



บริษัท วิจิตรภัณฑ์ปาล์มออยล์ จำกัด (มหาชน)

VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED

2044 ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ เขตห้วยขวาง กรุงเทพฯ 10310

2044 PHETBURI EXTENSION ROAD, BANGKAPI HUAYKWANG BANGKOK 10310

No 068/2022

August 10, 2022

Subject: Management's Discussion and Analysis of Financial Condition and Results of Operations regarding consolidated for the 2nd quarter on June 30, 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 2nd quarter on June 30, 2022. The net gain of the company and its subsidiaries was THB 73.68 million, the gain increasing from the 2nd quarter on June 30, 2021 which had net gain THB 67.14 million, the increasing proportion was considered 9.74 percent. There were important factors affecting the performance for 2nd quarter on June 30, 2022 as follows.

Performance Analysis

Revenue

The total revenues of the 2nd quarter on June 30, 2022 was THB 1,202.51 million which increased from THB 545.60 million or 120.40 percent from the same period last year, according to the average selling price of crude palm oil and kernel increasing by 71.13 and 49.18 percent respectively. And the sales volume of crude palm oil and kernel increased by 42.28 and 0.06 percent respectively resulting in the Company has increased revenue in this quarter.

Cost of sales and Gross Profit

Cost of sales of the 2nd quarter was THB 1,072.05 million which increasing from THB 443.86 million of the same period last year or increasing 141.53 percent. The proportion of cost of sales per revenue of this quarter has increased by 89.15 percent from 81.35 percent of the 2nd quarter of 2021. Because the price of fresh palm fruit increased by 81.23 percent.

Selling Expense and Administrative Expense

The Company selling expense for the 2nd quarter of 2022 was THB 9.38 million increased from THB 6.34 million in the same period last year or increased 47.89 percent according to increasing in sales volume and diesel price by 28.79 percent.

Administrative expenses increased to THB 47.41 million from THB 28.82 million of the same period last year, which increasing by 64.53 percent, because the Company has recorded a loss on exchange rates from export sales.

Net Profit (loss)

The Company net gain in the 2nd quarter of 2022 was THB 73.68 million while in the same period of the year 2021 had net gain of THB 67.14 million because sales volume and sales per unit increased.

Assets

Total assets of the Company at the end of June 2022 was THB 921.68 million increased from THB 871.31 million at the end of year 2021, the increased amount was THB 50.37 million or 5.78 percent due to the increased of inventories by THB 46.19 million, or the increased ratio consider to 39.61 percent according to increasing quantities of inventories and the increased of account receivable by THB 20.30 million the proportion increased was 32.72 percent from the normal product sales cycle.

Liabilities

At the end of June 2022, the Company had total liabilities of THB 266.14 million decreased from THB 289.93 million in the end of 2021 or decreased by THB 23.79 million or 8.21 percent. This was due to an decrease in loans from financial institution.

Equity

The Company had THB 655.54 million of equity in 2nd quarter of 2022 increased from THB 581.38 million in the end of 2021, increased by 74.16 million or 12.76 percent, according to performance of the company.

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

In the 2nd quarter 2022, there was fluctuation of palm oil situation in global market especially in Indonesia which is the biggest exporter in palm oil market. Previously there was a policy to do not export palm oil in the end of April. However, the said measure had been cancelled and specified quota to export palm oil at the end of May because the level of domestic palm oil stock was increasing very much and needed to accelerate to export again at the end of 2nd quarter. As a result, the price of palm oil in global market decreased quickly and caused the supply and demand factor in global market got an effect from price changing situation. Moreover, the petroleum price is higher so it made Thai baht depreciated continuously. In overall, it was very difficult to manage especially in export. The price of palm oil in Thailand has conform to the same direction.

As the supply in Thailand may be less than the expect of Office of Agricultural Economics which forecasted since the beginning of the year will make the price adjust in higher level. Meanwhile, the price of palm oil in global market reduced dramatically, caused the demand was increasing. So, it expects that in the second half of this year, the price will be more stability from the present price and has to follow up the supply in the kingdom and global market closely. Besides, we need to follow the weather which may happen La Nina phenomena as it will affect to the harvest, the direction of demand, the supply and stock of palm oil for many years, we have to concern all of them intimately.

The company hereby would like to promise that we will use all information to forecast and manage for the most benefits accordingly.

Please be informed accordingly,

Yours truly,

(Mr. Krisada Chavananand)

Managing Director