



บริษัท วิจิตรภัณฑ์ปาล์มออยล์ จำกัด (มหาชน)

VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED

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

No 061/2022

May 11, 2022

Subject: Management's Discussion and Analysis of Financial Condition and Results of Operations regarding consolidated for the 1st quarter on March 31, 2022

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 1st quarter on March 31, 2022. The net loss of the company and its subsidiaries was THB 4.27 million, the loss decreasing from the 1st quarter on March 31, 2021 which had net loss THB 34.25 million, the decreasing proportion was considered 87.55 percent. There were important factors affecting the performance for 1st quarter on March 31, 2022 as follows.

Performance Analysis

Revenue

The total revenues of the 1st quarter on March 31, 2022 was THB 487.54 million which increased from THB 192.62 million or 153.11 percent from the same period last year, according to the average selling price of crude palm oil and kernel increasing by 41.74 and 96.55 percent respectively. And the volume of crude palm oil and kernel increased by 63.02 and 43.91 percent respectively resulting in the Company has increased revenue in this quarter.

Cost of sales and Gross Profit

Cost of sales of the 1st quarter was THB 451.17 million which increasing from THB 208.84 million of the same period last year or increasing 116.04 percent. The proportion of cost of sales per revenue of this quarter has declined by 92.54 percent from 108.42 percent of the 1st quarter of 2021. Although the price of fresh palm fruit increased by 51.84 percent but the average selling price and sales volume 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 1st quarter of 2022 was THB 3.94 million increased from THB 2.93 million in the same period last year or increased 34.65 percent according to increasing in sales volume and diesel price by 29.63 percent.

Administrative expenses increased to THB 30.77 million from THB 21.42 million of the same period last year, which increasing by 43.63 percent, because the company paid as a reward to employees. In addition, the Company has recorded a loss on exchange rates from reservations of forward exchange rates.

Net Profit (loss)

The Company net loss in the 1st quarter 2022 was THB 4.27 million while in the same period of year 2021 had net loss of THB 34.25 million since ratio of cost per revenue decreasing from the mentioned above.

Assets

Total assets of the Company at the end of March 2022 was THB 1,154.73 million increased from THB 871.31 million at the end of year 2021, the increased amount was THB 283.42 million or 32.53 percent due to the increased of account receivable by THB 146.54 million, or the increased ratio consider to 236.14 percent according to the normal product sales cycle and the increased of inventories by THB 148.23 million, the proportion increased was 127.12 percent from production.

Liabilities

At the end of March 2022, the Company had total liabilities of THB 577.62 million increased from THB 289.93 million in the end of 2021 or increased by THB 287.69 million or 99.23 percent. This was due to an increase in short-term loans and trade accounts payable for working in the procurement of raw materials for production.

Equity

The Company had THB 577.11 million of equity in 1st quarter of 2022 decreased from THB 581.38 million in the end of 2021, decreased by 4.27 million or 0.73 percent, according to performance of the company.

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

The first quarter of 2022 can be considered a challenging period in terms of the global market supply and demand for palm fruit and palm oil. Palm oil prices are likely to remain high and keep rising due to internal factors caused by basic production problems resulting from high costs and external factors involved such as the military conflict between Russian and Ukraine, which has caused the global demand for sunflower oil to come to a halt, which was the beginning of rising raw palm oil prices. This has been combined with the uncertainty of Covid-19 outbreaks and the Omicron variants that have forced Malaysia to close its borders and suffer a labor shortage in the agricultural sector, which has had impact on the demand for raw palm oil in the global market. These factors have caused the price of

palm oil in the first quarter to fluctuate and change rapidly. The price of raw palm oil in Thailand is likely to remain in the same upward trend as the global market.

As for the outlook of the palm oil industry for the remainder of 2022, challenges are expected to persist. The main factors affecting palm oil are movements in soy bean oil prices on the global market and the situation caused by the conflict between Russian and Ukraine, which is a significant factor affecting the demand for sunflower oil vegetable oil all over the world. The market in Thailand is expected to retain its high production capacity for the remainder of the year and the raw palm oil prices in Thailand are expected to move in the same direction as the prices on the global market, so the policies of the government and factor with impact on palm oil prices in the global market need to be monitored closely, because the price of palm oil in Thailand is expected to move in those same directions.

Please be informed accordingly,

Yours truly,

(Mr. Krisada Chavananand)

Managing Director