



(Translation)

TIPCO 031/2017

10 August 2017

Re: Management discussion and analysis (MD&A) for Quarter 2/2017

To: The President

The Stock Exchange of Thailand

Tipco Foods Public Company Limited or "TIPCO" would like to report and clarify the Company's financial performance for Quarter 2/2017 as follows:

Sales and services revenues

The consolidated sales and services revenues for Quarter 2/2017 were Baht 1,285 million compared with Baht 1,389 million in Quarter 2/2016, decreased by Baht 104 million or 7% year-on-year (YoY). For Six-month period, sales and service revenues were Bath 2,552 million compared with Baht 2,785 million in 2016, decreased by Baht 233 million or 8% YoY mainly due to decreased in selling price of Processed Fruit business which reflected the decreased raw material price while Beverage business was stable as compared with last year.

Cost of goods sold

Cost of goods sold in Quarter 2/2017 were Baht 911 million compared with Baht 989 million in Quarter 2/2016, decreased by Baht 78 million or 8% YoY. For Six-month period, cost of goods sold were Bath 1,764 million compared with Baht 2,025 million in 2016, decreased by Baht 261 million mainly due to decreased in raw material price and effective production management.

Gross Profit

Gross profit in Quarter 2/2017 were Baht 374 million compared with Baht 400 million in 2016, decreased by Baht 26 million or 7% YoY. For Six-month period, Gross Profit were Baht 788 million compared with Baht 760 million in 2016, increased by Baht 28 million or 4%.

Gross profit margin in Quarter 2/2017 were 29% same as in 2016. For Six-month, gross profit margin were 31% increased from 27% in 2016 mainly due to the Processed fruit business improved gross profit margin and better production cost.

Selling and Administrative Expenses

Selling and administrative expenses in Quarter 2/2017 decreased to Baht 267 million from Baht 323 million in Quarter 2/2016, decreased by Baht 56 million or 17%. For Six-month period, Selling and administrative expenses were Baht 575 million compared with Baht 609 million in 2016, a decreased by Baht 34 million mainly due to the effective cost control.

**Profit before share of profit from investments in associated company, interest and tax**

Profit before share of profit from investments in associated company, interest and tax in Quarter 2/2017 increased to Baht 135 million from Baht 98 million in Quarter 2/2016, increased by Baht 37 million or 38%. For Six-month period, Profit before share of profit from investments in associated company interest and tax were Baht 259 Million compared with Baht 184 million in 2016, increased by Baht 75 million or 41%.

Net Profit

The consolidated net profit attributable to the equity holders of the parent in Quarter 2/2017 were Baht 182 million compared with Baht 253 million in Quarter 2/2016, decreased by Baht 71 million or 28%. For Six-month period, the consolidated net profit attributable to the equity holders of the parent were Baht 569 million compared with Baht 608 million in 2016, decreased by Baht 39 million or 6% mainly due to the decreased in share of profit from investments in associate company.

Financial Position**Assets**

As of 30 June 2017, the Company reported total assets of Baht 7,060 million, increased from Baht 6,809 million by the year end 2016, or increased by Baht 251 million or 4% mainly due to the increased in current assets which were cash and inventory.

Liabilities

As of 30 June 2017, total liabilities were Baht 2,619 million increased from Baht 2,366 million by the year end 2016, increased by Baht 253 million or 11% mainly due to the increased short-term loans from financial institutions.

Equities

As of 30 June 2017, the Company's shareholders' equity grew to Baht 4,441 million from Baht 4,074 million by the year end 2016, increased by Baht 367 million or 9% mainly from increased in an unappropriated retained earnings.

Please kindly be informed accordingly

Sincerely yours,

-Signed-

Mr. Ekaphol Pongstabhon

Managing Director