



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

CORPORATE HEADQUARTERS

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February 24, 2021

**Subject: To submit the Management Discussion and Analysis
For the year ended December 31, 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 year ended December 31, 2020 which had net profit for the period Baht 125.1 million, compared to the same period of 2019 with net loss at Baht 3.6 million, profit increased Baht 128.7 million or 3,575.0%.

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

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2020

Financial Performance and Analysis Explanation

Sales and other income

Total sales of the group of company for the year 2020 increased by Baht 378.0 million or 69.3% from the year 2019. This was because of increasing in average selling price per unit of CPO and CPKO by 40.8% and 29.1%, respectively. Moreover, sales volume of CPO and CPKO increased by 18.8% and 8.7%, respectively. During the 4th quarter of October – December, the Company's sales revenue increased due to the increasing demand for palm oil after the COVID-19 situation began to resolve. In addition, the output of oil palm to the market is less supply in the market, resulting in crude palm oil price increased.

Other income for the year 2020 increased by Baht 27.0 million or 157.0% from the year 2019 from insurance compensation from fire accident Baht 18.7 million recorded in December 2020, gain on land and truck disposal resulting from organization restructuring and, increase in by product (shell) sales.

Cost of Sales and Expenses

- Cost of sales in the year 2020 was Baht 756.5 million higher than the year 2019 Baht 313.1 million or 70.6% caused by average FFB cost increased by 41.4%.
- Selling expenses was close to the year 2019 despite increasing in sales volume resulting from decrease of transportation expenses as change to use B10 instead of diesel and the increase of percentage of customers' own pick-up the product.
- Administrative expenses decreased by Baht 19.7 million mainly came from higher expenses in 2019 by returning 973 rai of land and palm trees to Sor Por Kor, legal fee and Krabi Noi land expenses.
- Gain from change in fair value of biological assets Baht 18.7 million (2019: Loss Baht 26.9 million)

Consolidated Profits

From the reason were mentioned above, in the year 2020 the group of company therefore had an increased gross profit of Baht 64.9 million or 63.4% together with the Company recorded increase of other income. While administrative expenses were reduced. Furthermore, the Company recorded gain from change in fair value of biological assets from adopted TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant including realized a decreased share loss from investment in Joint Venture. As a consequence, the group recorded an increase in net profit after tax of Baht 128.7 million (2019: net loss after tax of Baht 3.6 million).