



บริษัท สหอุตสาหกรรมน้ำมันปาล์ม จำกัด (มหาชน)

United Palm Oil Industry Public Company Limited

CORPORATE HEADQUARTERS

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August 7, 2023

**Subject: To submit the Interim Management Discussion and Analysis
For the three-month period ended June 30, 2023**

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, 2023 which had total revenues for the period Baht 317.8 million, compared to the same period of 2022, decreased Baht 344.8 million or 52.0%, and net profit for the period of Baht 25.4 million, compared to the same period of 2022 with net profit at Baht 96.3 million, profit decreased Baht 70.9 million or 73.6%.

The Company would like to submit the interim management discussion and analysis for the three-month period ended June 30, 2023.

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, 2023

Financial Performance and Analysis Explanation

1. Sales revenue

Total sales of the group of the Company in Q2/2023 decreased by Baht 344.8 Million or 52.0% from the same period of 2022. This was because of a decrease in the average selling price per unit of CPO and CPKO by 43.2% and 55.3%, respectively due to the situations that affect the prices of same period of last year were relieved. The price situation was back to normal trend since 3rd quarter of year 2022. In addition, sales volume both CPO and CPKO decrease by 15.6% from the same period of 2022 affected by harvesting season of palm. Normally harvesting season of palm will happen during 2nd quarter of each year. But the harvesting season of 2023 was happened in 1st quarter that affected to CPO and CPKO volume of 2nd quarter of 2023 was dropped by 17.4% from same period of 2022.

2. Cost of Sales and Expenses

- Cost of sales in Q2/2023 was Baht 255.2 Million lower than the same period of the prior year Baht 257.2 Million or 50.2% caused by average FFB cost decreased by 38.9% which in line with a decrease in selling price and sales volume.
- Selling expenses decreased by Baht 1.0 Million from a decrease in transportation expenses which is in line with a decrease in overall sales volume.
- Loss from change in fair value of biological assets Baht 40.5 Million due to a decline in output and price of fresh fruit bunch (Q2/2022: Loss Baht 11.8 Million).

3. Consolidated Profits

From the reasons mentioned above, in Q2/2023 the group of companies, therefore, had decreased gross profit of Baht 87.6 Million or 58.3%. Furthermore, the Company recorded 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. However, the Company recorded higher profit sharing from investment in a Joint Venture including income tax expense decreased as the operation result. As a consequence, the Group recorded a decrease in net profit after tax of Baht 70.9 Million or decreased by 73.6%. (Q2/2022: net profit after tax of Baht 96.3 million).