



บริษัท วิจิตรภัณฑ์ปาล์มออยล์ จำกัด (มหาชน)

VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED

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

No 046/2022

February 21st, 2022

Subject: Management's Discussion and Analysis of Financial Condition and Results of Operations regarding consolidated for the year ended on December 31st, 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 year ended on December 31st, 2021. The net profit of the company and its subsidiaries was THB 46.22 million, the profit increasing from the last year which had net loss THB 29.34 million, the increasing proportion was considered 257.57 percent. There were important factors affecting the performance for the year ended on December 31st, 2021 as follows.

Performance Analysis

Revenue

The total revenues of the year ended December 31, 2021 was THB 1,309.09 million which increased from THB 1,109.70 million or 23.37 percent from the same period last year, according to the average selling price of crude palm oil and kernel increasing by 46.18 and 69.21 percent respectively. Although the volume of crude palm oil and kernel decreased by 19.83 and 12.85 percent respectively resulting in the Company has increased revenue in the year 2021 than last year.

Cost of sales and Gross Profit

Cost of sales for the year ended on December 31st, 2021.was THB 1,222.59 million which increasing from THB 1,014.07 million of the same period last year or increasing 20.56 percent. The proportion of cost of sales per revenue of this year has declined by 89.30 percent from 91.38 percent of the last year. Although the average price of fresh palm fruit increased by 56.52 percent but the average selling price of crude palm oil, kernel and fresh palm fruit were increased, as a result the proportion of cost of sale per revenue has decreased.

Selling Expense and Administrative Expense

The Company selling expense for the year 2021 was THB 16.24 million decreased from THB 16.83 million in the same period last year or decreased 3.51 percent according to

decreasing in the volume sales of in the year 2021 decreased by 19.83 percent, although the average price of diesel fuel increased by 30.44 percent.

Administrative expense decreased to THB 82.57 million from THB 91.88 million of the same period last year, which decreasing by 10.14 percent from cost control.

Net Profit (loss)

The Company net profit in the year 2021 was THB 46.22 million while in the year 2020 had net loss of THB 29.34 million or increased 257.57 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 ended December 31, 2021 was THB 871.31 million decreased from THB 982.84 million at the end of year 2020, the decreased amount was THB 111.53 million or 11.35 percent due to the decreased of account receivable by THB 61.59 million, the reduced ratio consider to 49.81 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 135.73 million, the proportion decreased was 16.86 percent from depreciation and disposal of land (Lamae Ramp).

Liabilities

At the year ended of December 31, 2021, the Company had total liabilities of THB 289.93 million decreased from THB 447.68 million in the end of 2020 or dropped by THB 157.76 million or 35.24 percent. Main factor for the declined was the repayment to financial institutions according to the loan repayment term.

Equity

The Company had THB 581.38 million of equity in the year ended of 2021 which increased from THB 535.15 million in 2020, increased by 46.22 million or 8.64 percent, according to performance of the company.

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

In 2021, the price of palm oil in world market has been increasing continuously and becomes highest level in memorable events due to the higher price of soybean oil which is caused from a decrease in supply, therefore, the stock of soybean is reduced. Besides, the pandemic of COVID-19 takes so long, thus the palm oil industry is lack of labor to harvest, so the supply and stock of palm oil are less than expect. Meanwhile, the price of palm oil in Thailand conforms to the price of world market. Moreover, Thailand has more products than previous year, so palm oil was exported in 2021 more than 2020 significantly.

In 2022, we expect that the price of palm oil in world market is still higher continuously, maybe until the middle of this year because the supply of palm oil in the beginning of this year is less than expect, also, lacking of labor in the agricultural of palm oil

industry due to Covid-19 pandemic, therefore, Indonesia limited to export palm oil temporarily. We expect that the supply and stock of palm oil will not be increased as expected and the price of soybean will be higher as the products from soybean will be decreased. Therefore, the price of palm oil in world market is assumed that it will be in high level, so, the price of palm oil in Thailand will be as high as it. We also expect that the quantity of palm oil to the market of Thailand will be higher.

By the way, there is important factors should be careful; Uncertainty of products and Government's policies such as Finance Policy or Renewable Energy Policy. Therefore, we should follow up relevant factors in the kingdom and aboard closely in order to change the policy to conform with the situation.

Please be informed accordingly,

Yours truly,

(Mr. Krisada Chavananand)

Managing Director