

May 13, 2016

Subject: Clarification of Operating Result for the first quarter ending 31 March 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 first quarter ending 31st March 2016.

For the first quarter ending 31st March 2016, the consolidated net profit after tax of **Baht 55.10 million**, was 7.2% higher than Baht 51.41 million in the same period of the previous year. The main factors leading to this higher result were:

1. Crude Palm Oil (CPO) sales volume was 25.3% higher y-o-y. The production of CPO was almost the same as the previous year but during Q1 of last year, CPO inventory increased 1,892 mt while this year's Q1 inventories decreased 2,456 mt. This change in inventories accounted for 4,348 mt of the difference in sales volume.
2. The average CPO selling price was 7.7% lower than in the same quarter of last year due to weaker global prices and relatively high domestic stocks.
3. Production of Fresh Fruit Bunches (FFB) from the company's own plantations was 17.2% lower than the previous year due to the continuing problem of organized fruit theft by trespassing groups. These illegal occupations are currently being challenged in criminal and civil courts, seeking compensation and an effective legal response from law enforcement authorities
4. Seed sale volumes were 96.4% higher y-o-y due to higher export demand for Univanich hybrid oil palm seeds.
5. 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 25.26 million on re-measurement of biological assets.
TAS #41 requires biological assets and agriculture produce to be measured and recognized at fair value less costs of sales.
6. Net attributable loss of our Philippine subsidiaries was Baht 3.09 million mainly due to the low volumes of fruit during the very dry El Nino weather conditions experienced during Q 1 in Southern Philippines.

Overall, gross margin for the first quarter decreased from 12.7% to 9.3% due to the lower production of own FFB, and declining CPO prices.

Earnings per share from the consolidated net profit of Baht 55.10 million were Baht 0.06 per share, compared to Baht 0.05 per share in the first quarter of last year.

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

John Clendon
Managing Director

cc: The Secretary-General
The Securities and Exchange Commission