

November 14, 2016

Subject: Clarification of Operating Result for the third quarter and nine month period ending 30 September 2016

**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 the third quarter of 2016 and for the nine month period ending 30th September 2016.

For the nine month period ending 30th September 2016, the consolidated net profit after tax of **Baht 275.55 million**, was 15.5% lower than Baht 326.27 million in the same period of the previous year.

The main factors contributing to this lower result were:

1. Fruit production from our own plantations was 24.5% lower and fruit purchased from outside growers was 21.5% lower than in the same period of last year. This lower production was mainly due to the unusually hot and dry El Nino weather early in the year.
2. Total fruit processed by our three factories in Thailand was 21.8% lower than the same period of last year and crude palm oil production was down by 25.4% due to the lower oil extraction rates during the extremely dry weather.
3. Net attributable loss from our Philippine subsidiaries was Baht 9.48 million, also due to the low volumes of processed fruit following the El Nino weather conditions also experienced in Southern Philippines.

Positive factors which helped to counter the above were:

1. The average selling price of crude palm oil was 26.0% higher than in the same period last year, mainly due to the lower volumes of palm oil available in the domestic market and government intervention to support smallholder fruit prices. The average selling price of palm kernel oil was 42.3% higher as a result of the El Nino weather condition which has reduced supplies of these lauric oils around the region.
2. Seed and Seedling sales value was 40.6% higher than the same period last year due to higher domestic and overseas demand for hybrid planting material from the Univanich oil palm breeding programme.
3. As a result of the New Thai Accounting Standard No. 41 : Agriculture (TAS #41), which came into effect on 1st January 2016, there was a net gain of Baht 2.94 million in the first nine month 2016, due to measurement of biological assets at fair value less costs of sales.

Overall, gross profit margin was 14.7%, down from 16.8% last year, mainly due to the increased competition amongst crushing mills for the significantly lower volumes of fruit.

Third quarter consolidated profit after tax of **Baht 95.98 million**, was 16.4 % lower than the same quarter of last year, mainly due to the lower production and reduced crushing margins on purchased fruit.

Earnings per share for the first nine months were **Baht 0.29 per share**, compared to Baht 0.35 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