



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

CORPORATE HEADQUARTERS

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February 24, 2022

**Subject: To submit the Management Discussion and Analysis
For the year ended December 31, 2021**

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 year ended December 31, 2021 which had net profit for the period Baht 306.8 million, compared to the year 2020 with net profit at Baht 125.1 million, profit increased Baht 181.7 million or 145.2%.

The Company would like to submit the interim management discussion and analysis for the year ended December 31, 2021.

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 year ended December 31, 2021

Financial Performance and Analysis Explanation

Sales and other income

Total sales revenue of the Company and its subsidiaries for the year 2021 increased by Baht 1,150.6 million or 124.5% year on year. This was because of

- (a) increase in average selling price per unit of CPO and CPKO by 48.27% and 71.44% respectively, due to the rising of CPO price in the international market impacted to domestic CPO price, and
- (b) higher sales volume of CPO and CPKO which increased by 48.3% and 87.3%, respectively.

Other income for the year 2021 increased by Baht 9.2 million or 20.9% from the year 2020. It caused from increase in by-product (shell and EFB) sales while decrease in gain on assets disposal. In addition, property insurance compensation from fire accident paid from insurance company in 2021 was Baht 7.7 million (2020: Baht 18.7 million).

Gain arising from change in fair value of biological assets Baht 25.9 million. (2020: Baht 18.7 million)

Cost of Sales and Expenses

- Cost of sales in the year 2021 was Baht 1,696.3 million, or Baht 939.9 million or 124.2% higher than the year 2020 due to average FFB cost having increased by 57.2%.
- Selling expenses increased by Baht 20.6 million from the year 2020 in line with sales volume.
- Administrative expenses increased by Baht 5.4 million from the year 2020 mainly from loss on disposal of unused assets from using new vertical sterilizer and, write off land and palm plantation development on disputed land.
- The Company realized an impairment loss on the cost of land and net book value of the cost of palm plantation development on the land reform area in 2021.

Consolidated Profits

From the reasons mentioned above, in 2021 the Company and its subsidiaries enjoyed a higher gross profit of Baht 210.7 million or 125.9% as well as an increase in other income, selling and administrative expenses. Furthermore, the Company recorded gain from change in fair value of biological assets from adopting TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant including realized an increase in share profit from investment in Joint Venture. As a consequence, the Company and its subsidiaries recorded an increase in net profit after tax of Baht 181.7 million (2020: net profit after tax of Baht 125.1 million).