



บริษัท สหอุตสาหกรรมน้ำมันปาล์ม จำกัด (มหาชน)  
**United Palm Oil Industry Public Company Limited**

**CORPORATE HEADQUARTERS**

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**August 7, 2019**

**Subject: To submit the Interim Management Discussion and Analysis  
For the three-month period ended June 30, 2019**

**To: Directors and Managers of the Stock Exchange of Thailand**

United Palm Oil Industry Public Company Limited (UPOIC) and its subsidiaries would like to inform the operating result for the three-month period ended June 30, 2019 which had net profit for the period Baht 13.1 million, compared to the same period of 2018 with net profit at Baht 16.9 million, decreased Baht 3.8 million or 22%.

The Company would like to submit the interim management discussion and analysis for the three-month period ended June 30, 2019.

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)  
Managing Director

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RSPO - 1106151



A Subsidiary of Lam Soon (Thailand) Public Company Limited

# INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

For the three-month period ended June 30, 2019

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## Financial Performance and Analysis Explanation

### **1. Sales**

Total sales in Q2/2019 decreasing by 49.2 million Baht or 22% from the same period of 2018. This was because of the decrease in average selling price per unit of CPO and CPKO by 18% and 41% respectively.

### **2. Cost of Sales and Selling and Administrative Expenses**

- Cost of sales in Q2/2019 was Baht 147.2 million lower than the same period of prior year Baht 25.3 million or 15 % caused by average FFB cost has dropped.
- Selling Expenses decreased by Baht 1.7 million from goods transportation, in line with sale volume.
- Administrative Expenses increased by Baht 5.2 million mainly from land expenses and legal fee.
- No provision for impairment of land and palm plantation was set up during the period which it was set up at amounting to Baht 28.5 Million in the same period of last year.
- Loss from change in fair value of biological assets Baht 36.7 million (Q2/2018 : Loss Baht 3.8 million)

### **3. Consolidated Profits**

According to reasons above, the Group had gross profit of Q2/2019 Baht 72.5 million (Q2/2018: profit Baht 64.1 million) increased by Baht 8.4 million. In addition, there was a record loss resulted from the Company has adopted TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant, while selling and administrative expenses slightly increased from prior year. Thus, the Group has net profit Baht 13.1 million, decreased by Baht 3.8 million (Q2/2018: Net profit Baht 16.9 million).