



บริษัท วิจิตรภัณฑ์ปาล์มออยล์ จำกัด (มหาชน)

VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED

2044 ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ เขตห้วยขวาง กรุงเทพฯ 10310  
2044 PHETBURI EXTENSION ROAD, BANGKAPI HUAYKWANG BANGKOK 10310

No 090/2021

August 10, 2021

Subject: Management's Discussion and Analysis of Financial Condition and Results of Operations regarding consolidated for the 2<sup>nd</sup> quarter on June 30, 2021

To: The President of Stock Exchange of Thailand

Vichitbhan Palmoil Public Company Limited and its subsidiaries would like to submit the Management's Discussion and Analysis of Financial Condition and Results of Operations regarding Consolidated for the 2<sup>nd</sup> quarter on June 30, 2021. The net profit of the company and its subsidiaries was THB 67.14 million, the profit increasing from the 2<sup>nd</sup> quarter on June 30, 2020 which had net profit THB 5.75 million, the increasing proportion was considered 1,068.53 percent. There were important factors affecting the performance for 2<sup>nd</sup> quarter on June 30, 2021 as follows.

#### Performance Analysis

##### Revenue

The total revenues of the 2<sup>nd</sup> quarter of 2021 was THB 545.60 million which increased from THB 91.51 million or 91.51 percent from the same period last year, according to the average selling price of crude palm oil and kernel increasing by 65.37 and 96.98 percent respectively. And the volume of crude palm oil increased by 21.46 percent. However, the average volume per unit of kernel were decreased by 2.50 percent resulting in the Company has increased revenue in this quarter.

##### Cost of sales and Gross Profit

Cost of sales of the 2<sup>nd</sup> quarter was THB 443.86 million which increasing from THB 244.51 million of the same period last year or increasing 81.53 percent. The proportion of cost of sales per revenue of this quarter has declined by 81.35 percent from 85.82 percent of the 2<sup>nd</sup> quarter of 2020. Although the price of fresh palm fruit increased by 88.79 percent but the average selling price increased more than the fresh palm fruit price, as a result the proportion of cost of sale per revenue has decreased.

### Selling Expense and Administrative Expense

The Company selling expense for the 2<sup>nd</sup> quarter of 2021 was THB 6.34 million increased from THB 5.61 million in the same period last year or increased 13.07 percent according to increasing in the selling volume.

Administrative expense decreased to THB 20.08 million from THB 21.82 million of the same period last year, which decreasing by 7.97 percent from cost control.

### Net Profit (loss)

The Company net profit in the 2<sup>nd</sup> quarter 2021 was THB 67.14 million while in the same period of year 2020 had net profit of THB 5.75 million or increased 1,068.53 percent since ratio of cost per revenue decreasing from the mentioned above, including cost control and decreased in interest of the long-term loan.

### Assets

Total assets of the Company at the end of June 2021 was THB 936.21 million decreased from THB 982.84 million at the end of year 2020, the decreased amount was THB 46.63 million or 4.74 percent due to the decreased of account receivable by THB 60.91 million, the reduced ratio consider to 49.26 percent according to the normal product sales cycle and the decreased of non-current assets such as land, building, and equipment which declined by THB 73.29 million, the proportion decreased was 9.85 percent from depreciation.

### Liabilities

At the end of June 2021, the Company had total liabilities of THB 368.17 million decreased from THB 447.68 million in the end of 2020 or dropped by THB 79.51 million or 17.76 percent. Main factor for the declined was the repayment of the long-term loan.

### Equity

The Company had THB 568.04 million of equity in 2<sup>nd</sup> quarter of 2021 increased from THB 535.15 million in 2020, increased by 32.89 million or 6.15 percent, according to performance of the company.

### Factors affecting the operation and financial statement of the Company's in the future.

In the second quarter of the year 2021, the price of palm oil increased continuously, it could reach to 4,200 ringgit per ton which is the highest price in the past 10 years. It caused from the price of soybean oil has been increasing and palm oil stock is in low level, also there's foreign funds are coming to invest much more meanwhile the palm fruits quantity in Thailand are increased, therefore, the export of palm oil is beyond expectation. As a result, the stock of palm oil in Thailand is quite low so the price of palm fruit and palm oil in Thailand are increased respectively.

The world market price of palm oil is expected in high level and may be higher than the expert forecasted in the beginning of the year 2021. From the violence of COVID-19

outbreak in Indonesia and Malaysia which are the top 2 manufacturers of the world, caused they lacked of labors. Therefore, we expect that the export of palm oil may be lower than expectation. Also, the export of palm oil which is quite high in the past, so we expected that the palm oil stock of Malaysia is still in low level.

For the palm oil industry in the county, we expect that the palm oil stock will be quite lower if compared with last year in the same period. So, we think the price will be increase, moreover, there is uncertainty risk factor of palm fruits quantity in the country and abroad during the second half of the year, such as government policy and COVID-19 outbreak control plan. They all effect to supply and demand of palm oil. For example, if the countries or some cities are closed, the demand of palm oil to produce Bio diesel and/or to consume will be decreased significantly, therefore, we have to follow the factors as said above closely and carefully afterward.

Please be informed accordingly,

Yours truly,

(Mr. Krisada Chavananand)

Managing Director