

(Translation)

UAC.CS/013/2017

August 15, 2017

Subject: Explanation of the operating results for the second quarter period ended June 30, 2017

To: President
The Stock Exchange of Thailand

Attachment: Auditor's Report and Financial Statement for the second quarter period ended June 30, 2017

UAC GLOBAL Public Company Limited ("UAC") would like to report the operating result of UAC according to the financial statement for the 3-month and 6-month period ended June 30, 2017, details are as follows:

The operating results of the separated financial statement for the 3-month and 6-month period ended June 30, 2017

The Separated Financial Statement	For the year period of (unit: million baht)							
	Q2, 2017	Q2, 2016	YoY		H1, 2017	H1, 2016	YoY	
Sales and Services	305.32	269.19	36.13	13.42%	562.15	461.00	101.15	21.94%
Gross Profit	110.15	60.89	49.26	80.90%	152.75	75.12	77.62	103.32%
Other Income	9.48	54.28	(44.80)	(82.54%)	66.37	60.04	6.33	10.54%
Selling & Administrative Expenses	37.79	40.68	(2.89)	(7.10%)	72.18	80.96	(8.78)	(10.84%)
Finance Cost	10.08	11.25	(1.17)	(10.37%)	20.59	19.43	1.16	5.99%
EBT	71.76	63.24	8.52	13.47%	126.34	34.78	91.56	263.25%
Tax	(14.37)	(3.57)	10.80	302.57%	(16.38)	2.06	18.44	895.51%
Total Comprehensive Income	57.39	59.67	(2.28)	(3.83%)	109.96	36.84	73.12	198.47%

The operating results of the separated financial statement for the second quarter period ended June 30, 2017 resulted in decrease in net profit of Baht 2.28 million or 3.83% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 36.13 million or 13.42% from the corresponding period of the previous year, which resulted in the increase in revenue from UAC - Trading and investment in renewable energy projects, mostly from PPP, at the amount of Baht 10.35 million and Baht 25.78 million respectively. Gross profit increased Baht 49.26 million and gross profit margin was 36.08% which was higher than the corresponding period of the previous year (Q2/2016 = 22.62%).
2. Comprehensive Income decreased Baht 2.28 million or 3.83% from the corresponding period of the previous year. Though gross profit increased Baht 49.26 million, other income decreased Bath 44.80 million, mostly from dividend from Bangchak Biofuel Co., Ltd. ("BBF") at the amount of Baht 45.01 million which has been already recognized in the first quarter of 2017 and increase of corporate income tax of Bath 10.80 million.

The operating results of the separated financial statement for the 6-month period ended June 30, 2017 resulted in increase in net profit of Baht 73.12 million or 198.47% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 101.15 million or 21.94% from the corresponding period of the previous year, which resulted in the increase in revenue from UAC - Trading and investment in renewable energy projects, mostly from PPP, at the amount of Baht 45.25 million and Baht 55.90 million respectively. Gross profit increased Baht 77.62 million and gross profit margin was 27.17% which was higher than the corresponding period of the previous year (H1/2016 = 16.30%).
2. Comprehensive Income increased Baht 73.12 million or 198.47% from the corresponding period of the previous year, due to the increase of gross profit of Baht 77.62 million, increase of other income of Bath 6.33 million and increase of corporate income tax of Bath 18.44 million.

The operating results of **the consolidated financial statement** for the 3-month and 6-month period ended June 30, 2017

The Consolidated Financial Statement	For the year period of (unit: million baht)							
	Q2, 2017	Q2, 2016	YoY		H1, 2017	H1, 2016	YoY	
Sales and Services	406.24	373.56	32.67	8.75%	761.95	662.78	99.17	14.96%
Gross Profit	134.18	100.87	33.31	33.02%	204.18	149.63	54.56	36.46%
Other Income	(8.43)	36.70	(45.13)	(122.97%)	13.65	73.91	(60.26)	(81.54%)
Selling & Administrative Expenses	51.57	54.63	(3.06)	(5.59%)	98.49	106.35	(7.86)	(7.39%)
Finance Cost	16.81	16.98	(0.17)	(1.00%)	34.38	31.40	2.98	9.48%
EBT	57.37	65.96	(8.60)	(13.03%)	84.96	85.78	(0.82)	(0.96%)
Tax	(15.84)	(7.88)	7.96	101.09%	(20.18)	(6.63)	13.55	204.28%
Total Comprehensive Income	41.53	58.09	(16.56)	(28.51%)	64.78	79.15	(14.37)	(18.15%)

The operating results of the consolidated financial statement for the second quarter period ended June 30, 2017 resulted in decrease in net profit of Baht 16.56 million or 28.51% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 32.67 million or 8.75% from the corresponding period of the previous year, which resulted in the increase in revenue from UAC - Trading at the amount of Baht 36.13 million. Gross profit increased Baht 33.31 million and gross profit margin was 33.03% which was higher than the corresponding period of the previous year (Q2/2016 = 27.00%).
2. Comprehensive Income decreased Baht 16.56 million or 28.51% from the corresponding period of the previous year. Though gross profit increased Baht 33.31 million, other income decreased Bath 45.13 million because profit sharing from investment in BBF decreased at the amount of Baht 46.65 million due to crude palm oil price drop resulting in decrease of B100 selling price. However, with crude palm oil price continuously declining, BBF recorded an Inventory Loss.

The operating results of the separated financial statement for the 6-month period ended June 30, 2017. Net profit decrease of Baht 14.37 million or 18.15% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 99.17 million or 14.96% from the corresponding period of the previous year, which resulted in the increase in revenue from UAC - Trading at the amount of Baht 101.15 million. Gross profit increased Baht 54.56 million and gross profit margin was 26.80% which was higher than the corresponding period of the previous year (H1/2016 = 22.58%).
2. Comprehensive Income decreased Baht 14.37 million or 18.15% from the corresponding period of the previous year, mostly from profit sharing from investment in BBF decreased at the amount of Baht 70.97 million due to crude palm oil price drop resulting in decrease of B100 selling price. However, with crude palm oil price continuously declining, BBF recorded an Inventory Loss.

Please be informed accordingly

Yours sincerely,

-Signature-

(Miss Nilrat Jarumanopas)
Chief Financial Officer
Authorized to sign on behalf of the Company