



TVO/CP/18/022

May 14, 2018

Subject : Report of the Financial Statement, ended of March 31, 2018

Attention : The President of the Stock Exchange of Thailand

Dear Sirs,

This executive summary contains the 1st quarter of 2018 operational performance of Thai Vegetable Oil Plc. Including the reviewed statement of financial position of the Company and its subsidiary as ended March 31, 2018. The information will be useful for investors and those who are interested in.

Operating Results Overview

Operating results of the Company and its subsidiary for the first quarter ended March 31, 2018 and 2017 were as follows;

Unit: Million Baht	2018	2017	Increase (Decrease)	
			Amount	%
Sales	6,353	6,003	350	5.83
Sales of packing materials	89	88	1	1.14
Total sales	6,442	6,091	351	5.76
Cost of sales	5,515	5,468	47	0.86
Gross profit	927	623	304	48.80
Profit (loss) on exchange rate	19	(10)	29	290.00
Other income	22	15	7	46.67
Selling expenses	274	220	54	24.55
Administrative expenses	62	85	(23)	(27.06)

บริษัท น้ำมันพืชไทย จำกัด (มหาชน) THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

149 ถนนรัชดาภิเษก (ท่าพระ-ตากสิน) แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10600 โทร. 0 2477 9020 แฟกซ์ : 0 2477 9894 • 149 Ratchadapisek Road (Thapra-Taksin) Bukkhalow Thonburi Bangkok 10600 Tel: +66 (0) 2477 9020 Fax: +66 (0) 2477 9894 • ฝ่ายผลิต : 81/7 หมู่ 1 ตำบลไทยาวาส อำเภอนครชัยศรี จังหวัดนครปฐม 73120 โทร. 0 3426 5620-29 แฟกซ์ : 0 3426 5610 • PRODUCTION : 81/7 Moo 1 Thaiyawat Nakhonchaisi Nakhonpathom 73120 Tel: +66 (0) 3426 5620-29 Fax: +66 (0) 3426 5610

Unit: Million Baht	2018	2017	Increase (Decrease)	
			Amount	%
Loss on reduction of inventory to net realizable value received (Reversal)	(27)	-	27	100.00
Financial cost	1	1	-	-
Profit before income tax expenses	658	322	336	104.35
Income tax expenses	86	44	42	95.45
Net profit attributable to equity holders of the Company	558	263	295	112.17
Non-controlling interests of the subsidiaries	14	15	(1)	(6.67)

In the first quarter of 2018, the Company and its subsidiary had a net profit Baht 558 million, increasing by Bath 295 million or 112.71% from Baht 263 million when compared with the same quarter in 2017. The main reasons were;

1. Sales Revenues

The Company and its subsidiary had sales revenue of Baht 6,442 million, increasing by Baht 351 million or 5.76% from Baht 6,091 million when compared with the same quarter of last year. The sales revenue of the Company was from sales of main products Baht 6,353 million, increasing by Baht 350 million or 5.83% from Baht 6,003 million when compared with the same quarter of last year mainly resulted from;

- An increase of sales volume of soybean meal and other animal feed ingredients due to less soybean meal import since the end of 2017 that prolonged until the beginning of 2018 and higher animal feed ingredients demand from Thailand's livestock sector which managed to incase its export to Chinese market, however, selling price was slightly decreased due to high competition in domestic animal feed market.
- Sales volume of refined soybean oils was slightly increased while selling price went down due to the intense competition in domestic soybean oil market.
- Sales of packaging materials was slightly increased due to more purchase order from customers in fruit juice segment.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 5,515 million, increasing by Baht 47 million or 0.86% from Baht 5,468 million when compared with the same quarter of last year, which was in consistent with the additional sales volume of products of the Company and its subsidiary. The main reasons were;

- Cost of Sales and Gross Profits of the Company: The cost of raw material; soybeans, used in quarter 1/2018 was bought in advance at a cheap price which was lower than the average price level of soybeans traded in global market in quarter 1/2018, coupled with efficient management of sales and cost of production led to the Company's gross profit of Baht 889 million, increasing by Baht 304 million from Baht 585 million or 51.97% and gross profit margin was 13.99% from 9.74% or increased 4.25% when compared with the same quarter of last year.
- Cost of Sales and Gross Profits of the Company's subsidiary: An increase in cost of plastic resin, the main raw material for packaging production, resulted in higher cost of sales and lower in gross profit and gross profit margin when compared with the same quarter of last year.

3. Gain on Exchange Rate

The Company has been successful in managing and hedging against exchange rate risk through forward contract together with the appreciation of Thai Baht, resulted in the Company's gain on exchange rate totalling Baht 19 million in quarter 1/2018. This amount includes an unrealized gain on Mark-to-Market (MTM) of Baht 0.23 million.

4. Other Incomes

In quarter 1/2018, the Company and its subsidiary generated other incomes of Baht 22 million, increasing by Baht 7 million or 46.67% from Baht 15 million when compared with the same quarter of last year. These other incomes were from gain on Mark to Market (MTM) of current investment of Baht 6 million, and revenues from reimbursement of marketing support expense and a reversal of marketing expenses totaling of Baht 8 million.

5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 274 million, increasing by Baht 54 million or 24.55% from Baht 220 million when compared with the same quarter of last year due to an increase of promotional expenses for soybean oil which was in line with higher sales volume.

Administrative Expenses was Baht 62 million, decreasing by Baht 23 million or 27.06% from Baht 85 million when compared with the same quarter of last year. This was due to the decrease of employee expense and advertising expenses.


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

In 2017, the Company recorded a loss from reduction of inventory to net realized value received Baht 39 million in some product items and the loss was partially reversed by Baht 27 million in quarter 1/2018.

Conclusion of the operational performance of three-month period ending March 31, 2018

For the operational performance of three-month period ending March 31, 2018, the Company and its subsidiary had total sales revenue of Baht 6,442 million, increasing by Baht 351 million or 5.76%. Total cost of sales was Baht 5,515 million, increasing by Baht 47 million or 0.86%. Gross profit was Baht 927 million, increasing by Baht 304 million or 48.80%. The selling expense was Baht 274 million, increasing by Baht 54 million or 24.55%. The administrative expense was Baht 62 million, decreasing by Baht 23 million or 27.06%. Overall, the Company and its subsidiary had a net profit of Baht 558 million, increasing by Baht 295 million or 112.17% when compared with the same quarter of last year.

Yours sincerely,



(Mr. Bowon Vongsinudom)

Managing Director