

November 10, 2017

**Subject: Management Discussion and Analysis for the third quarter and for the nine month period ending 30 September 2017**

**To: The President  
Stock Exchange of Thailand**

Univanich Palm Oil PCL hereby submits a discussion and analysis of the financial statements of the company and its subsidiaries for the third quarter of 2017 and for the nine month period ending 30<sup>th</sup> September 2017.

Third quarter consolidated profit after tax of **Baht 143.07 million**, was 49.1 % higher than the same quarter of last year, mainly due to higher production volumes and increased seed sales.

For the nine month period ending 30<sup>th</sup> September, the consolidated net profit after tax of **Baht 385.35 million**, was 39.8% higher than Baht 275.55 million in the same period of the previous year.

The main factors contributing to this nine month result were:

### **Thailand**

1. Fruit production from our own plantations was **19.8% higher** and fruit purchased from outside growers was **88.5% higher** than in the same period of last year. The higher fruit volumes were due to recovery from last year's dry El Nino weather together with the acquisition of the company's fourth crushing mill on 2<sup>nd</sup> May 2017.
2. Crude palm oil production was **87.5% higher** than in the first nine months of last year, due to the increased fruit volumes described above. The acquisition of the fourth crushing mill in May 2017 increased the company's crushing capacity from 150 to 210 mt fruit per hour.
3. Sales volume of crude palm oils was **63.9% higher** than in the same period of last year with higher inventories of palm oil in stock at the end of the period due to the higher production this year. The average CPO selling price was **19.5% lower** than last year mainly due to the increased volumes of palm oil available in the domestic market.
4. Seed and Seedling sales value was **10.3% higher** than in the same period last year due to continuing strong demand for hybrid planting material from the Univanich Oil Palm Research Center.
5. As a result of the new Thai Accounting Standard, Agriculture (TAS #41), there was a net gain of Baht 13.91 million in the first nine months 2017 compared to a net gain of Baht 2.94 million in the same period of last year.

### **Philippines**

Net attributable loss from our Philippine subsidiaries in the first nine months was Baht 0.66 million, showing steady improvement from the loss of Baht 9.48 million in the same period of last year. Fruit volumes are increasing in Philippines following recovery from the same El Nino weather phenomenon.

Overall, the 9 months gross profit margin was 16.1%, up from 14.9% last year, following the increase in fruit volumes and an increase in the higher margin seed exports.

Earnings per share for the first nine months were **Baht 0.41 per share**, compared to Baht 0.29 per share for the first nine months of last year.

Yours faithfully,  
Univanich Palm Oil Public Co., Ltd.

John Clendon  
Managing Director

cc: The Secretary-General  
The Securities and Exchange Commission