



บริษัท ล่าสูง (ประเทศไทย) จำกัด (มหาชน)
Lam Soon (Thailand) Public Company Limited

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**Subject: To submit the Interim Management Discussion and Analysis
For the three-month period ended 30 June 2022**

To: Directors and Managers of the Stock Exchange of Thailand

Lam Soon (Thailand) Pcl. (LST) and its subsidiaries would like to inform the operating results for the three-month period ended 30 June 2022. Total revenues were Baht 3,214.8 million, compared to the same period of 2021 with revenues at Baht 2,148.8 million, increasing by 49.6%. The Profit attributable to equity holders of the Company was Baht 76.4 million, compared to the same period of 2021 with the Profit at Baht 141.7 million, decreasing by 46.1%.

The Company would like to submit the management discussion and financial performance analysis and explanation for the three-month period ended 30 June 2022.

Please be kindly informed.

Sincerely yours,

(Mr. Poomkiet Chotichaicharin)
Managing Director

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Interim Management Discussion and Analysis For the three-month period ended 30 June 2022

Financial performance analysis and explanation

For the three-month period ended 30 June 2022, the Company's sales compared to the same period of 2021 increased by Baht 890.5 million or 52.2%. The main reason was the average selling price per unit increased by 49% and the sales volume increased by 2.2%. Cost of sales increased by Baht 1,017 million or 67.1%, effecting gross profit to decrease by Baht 126.5 million or 67.2%. As a result, the Company had profit for the period at Baht 98.2 million, a decrease of Baht 37.7 million Baht or 27.7% from the same period of last year.

The palm plantation subsidiary company (UPOIC) : sales increased from Q2/2021 by Baht 177.2 million or 36.5%. Due to the average selling prices per unit of CPO increased by 65.6% while sales volume of CPO decreased only 1.3%. The major reason was that the world market price has risen which was affected by Russia-Ukraine Crisis and Malaysia's labor shortage from COVID-19 epidemic.

Its subsidiary company (UFC) : sales increased by Baht 108 million or 26.1%, driven by an increase in sales of beverages at Baht 94.9 million, and sales of canned fruits and vegetables increased by Baht 13 million. While sales of sauces, seasonings and others increased by Baht 0.1 million. Profit for the period increased by Baht 22.7 million or 96.9%.

As reasons above, **profit attributable to equity holders of the Company for the three-month period ended 30 June 2022 was Baht 76.4 million, decreasing by Baht 65.2 million or 46.1%. Profit ratio of total revenues for the period was 2.3%.**

Other major components and changes in consolidated financial statements were as follows:-

1. Revenues

Revenues from contracts with customers : Sales revenue under the Company and its subsidiaries for the period increased by Baht 1,065.9 million or 49.6%. The increment mainly came from average selling price of the Company and its subsidiaries.

Other income : The Company and its subsidiaries had income other than those generated by normal operation Baht 50.7 million or 1.6% of total revenues (Q2/2021 : Baht 31 million) mainly came from selling scrap and assets of company such as palm shell and empty bunch.

Gain (Loss) arising from change in fair value of biological assets : The subsidiary (UPOIC) realized loss from change in fair value of biological assets at Baht 11.8 million (Q2/2021 : Baht 44 million).

2. Expenses

Cost of sales : The Company and its subsidiaries recorded cost of sales ratio for the period at 91.2% (Q2/2021 : 81.8%). The cost of sales ratio under LST was 97.6% (Q2/2021 : 89%) because the average unit cost of sales increased by 59% higher than the increase in average selling price per unit.

Subsidiary (UPOIC) recorded cost of sales at Baht 545.6 million, increasing from Q2/2021 by Baht 211 million or 63.1% because the average raw material cost raised by 73.2%.

Subsidiary (UFC) recorded cost of sales ratio at 80% (Q2/2021 : 81.5%).

Selling expenses : The Company and its subsidiaries recorded selling expenses at Baht 139.4 million (Q2/2021 : Baht 134.4 million), increasing by Baht 5 million. Selling expenses of UFC increased by Baht 3.2 million from export expenses and the goods transportation expenses of LST had also increased.

Interim Management Discussion and Analysis For the three-month period ended 30 June 2022

Administrative expenses : Administrative expenses of the Company and its subsidiaries were Baht 60.7 million (Q2/2021 : Baht 56.1 million), increasing by Baht 4.6 million from LST.

3. Profits

Gross profit (GP) : GP of the Company and its subsidiaries decreased by Baht 109.5 million or 28%. The GP ratio of total sales was 8.8% (Q2/2021 : 18.2%).

Profit for the period : Profit attributable to equity holders of the Company was Baht 76.4 million (Q2/2021 : Baht 141.7 million), decreasing by Baht 65.2 million or 46.1%. Profit ratio of total revenues for the period was 2.3% (Q2/2021 : 6.5%).