



บริษัท วิจิตรภัณฑ์ปาล์มออยล์ จำกัด (มหาชน)

VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED

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

No 097/2021

November 11, 2021

Subject: Management's Discussion and Analysis of Financial Condition and Results of Operations regarding consolidated for the 3rd quarter on September 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 3rd quarter on September 30, 2021. The net profit of the company and its subsidiaries was THB 16.48 million, the profit increasing from the 3rd quarter on September 30, 2020 which had net loss THB 4.87 million, the increasing proportion was considered 438.67 percent. There were important factors affecting the performance for 3rd quarter on September 30, 2021 as follows.

Performance Analysis

Revenue

The total revenues of the 3rd quarter of 2021 was THB 395.42 million which increased from THB 289.64 million or 36.52 percent from the same period last year, according to the average selling price of crude palm oil and kernel increasing by 83.33 and 48.61 percent respectively. Although the volume of crude palm oil and kernel decreased by 22.19 and 31.60 percent respectively resulting in the Company has increased revenue in this quarter.

Cost of sales and Gross Profit

Cost of sales of the 3rd quarter was THB 351.51 million which increasing from THB 266.39 million of the same period last year or increasing 31.95 percent. The proportion of cost of sales per revenue of this quarter has declined by 88.89 percent from 91.97 percent of the 3rd quarter of 2020. Although the price of fresh palm fruit increased by 85.59 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 3rd quarter of 2021 was THB 4.60 million increased from THB 4.23 million in the same period last year or increased 8.64 percent according to increasing in diesel price by 37.40 percent.

Administrative expense decreased to THB 20.13 million from THB 24.49 million of the same period last year, which decreasing by 17.83 percent from cost control.

Net Profit (loss)

The Company net profit in the 3rd quarter 2021 was THB 16.48 million while in the same period of year 2020 had net loss of THB 4.87 million or increased 438.67 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 September 2021 was THB 832.21 million decreased from THB 982.84 million at the end of year 2020, the decreased amount was THB 150.63 million or 15.33 percent due to the decreased of account receivable by THB 98.26 million, the reduced ratio consider to 79.47 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 108.72 million, the proportion decreased was 13.50 percent from depreciation.

Liabilities

At the end of September 2021, the Company had total liabilities of THB 247.68 million decreased from THB 447.68 million in the end of 2020 or dropped by THB 200.01 million or 44.68 percent. Main factor for the declined was the repayment of the long-term loan.

Equity

The Company had THB 584.53 million of equity in 3rd quarter of 2021 increased from THB 535.15 million in 2020, increased by 49.38 million or 9.23 percent, according to performance of the company.

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

The expert predicted in the beginning of the year 2021 that the price of palm oil would be decreased in the middle of the year 2021. However, in the third quarter of the year 2021, the price of palm oil is still increased continuously. From the price of petroleum oil which is increased very high, commodities' price is also in high level, and soybean's stock is still in low level, moreover, at the end of the third quarter of the year 2021 found that the palm oil products in world market is less than expect as the price of crude palm in world market adjusted to higher price, caused the price of crude palm oil in Thailand conform to the same way. Moreover, in the third quarter in the year of 2021, Thailand exports palm oil more than expect especially in September so, the stock of palm oil has been decreased and

the price of crude palm oil in Thailand is still in high level although the product has not been reduced.

For the trend of palm oil industry, mostly experts forecast that the price of crude palm oil in world market will be in high level until February 2022, some experts said the price may be still high until middle of the year 2022. The factor which supported the experts' forecasting is because the supply is less than expectation, also the production of palm oil in Indonesia and Malaysia may be lower as there were flooding in many areas due to La Niña situation. As a result, they were in trouble to harvest products and also lack of labor due to Covid-19 pandemic. Meanwhile Thailand and other countries returned to the normal situation and be able to open their countries, thus we expect that the demand of using palm oil to consume and to be renewable energy will be higher.

Nevertheless, the unstable of palm oil's productions is the important factor to determine the price of palm oil in nearest future, therefore, we have to monitor the said factor and other relevant factors intimately.

Please be informed accordingly,

Yours truly,

(Mr. Krisada Chavananand)

Managing Director