adjusted	(369,233)
Non-controlling interests of subsidiary acquired by the company at price higher than book value	80,767

(Unaudited but reviewed)

## 7. Investments in associate

### 7.1 Details of associate:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,138,065	2,894,859	-	-

### 7.2 Share of profit and dividend received

The Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements for the three-month period ended 31 March 2017 and 2016 as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the period	Share of profit from investment in associate during the period	Dividend received during the period by the Company	Dividend received during the period by the Company
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Tipco Asphalt Plc	294,542	284,095	-	-

## 8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2017</b>	2,023,191	761,469
Acquisitions during period - at cost	35,675	23,358
Disposals/written-off during period - net book value at disposal/written-off date	(4,949)	-
Depreciation for the period	(58,954)	(27,551)
<b>Net book value as at 31 March 2017</b>	<b>1,994,963</b>	<b>757,276</b>

(Unaudited but reviewed)

## 9. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade payables - related parties (Note 4)	-	1,084	1,669	2,415
Trade payables - unrelated parties	320,519	306,025	166,597	135,814
Amounts due to related parties (Note 4)	8,381	7,593	2,375	2,121
Accrued expenses	372,709	362,908	60,697	93,483
Others	153,176	181,516	14,144	7,463
Total trade and other payables	<u>854,785</u>	<u>859,126</u>	<u>245,482</u>	<u>241,296</u>

## 10. Long-term loans

Movements in the long-term loan account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2017</b>	948,450	548,450
Repayments	<u>(42,875)</u>	<u>(22,875)</u>
<b>Balance as at 31 March 2017</b>	905,575	525,575
Less: Current portion	<u>(486,750)</u>	<u>(106,750)</u>
<b>Long-term loans - net of current portion</b>	<u>418,825</u>	<u>418,825</u>

### Loan covenants

The loan agreements of the Company and its subsidiaries contain certain restrictive covenants as were disclosed in the financial statements for the year ended 31 December 2016.

In addition, as mentioned in the Note 6 to the interim consolidated financial statements, the Company holds all the shares of TFB and it resulted TFB was unable to comply with one of the covenant that requires 50 percent of TFB's shares must be held by Suntory Beverage & Food Asia Pte. Ltd. Therefore, in accordance with Thai Financial Reporting Standards, TFB presented the outstanding balance of such long-term loans as at 31 March 2017 as the current portion in the consolidated statement of financial position.

(Unaudited but reviewed)

## 11. Credit facilities

The credit facilities of the Company and its subsidiaries granted by financial institutions are secured by the following collaterals:

- a) The mortgages of the assets of the Company of which the net book value as at 31 March 2017 and 31 December 2016 are summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	31 March 2017	31 December 2016
		(Audited)
Land	47	47
Building and complement	151	157
Machinery and equipment	150	154

- b) The prohibition from creating lien over assets of a subsidiary.
- c) The Company and a subsidiary guarantee the bank guarantees issued by the banks to other subsidiaries of the Group.

## 12. Income tax

Income tax for the three-month period ended 31 March 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Current income tax charge	-	(2,865)	-	-
<b>Deferred tax:</b>				
Relating to reversal of temporary differences	<u>(19,777)</u>	<u>(1,561)</u>	<u>(16,209)</u>	<u>(1,915)</u>
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>(19,777)</u>	<u>(4,426)</u>	<u>(16,209)</u>	<u>(1,915)</u>

(Unaudited but reviewed)

### 13. Segment information

The following table present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month period ended 31 March 2017 and 2016, respectively.

(Unit: Million Baht)

	Products of vegetable & fruit		Beverage		Others		Consolidation	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues from sales of goods	570	736	674	633	23	27	1,267	1,396
Gross profit	163	131	245	221	6	8	414	360
Other incomes							18	12
Selling expenses							(200)	(185)
Administrative expenses							(108)	(101)
<b>Profit before share of profit from investments in associate, finance cost and income tax expenses</b>							124	86
Share of profit from investments in associate							295	284
<b>Profit before finance cost and income tax expenses</b>							419	370
Finance cost							(11)	(11)
Income tax expenses							(20)	(4)
<b>Profit for the period</b>							<u>388</u>	<u>355</u>

(Unaudited but reviewed)

Geographic segment information for the three-month period ended 31 March 2017 and 2016 is as follows:

	(Unit: Million Baht)					
	Domestic sales		Export sales		Consolidation	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues from the sales of goods and the rendering of services	<u>662</u>	<u>610</u>	<u>605</u>	<u>786</u>	<u>1,267</u>	<u>1,396</u>
Gross profit	<u>251</u>	<u>216</u>	<u>163</u>	<u>144</u>	<u>414</u>	<u>360</u>

Transfer prices between the segments are set out in Note 4 to the interim financial statements.

#### 14. Commitments and contingent liabilities

##### 14.1 Capital commitments

The Company and its subsidiaries had outstanding capital commitments relating to the purchase furnitures, equipments and computer software as follows:

Foreign currency	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>31 March 2017</u>	<u>31 December 2016</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Audited)		(Audited)
Baht	<u>4</u>	<u>6</u>	<u>-</u>	<u>1</u>

##### 14.2 Operating lease commitments

The Company and its subsidiaries have entered into several agreements in respect of the lease of buildings, warehouses, motor vehicles, office equipment, and other service agreements.

Future minimum rental and service fees payable under these agreements are as follows:

Payable within:	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>31 March 2017</u>	<u>31 December 2016</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Audited)		(Audited)
1 year	75	71	25	24
2 to 5 years	84	96	19	26
More than 5 years	8	11	-	-

**14.3 Bank guarantees**

The outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Audited)		(Audited)
Bank guarantees	37	44	19	19

**15. Foreign currency risk**

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		(Audited)
US Dollar	5	7	1	1	34.45	35.83
Euro	-	-	-	2	36.79	37.76

  

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		(Audited)
US Dollar	4	7	-	-	34.45	35.83

(Unaudited but reviewed)

The Company and its subsidiaries had outstanding forward exchange contracts which maturity date within one year are summarised below.

As at 31 March 2017						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements	financial statements	financial statements	financial statements	Sold	Bought
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1.3	0.3	1.3	-	34.51 - 35.22	34.74 - 35.70
Euro	0.1	1.0	0.1	1.0	37.34 - 38.15	37.39 - 38.15

  

As at 31 December 2016 (Audited)						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements	financial statements	financial statements	financial statements	Sold	Bought
	Sold	Bought	Sold	Bought		
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.4	0.3	0.4	-	34.86 - 34.93	35.63 - 35.91
Euro	-	0.1	-	-	-	37.65 - 37.90

## 16. Events after the reporting period

The Annual General Meeting of the shareholders No.1/2017 held on 24 April 2017 approved to pay a dividend for the year 2016 of Baht 0.39 per share or a total of Baht 188,206,059.60. However, during the year 2016, the Company paid an interim dividend of Baht 0.23 per share. Thus, a final dividend payment for the year 2016 is Baht 0.16 per share or Baht 77,212,742.40.

The Company will pay such dividend on 19 May 2017.

## 17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 12 May 2017.