



บริษัท วิจิตรภัณฑ์ปาล์มออยล์ จำกัด (มหาชน)  
VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED  
2044 ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ เขตห้วยขวาง กรุงเทพฯ 10310  
2044 PHETBURI EXTENSION ROAD, BANGKAPI HUAYKWANG BANGKOK 10310

No 049/2024

February 20<sup>th</sup>, 2024

Subject: Management's Discussion and Analysis of Financial Condition and Results of Operations regarding consolidated for the year ended on December 31<sup>st</sup>, 2023

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 31<sup>st</sup>, 2023. The net loss of the company and its subsidiaries were THB 115.60 million, with performance results decreasing from the last year which had net gain THB 15.92 million, the proportion of increased losses was considered 825.94 percent. There were important factors affecting the performance for the year ended on December 31<sup>st</sup>, 2023 as follows.

#### Performance Analysis

##### Revenue

The total revenues of the year ended December 31, 2023 was THB 1,181.44 million which decreased from THB 2,348.54 million or 49.69 percent from the same period last year, due to the sales volume and average selling price of crude palm oil and palm kernels decreased. The proportion of sales volume decreased by 22.58 percent and 37.30 percent, respectively, while the average price decreased by 35.31 percent and 42.10 percent, respectively. As a result, the Company has decreased revenue in the year 2023 than last year.

##### Cost of sales and Gross (Loss) Profit

Cost of sales for the year ended on December 31, 2023.was THB 1,178.43 million decreasing from THB 2,174.37 million of the same period last year or decreasing 45.80 percent according to sales volume. The proportion of cost of sales per revenue of this year has increased by 99.75 percent from 92.58 percent of the last year. This is because the company had costs from shutting down production lines that increased from the previous year by 15.39 percent because of fluctuations in the price of crude palm oil.

##### Selling Expense and Administrative Expense

The Company selling expense for the year 2023 was THB 9.88 million decreased from THB 23.72 million in the same period last year or decreased 58.36 percent according to decreasing in the volume sales in the year 2023 that decreased by 22.58. percent.

Administrative expenses increased to THB 98.22 million from THB 92.04 million in the same period last year, which increased by 6.71 percent from employee expenses.

#### Net Profit (loss)

The Company net loss in the year 2023 was THB 115.60 million while in the year 2022 had net profit of THB 15.92 million or decreased 825.94 percent since ratio of cost per revenue increasing from the mentioned above.

#### Assets

The total assets of the Company at the ended December 31, 2023, was THB 699.95 million decreased from THB 740.04 million at the end of the year 2022, the decreased amount was THB 41.09 million or 5.55 percent due to the decreased in account receivable and land, building, and equipment by THB 14.72 million and THB 67.24 million, respectively, the reduced ratio consider to 31.86 percent and 11.11 percent according to the normal product sales cycle and the decreased from depreciation.

#### Liabilities

At the year ended on December 31, 2023, the Company had total liabilities of THB 215.31 million increased from THB 142.90 million at the end of 2022 or increased by THB 72.41 million or 50.68 percent. The main factor is that the company borrows short-term loans from financial institutions.

#### Equity

The Company had THB 483.64 million of equity in the year end of 2023 which decreased from THB 597.14 million in 2022, decreased by 19.01 percent, according to the performance of the company.

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

Overall in 2023, International palm oil Industry crude palm oil prices were quite volatile, with crude palm oil prices early in 2023 being pressured by the ongoing decline in soybean oil prices caused by high soybean production in Brazil and the United States. In addition, petroleum prices continued to fall due to concerns over the stability of the banking system and an economic recession in the United States. These factors pressured crude palm oil prices to decline. Nevertheless, in the second half of 2023, the supply of crude palm oil from key producing countries such as Indonesia and Malaysia continued to increase due to entry into the palm fruit season. However, the economic situation has not yet recovered much. As a result, the demand for crude palm oil fell against a backdrop of increased supply. Consequently, crude palm oil prices remained stable, despite the downward trend.

For the domestic palm oil market, in early 2023, crude palm oil stocks were high with a large amount of crude palm oil produced. This led to high crude palm oil exports from January to April. As a result, crude palm oil stocks fell sharply. Furthermore, at the end of the second quarter, the impact of the El Niño phenomenon resulted in significant declines in oil palm production. Consequently, domestic crude palm oil prices in the second half of 2023 were higher and exceeded prices on the global market. This led to a clear slowdown in crude palm oil exports from the end of the second quarter to the end of 2023.

In 2024, overseas palm oil industry trends for crude palm oil prices are expected to remain relatively stable or slightly lower due to the following: 1) soybean production from Brazil and Argentina is expected to increase, which will push crude palm oil prices downward; 2) India, the world's largest importer of palm oil, is promoting domestic palm oil cultivation to support domestic demand, which will inevitably lead to a decrease in global demand for crude palm oil from India, and 3) petroleum prices are not expected to rise much, because the global economy has not yet recovered. The key factors to monitor include the El Niño and La Niña phenomena that will affect oil palm production, and the situation in the Red Sea, which may affect petroleum prices and vegetable oil supply.

Domestic crude palm oil price trends are expected to be aligned with the global market, and palm oil production in 2024 is expected to be similar to 2023, while the strong impact of the El Niño phenomenon is expected to become milder and La Niña conditions may begin in the second half of 2024, leading to an increase in palm fruit production at the end of the year.

The situations of both the domestic and international palm oil industries remain uncertain. The company will continue monitoring all relevant factors, so we can continue to operate in line with the situation.

Please be informed accordingly,

Yours truly,

(Mr. Krisada Chavananand)

Managing Director