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August 14, 2020

Subject: Clarification of Operating Result for the second quarter and for half year ending 30 June 2020

**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 and half year ending 30th June 2020.

For the second quarter, consolidated profit after tax of Baht 205.05 million, was 14.6% lower than Baht 240.11 million in the same quarter of last year. This was mainly due to lower sales volume and higher stock inventories following the Covid-19 restrictions.

For the first half year, the consolidated net profit after tax of **Baht 260.42 million** was 5.6% lower than Baht 275.83 million in the first half of last year. The main factors leading to this slightly lower result were :

1. Production of crude palm oils was 10.8% lower than in the first of last year, mainly due to seasonal effects.
2. Our inventory of palm oil stocks increased by 15,781 tonnes during the first half of this year mainly due to slower offtake during Covid-19 restrictions.
3. The lower production and lower sales volume was partially compensated by higher palm oil prices. The average price of Crude Palm Oil was 58.3% higher and Palm Kernel Oil was 9.4% higher than in the first half of last year. The higher prices were due to the lower production, particularly in the first quarter and government initiatives to mandate the consumption of B10 biodiesel and biofuel for EGAT electricity generation.
4. Seed and Seedling Sales were 16.4% lower than in the first half of last year due to reduced oil palm plantings in Thailand and overseas but electricity sales increased by 5.1% to a record Baht 51.43 million for the first half of this year.
5. Our Philippine joint venture, Univanich Carmen Palm Oil Corporation, contributed a net profit of Baht 7.01 million compared to Baht 5.53 million in the same period of the previous year.

Overall, gross profit margin for the first half of 2020 decreased from 20.4% to 16.6% mainly due to lower crushing margins in our factories and lower sales of high-margin seedlings during this year's dry season.

Earnings per share were **Baht 0.28 per share**, compared to Baht 0.29 per share in the first half of the previous year.

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

John Clendon
Group-CEO

cc: The Secretary-General
The Securities and Exchange Commission