



(Translation)

TIPCO 007/2016

21 February 2017

Re: Management discussion and analysis (MD&A) for the year of 2016

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 2016 in accordance with audited Consolidated Financial Statement as of December 31, 2016. The highlighted key performance were set forth as follow;

Tipco Foods Public Company Limited or "TIPCO" would like to report and clarify the Company's financial performance for FY2016 as follows:

Sales and services revenues

The consolidated sales and services revenues for FY2016 were Baht 5,273.2 million compared with Baht 4,677.5 million in the FY2015, increased by Baht 595.7 million or 12.7% year-on-year (YoY) mainly from an increase in sale revenue from Processed Fruit business and Consumer business.

Cost of goods sold

Cost of goods sold in FY2016 were Baht 3,816.7 million compared with Baht 3,581.3 million in the FY2015, an increase by Baht 235.4 million or 6.6% YoY from an increase in sale revenue. As a result, in FY2016, gross profit improved sharply to Baht 1,456.5 million from Baht 1,096.3 million in FY2015, improved by Baht 360.3 million or 32.9% YoY. Moreover, the consolidated gross profit margin showed a significant increase to 27.6% from 23.4% last year mainly from an improvement in processed fruit business.

Selling and Administrative Expenses

In FY2016, selling and administrative expenses increased to Baht 1,283.1 million from Baht 1,252.9 million in the FY2015, an increase by Baht 30.2 million or 2.4% YoY.

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 (EBIT) increased sharply to Baht 80.7 million from Baht 33.6 million in FY 2015, increased by Baht 47.1 million or 140.2% YoY mainly resulted from an improvement in processed fruit business. In FY 2016, the Company's subsidiary recorded loss from asset impairment of Baht 186.5 million.

Net Profit



The consolidated net profit attributable to the equity holders of the parent for FY2016 were Baht 813.7 million compared with Baht 1,188.5 million in FY2015, fell by Baht 374.8 million or 31.5% YoY mainly resulted from a drop in share of profit from investments in associated company by Baht 475.4 million.

Financial Position

Asset

As of 31 December 2016, the Company reported total asset of Baht 6,808.8 million, increased from Baht 6,714.9 million by the year end 2015, or increased by Baht 93.9 million or 1.4%

Liabilities

As of 31 December 2016, a substantial drop in total liabilities to Baht 2,366.4 million from Baht 2,734.2 million by the year end 2015, dropped by Baht 367.8 million or 13.5% mainly due to the repayment of bank overdrafts and short-term loans from financial institutions.

Equities

As of 31 December 2016, the Company's total shareholders' equity grew to Baht 4,442.4 million from Baht 3,980.8 million by the year end 2015, increased by Baht 461.7 million or 11.6% mainly from a substantial increase in an unappropriated retained earnings by Baht 569.8 million.

Please kindly be informed accordingly

Sincerely yours,

-Signed-

Mr. Ekaphol Pongstabhon

Managing Director