

(Translation)

TIPCO 002/2017

16 February 2018

Re: Management discussion and analysis (MD&A) for Year 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 Year 2017 as follows:

Sales and services revenues

The consolidated sales and services revenues for year 2017 were Baht 4,870 million, 8% decreased year-on-year (YoY), mainly due to a decrease in selling price of processed fruit products which is in accordance with a decrease in raw material prices as well as a decrease in revenues of beverage businesses caused by slowdown of domestic consumptions.

Cost of goods sold

Cost of goods sold in year 2017 were Baht 3,520 million, 8% decreased YoY, in accordance with a decrease in sales and service revenue, mainly due to a decrease in raw material price and effective production cost management.

Gross Profit

Gross profit in year 2017 were Baht 1,350 million, 7% decreased YoY. Gross profit margin in a year 2017 were 27.7% closed to 27.6% in year 2016, an increase by 0.1% YoY.

Selling and Administrative Expenses

Selling and administrative expenses in year 2017 were Baht 1,221 million, 5% decreased YoY, mainly due to effective selling expenses 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 (EBIT) in year 2017 were Baht 205 million compared with Baht 81 million in year 2016, Baht 124 million or 153% increase YoY. The main reason was an increase in EBIT of processed fruit business. In year 2016, there was an allowance for impairment loss on equipment Baht 186 million while in year 2017 there was an allowance for impairment loss on equipment only Baht 6 million

Net Profit

The consolidated net profit attributable to the equity holders of the parent for in a year 2017 were Baht 703 million compared with Baht 814 million in a year 2016, Baht 111 million or 14% decrease YoY. The main reason was a decrease in share of profit from investment in associated company.

Financial Position**Asset**

As of 31 December 2017, the Company reported total asset of Baht 6,938 million, increased from Baht 6,809 million in year 2016, or increased by Baht 129 million or 2% mainly due to the increase in current assets including cash and inventories.

Liabilities

As of 31 December 2017, total liabilities were Baht 2,568 million increased from Baht 2,366 million at year end 2016, Baht 202 million or 9% increase mainly due to increase in short-term loans from financial institutions.

Equities

As of 31 December 2017, the Company's shareholders' equity grew to Baht 4,371 million from Baht 4,074 million at year end 2016 (excluding Non-controlling interests of the subsidiaries), Baht 297 million or 7% increase mainly from increase in an unappropriated retained earnings.

Please kindly be informed accordingly

Sincerely yours,

-Signed-

Mr. Ekaphol Pongstabhon

Managing Director