



บริษัท น้ำมันพืชไทย จำกัด (มหาชน)

THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

TVO/CP/17/026

May 12, 2017

Subject : Report of the Financial Statement, ended of March 31, 2017
Attention : The President of the Stock Exchange of Thailand
Enclosed : 1 Copy of the Financial Statements, as ended March 31, 2017

Dear Sirs,

This executive summary contains the 1st quarter of 2017 operational performance of Thai Vegetable Oil Plc. Including the reviewed statement of financial position of the Company and its subsidiary as ended March 31, 2017. 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 the first quarter as ended March 31, 2017 and 2016 as following details,

Unit: Million Baht	2017	2016	Increase (Decrease)	
			Amount	%
Sales	6,003	6,888	(885)	(12.85%)
Sale of packing materials	88	79	9	11.39%
Total sales	6,091	6,967	(876)	(12.57%)
Cost of sales	5,468	6,111	(643)	(10.52%)
Gross profit	623	856	(233)	(27.22%)
Profit (loss) on exchange rate	(10)	13	(23)	(176.92%)
Other income	15	23	(8)	(34.78%)
Selling expenses	220	275	(55)	(20.00%)
Administrative expenses	85	70	15	21.43%



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Unit: Million Baht	2017	2016	Increase (Decrease)	
			Amount	%
Loss on reduction of inventory to net realizable value received (Reversal)	-	(11)	11	100.00%
Financial cost	1	1	-	-
Profit before income tax expenses	322	557	(235)	(42.19%)
Income tax expenses	44	73	(29)	(39.73%)
Net profit attributable to equity holders of the Company	263	469	(206)	(43.92%)
Non-controlling interests of the subsidiaries	15	15	-	-

In quarter 1/2017, the Company and its subsidiaries had a net profit Baht 263 million, a decrease of Baht 206 million or 43.92% from Baht 469 million compared with the same quarter in 2016. The reasons are:

1. Sales and Cost of Sales

The Company and its subsidiary had a total sales revenue of Baht 6,091 million, a decrease of Baht 876 million or 12.57% from Baht 6,967 million compared with the same quarter of last year. The sales revenue of the Company was from sales of main products Baht 6,003 million, a decrease of Baht 885 million or 12.85% from Baht 6,888 million compared with the same quarter of last year. Since sale volume of soybean meal and animal feed had decreased due to high competition in the animal feed market while selling price was about the same. For refined soybean oil, its sale volume was down while selling price was up following the higher cost of raw material, soybean, which increased in quarter 1/2017.

The subsidiary had revenue from sales of packaging at Baht 88 million, an increase of Baht 9 million or 11.39% from Baht 79 million compared with the same quarter of last year. This was due to an increase of sales in drinking water and fruit juice segment from new customers at this quarter while gross margin was slightly down because of an increase of raw material price used in production in the first quarter of 2017 such as plastic resin, bags etc.

The Company and its subsidiary's cost of sales was Baht 5,468 million, a decrease of Baht 643 million or 10.52% from Baht 6,111 million compared with the same quarter of last year. This decrease was according to the lower of sales volume in soybean meal and animal feed.

The Company's gross profit was Baht 585 million, a decrease of Baht 231 million or 28.31% from Baht 816 million. This was due to a decrease of sale revenue and an increase of raw material cost, soybean, which was imported at high cost during end of 2016 to early 2017. The flooding situation in Argentina and southern of Brazil during quarter 2/2016 caused damage of soybean yield over 6 million tons which resulted in decrease of soybean stock in the world. This situation affected an increase of soybean price and resulted in an increase of cost of sale which caused a decrease of gross profit when compared with the same quarter of last year.

2. Gain (Loss) on Exchange

In quarter 1/2017, the Company had loss on exchange (net) Baht 10 million. This amount included unrealized loss from Mark to Market (MTM) Baht 31 million with a gain on the actual exchange Baht 21 million.

3. Other Incomes

The Company and its subsidiary generated other incomes of Baht 15 million, a decrease of Baht 8 million or 34.78% from Baht 23 million, mainly due to a decrease in gain on Mark to Market (MTM) Baht 6 million and disposal of assets Baht 3 million.

4. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 220 million, a decrease of Baht 55 million or 20% from Baht 275 million when compared with the same quarter of last year. This was in accordance with a decrease of sale volume causing its logistic cost lower and its advertising and promotional expenses dropped in the soybean oil market.

Administrative Expenses was Baht 85 million, an increase of Baht 15 million or 21.43% from Baht 70 million when compared with the same quarter of last year. This was due to the increase of salary expense, advertising expenses spent on TV commercials and its production cost for 50th Anniversary of Thai Vegetable Oil PLC.

5. Loss on reduction of inventory to net realizable value received (Reversal)

In 2015, the Company recorded a loss from reduction of inventory to net realized value received Baht 11 million in some product items and the loss was reversed in quarter 1/2016 while there was no reversal in quarter 1/2017.

Conclusion of the operational performance of three-month period as of March 31, 2017

For the operational performance of three-month period as of March 31, 2017, the Company and its subsidiary had total sales revenue of Baht 6,091 million, a decrease of Baht 876 million or 12.57%. Total cost

of sales was Baht 5,468 million, a decrease of Baht 643 million or 10.52%. Gross profit was Baht 623 million, a decrease of Baht 233 million or 27.22%. The selling expense was Baht 220 million, a decrease of Baht 55 million or 20% due to the lower spending of logistics, advertising and sale promotion expenses. The administrative expense was Baht 85 million, an increase of Baht 15 million or 21.43%. In overall, the Company and its subsidiary had a net profit of Baht 263 million, a decrease of Baht 206 million or 43.92% when compared with the same quarter of last year.

Yours sincerely,

(Mr.Visuth Vitayathanagorn)

Chairman of the Executive Board