

February 23, 2018

Subject: Management Discussion and Analysis for the year ending 31 December 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 financial year ending 31st December 2017.

The 2017 consolidated net profit after tax of **Baht 624.70 million**, was 81.3% higher than Baht 344.59 million in the previous year. The main factors contributing to this higher result were:

Thailand

1. Fruit production from our own plantations was **38.0% higher** and fruit purchased from outside growers was **122.2% higher** than in the previous 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 in May 2017 and the commissioning of a fifth crushing mill in October 2017.
2. Production of Crude Palm Oil (CPO) was **118.2% higher** than in the previous year, due to the increased fruit volumes described above. The acquisition of the fourth crushing mill and the commissioning of the fifth crushing mill increased the company's crushing capacity from 150 to 240 tonnes fruit per hour.
3. Sales volume of crude palm oils was **97.0% higher** than in the previous year due to the higher production but overall sales were limited by higher inventories of palm oil stocks at the end of the period. The average CPO selling price was **22.7% lower** than last year mainly due to the higher volumes of palm oil available in the domestic and international markets.
4. As a result of the new Thai Accounting Standard, Agriculture (TAS #41), there was a net gain of Baht 34.96 million in 2017 compared to a net loss of Baht 0.79 million in the previous year.

Philippines

Net attributable profit from our Philippine subsidiaries in 2017 was Baht 1.65 million, an improvement from the loss of Baht 16.28 million in the previous year as production increased by 148.4%. Fruit volumes are increasing steadily in the region of the new Univanich – Carmen crushing mill as more local farmers convert their land to oil palms.

Overall, gross margin for the year increased from 14.9% to 17.8% mainly due to the increased volumes resulting in lower unit costs.

Earnings per share from the consolidated net profit of 2017 was **Baht 0.66 per share**, compared to Baht 0.38 per share of previous year.

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

John Clendon
Managing Director

cc: The Secretary-General
The Securities and Exchange Commission