



บริษัท น้ำมันพืชไทย จำกัด (มหาชน)

THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

TVO/CP/16/039

August 10, 2016

Subject : Report of the Financial Statement, ended of June 30, 2016
Attention : The President of the Stock Exchange of Thailand
Enclosed : 1 Copy of the Financial Statements, as ended June 30, 2016

Dear Sirs,

This executive summary contains the 2nd quarter of 2016 operational performance of Thai Vegetable Oil Plc. Including the reviewed statement of financial position of the company and its subsidiary as ended June 30, 2016. The information will be useful for investors and those who are interested in.

Operating Results Overview

Operating results of the Company and its subsidiaries for three-month and six-month period as end of June 2016 and 2015 as following details,

Unit: Million Baht	For three-month period, ended June 30				For six-month period, ended June 30			
	2016	2015	Increase/(Decrease)		2016	2015	Increase/(Decrease)	
Sales	6,602	6,183	419	6.78%	13,490	13,001	489	3.76%
Sale of packing materials.	90	106	(16)	(15.09%)	169	210	(41)	(19.52%)
Total sales	6,692	6,289	403	6.41%	13,659	13,211	448	3.39%
Cost of sales	5,440	5,437	3	0.06%	11,551	11,557	(6)	(0.05%)
Gross profit	1,252	852	400	46.95%	2,108	1,654	454	27.45%
Other income	20	71	(51)	(71.83%)	49	81	(32)	(39.51%)
Selling expenses	228	214	14	6.54%	502	407	95	23.34%
Administrative expenses	87	64	23	35.94%	158	126	32	25.40%
Loss on exchange	7	-	7	100.00%	-	-	-	-



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Unit: Million Baht	For three-month period, ended June 30				For six-month period, ended June 30			
	2016	2015	Increase/(Decrease)		2016	2015	Increase/(Decrease)	
Loss reduction of inventory to net realizable value received (Reversal).	-	(2)	2	100.00%	(12)	(43)	31	72.09%
Financial cost	1	2	(1)	(50.00%)	2	3	(1)	(33.33%)
Profit before income tax expenses	949	645	304	47.13%	1,507	1,242	265	21.34%
Income tax expenses	135	83	52	62.65%	209	164	45	27.44%
Net profit attributable to equity holders of the Company	800	549	251	45.72%	1,269	1,047	222	21.20%
Non controlling interests of the subsidiaries.	14	13	1	7.69%	29	31	(2)	(6.45%)

In quarter 2/2016, the Company and its subsidiaries has a net profit of the equity holder of the Company's Baht 800 million, an increase of Baht 251 million or 45.72% from Baht 549 million compared with the same quarter of last year (for six-month period, net profit of the equity holder of the Company's is Baht 1,269 million or increases Baht 222 million from Baht 1,047 million or 21.20% compared with same period of last year).

The reasons are:

1. Sales and Cost of Sales

In quarter 2/2016, the Company and its subsidiary has a total sales revenue of Baht 6,692 million, an increase of Baht 403 million or 6.41% from Baht 6,289 million compared with the same period of last year. The total sales revenue is from sales of main products Baht 6,602 million, an increase of Baht 419 million or 6.78% from Baht 6,183 million compared with the same period of last year. The subsidiary has revenue from sales of packaging at Baht 90 million, a decrease of Baht 16 million or 15.09% from Baht 106 million compared with the same period of last year. The reasons are:

- Revenue from sales of Animal feed: For the first half of year 2016, sale volume of soybean meal, which is raw material of animal feed, has increased according to the growth of livestock industry, especially from the increase of frozen chicken meat export. In addition, imported soybean meal was much less in 2016 due to the price fluctuation of soybean meal and risk of Forex loss, therefore, soybean meal importer reduced risk by

buying soybean meal produced by domestic crushers, resulting in higher demand and sale volume of soybean meal while selling price was slightly down following the world's soybean price.

- Revenue from sales of refined soybean oil: Sale volume of refined soybean oil has increased in both consumer and industrial markets while selling price has slightly declined.
- Revenue from sales of packaging material: Sale volume of packaging to fruit juice segment has reduced because some customers produced their own packaging but it does not affect much since there is an increase of sale from drinking water customers. Selling price has increased following its cost and the price increased higher than the cost increased.

The Company and its subsidiary's cost of sales in quarter 2/2016 is Baht 5,440 million, an increase of Baht 3 million or 0.06% from Baht 5,437 million compared with the same quarter of 2015, which increased less than the increase of sales revenue. This is due to the cost of imported soybean price was adjusted down and the Company was able to source lower than market price of soybean raw material by using forward contracts, resulting in the low cost of soybean in the first half of 2016. This contributes the increase of gross profit amount Baht 399 million or 48.99% from Baht 815 million to Baht 1,214 million compared with the same quarter of 2015. The gross profit margin is 18.38% increasing from 13.17% compared with the same period of last year. For its subsidiary, gross profit is Baht 38 million, an increase of Baht 1 million or 2.70% from Baht 37 million compared with the same period of last year.

2. Other incomes

In quarter 2/2016, the Company and its subsidiary generates other incomes of Baht 20 million, a decrease of Baht 51 million or 71.83% from Baht 71 million of last year. This was from the decrease of dividend gain by holding in other companies.

3. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses for three-month and six-month periods ended June 30, 2016 are Baht 228 million and Baht 502 million, respectively, increasing Baht 14 million or 6.54% and Baht 95 million or 23.34%, respectively. In quarter 2/2016, there was higher spending on public relation, promotional and advertising media including lucky draw campaign with end consumers.

Administrative Expenses for three-month and six-month period as of June 30, 2016 are Baht 87 million and Baht 158 million, respectively, increasing Baht 23 million or 35.94% and Baht 32 million or 25.40%,

respectively, compared with the same period of last year. This was due to the budget spending in sustainable development projects and human resource development.

4. Loss on exchange

In quarter 2/2016, the Company loss on exchange Baht 7 million. This amount includes the actual loss Baht 8 million and the unrealized gain from Mark to Market (MTM) Baht 1 million, respectively.

5. Loss on reduction of inventory to net realize value

There was no reversal loss from reduction of inventory to net realized value in the quarter 2/2016.

Conclusion of the operational performance of six-month period as of June 30, 2016

For the operational performance of the first half of 2016, the Company and its subsidiary has the total sales revenue of Baht 13,659 million, an increase of Baht 448 million or 3.39% from Baht 13,211 million. Total cost of sales is Baht 11,551 million, a decrease of Baht 6 million or 0.05% from Baht 11,557 million. Gross profit amount is Baht 2,108 million, an increase of Baht 454 million or 27.45% from Baht 1,654 million. The selling expense is Baht 502 million, an increase of Baht 95 million or 23.34% from Baht 407 million due to the higher spending of advertising and sale promotion expenses including lucky draw campaign. The administrative expense is Baht 158 million, an increase of Baht 32 million or 25.40% from Baht 126 million. In overall, the company and its subsidiary has a net profit of Baht 1,269 million, an increase of Baht 222 million or 21.20% from Baht 1,047 million.

Yours sincerely,

(Mr.Visuth Vitayathanagorn)

Chairman of the Executive Board