



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

CORPORATE HEADQUARTERS

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November 12, 2020

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

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, 2020 which had net profit for the period Baht 28.5 million, compared to the same period of 2019 with net loss at Baht 13.2 million, profit increased Baht 41.7 million or 316%.

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

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)

Managing Director

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A Subsidiary of Lam Soon (Thailand) Public Company Limited

RSPO - 1106151

MANAGEMENT DISCUSSION AND ANALYSIS

For the three-month period ended September 30, 2020

Financial Performance and Analysis Explanation

1. Revenue

Total sales of the Group in Q3/2020 increased by Baht 78.0 million or 64.1% from the same period of 2019. This was mainly due to sales volume of CPO and CPKO increasing by 32.6% and 164.0%, respectively.

2. Cost of Sales and Expenses

- Cost of sales in Q3/2020 was Baht 142.0 million which higher than the same period of prior year Baht 21.4 million or 17.7% caused by average FFB cost raised by 34.5%. However, profit from change in fair value of inventory impacted cost of sales decreased by 55.6%.
- Selling expenses slightly increased compared to sales volume resulting from decrease in diesel oil price.
- Loss from change in fair value of biological assets Baht 6.4 million (Q3/2019: Loss Baht 4.4 million)

3. Consolidated Profit

Sales revenue increased at a higher rate when compared with cost of sales increased effected to in Q3/2020, the Group therefore recorded higher gross profit by Baht 56.7 million. Furthermore, the Company realized increment of share loss from investment in Joint Venture and there was higher 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. As a consequence, the Group recorded an increase in net profit after tax of Baht 41.7 million (Q3/2019: net loss after tax of Baht 13.2 million).