



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

CORPORATE HEADQUARTERS

64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea,
Khet Bangna, Bangkok 10260 Thailand

Tel +66-(0)2-744 1046

Fax +66-(0)2-361-8988-89

www.upoic.co.th

November 7, 2019

**Subject: To submit the Interim Management Discussion and Analysis
For the three-month period ended September 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 September 30, 2019 which had net loss for the period Baht 13.2 million, compared to the same period of 2018 with net loss at Baht 42.1 million, loss decreased Baht 28.9 million or 69%.

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

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)

Managing Director

ESTATE OFFICE / MILL

98 Moo 6, Nuaklong-Khao Phanom Road,
Huayoong Sub-district, Nuaklong District,
Krabi 81130 Thailand

Tel +66-(0)75-666 075

Fax +66-(0)75-666 072



RSPO - 1106151



A Subsidiary of Lam Soon (Thailand) Public Company Limited

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

For the three-month period ended September 30, 2019

Financial Performance and Analysis Explanation

1. Sales

Total sales income in Q3/2019 increasing by 5.8 million Baht or 5.0% from the same period of 2018. This was because of increasing in sales volume of CPO by 46.9%, there was no significant change in the average selling price per unit of CPO from the same period of 2018. Whereas sales volume and average selling price per unit of CPKO decreased by 64.7% and 35.3% respectively. Hence, total sales income slightly increased.

2. Cost of Sales and Selling and Administrative Expenses

- Cost of sales in Q3/2019 was Baht 120.7 million lower than the same period of prior year Baht 21.3 million or 15.0% caused by average FFB cost dropped.
- Administrative Expenses decreased by Baht 3.5 million mainly from legal fee and employee expenses.
- Loss from change in fair value of biological assets Baht 4.4 million (Q3/2018: Loss Baht 9.3 million)

3. Consolidated Profits

According to reasons above, the Group had gross profit of Q3/2019 Baht 1.2 million (Q3/2018: loss Baht 25.9 million) profit increased by Baht 27.1 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 decreased from prior year. Thus, the Group has net loss Baht 13.2 million, decreased by Baht 28.9 million (Q3/2018: Net loss Baht 42.1 million).