



TIPCO 004/2016

19 February 2016

Re: Management discussion and analysis (MD&A) for the year of 2015
To: The President
The Stock Exchange of Thailand

Tipco Foods Public Company Limited or "TIPCO" would like to report and clarify the operating results for the year of 2015 in accordance with reviewed Consolidated Financial Statement as of December 31, 2015. The highlighted key performance were set forth as follow;

Revenues from sales of goods and rendering of services

The consolidated revenues from sales of goods and rendering of services for FY2015 were Baht 5,337.91 million compared with Baht 5,507.80 million in FY2014, a slight decrease by Baht 169.89 million or 3.08% YoY, which is a consequence of economic slowdown.

Cost of sales of goods and rendering of services

Cost of sales of goods and rendering of services in FY2015 were Baht 3,635.92 million compared with Baht 3,735.89 million in FY 2014, slightly dropped by Baht 99.97 million or 2.68% as a consequence of sale drop. Hence, in this year, gross profit dropped softly to Baht 1,701.99 million from Baht 1,771.90 million in FY 2014. Therefore, gross profit margin slightly decreased to 31.88% this year from 32.17% last year.

Selling and Administrative Expenses

In FY 2015, a slight improve in selling and administrative expenses to Baht 1,919.56 million from Baht 2,008.25 million in FY2014, dropped by Baht 88.69 million or 4.42% mainly from a drop in selling expenses.

Loss on impairment of assets

In FY 2015, loss on impairment of assets were Baht 1.34 million from Baht 229.27 million in FY2014, dropped by Baht 227.93 million or 99.42%.

Net Profit

The consolidated net profit attributable to the equity holders of the parent for FY2015 were Baht 1,188.47 million compared with Baht 77.69 million in FY2014, a huge increase by Baht 1,110.77 million or 1,429.69% YoY mainly from an increase in share of profit from investment in associated company by Baht 932.72 million or 320.06% YoY.



Financial Position

Assets

As of 31 December 2015, the Company reported total assets of Baht 6,714.94 million, dramatically grew from Baht 5,521.46 million by the year end 2014, or increased by Baht 1,193.48 million or 21.62% due largely to an increase in trade and other receivables by Baht 388.92 million, an increase in investment in associated company by Baht 1,034.43 million.

Liabilities

As of 31 December 2015, a light drop in total liabilities to Baht 2,734.16 million from Baht 2,766.49 million by the year end 2014, or dropped by Baht 32.32 million as a result of less bank overdrafts and short-term loans from financial institutions be Baht 146.82 million, a lower long-term liabilities by Baht 34.75 million. However, trade and other payables increased by Baht 226.26 million.

Equities

As of 31 December 2015, the Company's total shareholders equity grew to Baht 3,980.78 million from Baht 2,754.98 million by the year end 2014, or increased by Baht 1,225.80 million mainly from a substantial increase in an unappropriated retained earnings by Baht 1,188.47 million.

Please kindly be informed accordingly

Sincerely yours,

Ekaphol Pongstabhon

Managing Director