



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

**CORPORATE HEADQUARTERS**

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**August 6, 2020**

**Subject: To submit the Interim Management Discussion and Analysis  
For the three-month period ended June 30, 2020**

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

United Palm Oil Industry Public Company Limited (UPOIC), its subsidiaries and its jointly controlled entity would like to inform the operating result for the three-month period ended June 30, 2020 which had net profit for the period Baht 15.9 million, compared to the same period of 2019 with net profit at Baht 13.1 million, profit increased Baht 2.8 million or 21.4%.

The Company would like to submit the interim management discussion and analysis for the three-month period ended June 30, 2020.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

For the three-month period ended June 30, 2020

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## Financial Performance and Analysis Explanation

### 1. Revenue

Total sales of the Group in Q2/2020 increased by Baht 44.2 million or 25.1% from the same period of 2019. This was mainly due to average selling prices and sales volume of CPO increasing by 20.8% and 3.5%, respectively. Hence, total revenue from sales increased.

### 2. Cost of Sales and Expenses

- Cost of sales in Q2/2020 was Baht 165.1 million higher than the same period of prior year Baht 61.8 million or 59.8% caused by average FFB cost raised by 15.3% and sales volume increased by 8.6%. Moreover, profit from change in fair value of inventory decreased by 31.0%.
- Selling expenses decreased by Baht 1.9 million from decrease in goods transportation which is dropped from diesel oil price.
- Administrative expenses decreased by Baht 6.8 million mainly came from legal fee and employee expenses.
- Loss from change in fair value of biological assets Baht 21.5 million (Q2/2019: Loss Baht 36.7 million)

### 3. Consolidated Profit

Sales revenue increased, the cost of sales increased at a higher rate when compared with sales revenue effected to in Q2/2020, the Group therefore recorded lower gross profit by Baht 17.6 million or 24.2%. Furthermore, the Company realized increment of share profit from investment in Joint Venture while there was lower loss from change in fair value of biological assets from adopted TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant. Moreover, selling and administrative expenses decreased. As a consequence, the Group recorded an increase in net profit after tax of Baht 2.8 million (Q2/2019: net profit after tax of Baht 13.1 million).