



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

CORPORATE HEADQUARTERS

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August 10, 2022

**Subject: To submit the Interim Management Discussion and Analysis
For the three-month period ended June 30, 2022**

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, 2022, which had total revenues for the period Baht 662.6 million, compared to the same period of 2021, increased Baht 177.2 million or 36.5%, and net profit for the period Baht 96.3 million, compared to the same period of 2021, profit increased Baht 1.2 million or 1.3%.

The Company would like to submit the interim management discussion and analysis for the three-month period ended June 30, 2022.

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)

Managing Director

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A Subsidiary of Lam Soon (Thailand) Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

For the three-month period ended June 30, 2022

Financial Performance and Analysis Explanation

1. Revenue

Total sales of the Group in Q2/2022 increased by Baht 177.2 million or 36.5% from the same period of 2021. This was mainly due to average selling prices of CPO increasing by 65.6%. However, sales volume of CPO slightly decreasing by 1.3%. Hence, total revenue from sales increased mainly due to the rising world market price. Consequences of the Russia and Ukraine war and Malaysia's labor shortage from the spread of COVID-19.

2. Cost of Sales and Expenses

- Cost of sales in Q2/2022 was Baht 545.6 million higher than the same period of prior year Baht 211.0 million or 63.1% caused by average FFB cost raised by 73.2%.
- Selling and administrative expenses decreased by Baht 2.2 million from decrease in goods transportation which is in line with the decrease in sales volume.
- Loss from change in fair value of biological assets Baht 11.8 million (Q2/2021: Loss Baht 44.0 million)

3. Consolidated Profit

According to reasons above, in Q2/2022, the Group therefore recorded lower gross profit by Baht 33.8 million or 22.4%. Furthermore, the Company realized 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 mentioned. In addition, the Group recorded an increase in profit sharing from a Joint Venture by Baht 14.6 million. All the above causes increased income tax expenses by Baht 22.1 million. Consequently, the Group recorded an increase in net profit after tax of Baht 1.2 million (Q2/2021: net profit after tax of Baht 95.1 million).