

August 11, 2017

**Subject: Clarification of Operating Result for Second Quarter and Half Year  
Ending 30 June 2017**

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

Univanich Palm Oil PCL hereby submits a discussion and clarification of the financial statements of the company and its subsidiaries for second quarter of 2017 and for the half year ending 30<sup>th</sup> June 2017.

For the half year, the consolidated net profit after tax of **Baht 242.28 million**, was 34.9% higher than in the same period of the previous year. The main factors contributing to this result were:

1. Fruit production from our own plantations was **15.6% higher** and fruit purchased from outside growers was **59.9% higher** than in the same period of last year. The higher fruit volumes were due to recovery from last years dry El Nino weather plus new production from young palms within the company's purchasing areas together with the acquisition of the company's fourth crushing mill on 2<sup>nd</sup> May 2017.
2. Crude palm oil production was **69.1% higher** than in the first half of last year, mostly 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 mt to 210 mt fruit per hour.
3. Sales volume of crude palm oils was only **21.7% higher** than in the first half of last year as inventories of palm oil in stock increased during 2017 due to the higher seasonal production and higher palm oil stocks in Thailand. The average CPO selling price was **7.5% lower** than last year mainly due to the increased volumes available in the domestic market.
4. Seed and Seedling sales value was **10.6% higher** than in the same period last year due to increased 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 11.60 million in the first half 2017 compared to a net gain of Baht 9.58 million in the same period of last year.
6. Net attributable loss from our Philippine subsidiaries was Baht 1.97 million(1HF2016 loss was Baht 5.8 million). Volumes of fruit are increasing in Philippines following recovery from the same El Nino weather last year.

Overall, our gross profit margin recovered from a low 14.8% last year to 17.1%, following the recovery in fruit volumes and an increase in higher margin seed exports.

Second quarter consolidated profit after tax of **Baht 145.83 million**, was 17.2 % higher than the second quarter of last year, mainly due to the higher production volumes and increased seed & seedling sales.

Earnings per share for the first half year were **Baht 0.26 per share**, compared to Baht 0.19 per share for the first half of last year.

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

John Clendon  
Managing Director

cc: The Secretary-General  
The Securities and Exchange Commission