บริษัท ยูเนี่ยน ปิโตรเคมีคอล จำกัด (มหาชน)
UNION PETROCHEMICAL PUBLIC COMPANY LIMITED
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UKEM 016/2026

August 14, 2026

Subject: Management Discussion and Analysis for the Period Ended June 30, 2026

To: The President, The Stock Exchange of Thailand

Union Petrochemical Public Company Limited and its subsidiaries ("the Company" or "UKEM") would like to clarify the consolidated operating results for the three-month and six-month periods ended June 30, 2026, with details as follows:

TOTAL FINANCIAL STATEMENTS	THREE-MONTH PERIOD		CHANGE		SIX-MONTH PERIOD		CHANGE	
	Year 2026	Year 2025	Thousand Baht	%	Year 2026	Year 2025	Million Baht	%
Revenue								
Revenue from sales and services	998,858.00	699,239.00	299,619.00	42.85	1,781,307.00	1,446,769.00	334,538.00	23.12
Cost of sales and services	(606,827.00)	(610,613.00)	(3,786.00)	(0.62)	(1,184,758.00)	(1,265,675.00)	(80,917.00)	(6.39)
Gross profit	**392,031.00**	**88,626.00**	**303,405.00**	**342.34**	**596,549.00**	**181,094.00**	**415,455.00**	**229.41**
Expenses								
Other income	2,830.00	2,784.00	46.00	1.65	3,513.00	3,261.00	252.00	7.73
Distribution costs	(37,342.00)	(26,045.00)	11,297.00	43.37	(62,540.00)	(50,434.00)	12,106.00	24.00
Administrative expenses	(52,930.00)	(41,322.00)	11,608.00	28.09	(102,862.00)	(86,948.00)	15,914.00	18.30
Profit from operating activities	**304,589.00**	**24,043.00**	**280,546.00**	**1,166.85**	**434,660.00**	**46,973.00**	**380,821.51**	**810.64**
Finance costs	(3,517.00)	(4,328.00)	(811.00)	(18.74)	(7,017.00)	(8,541.00)	(1,524.00)	(17.84)
Share of profit (loss) of joint ventures	(1,173.00)	(1,382.00)	(209.00)	(15.12)	(2,361.00)	(1,633.00)	728.00	44.58
Profit before income tax expense	**299,899.00**	**18,333.00**	**281,566.00**	**1,535.84**	**425,282.00**	**36,799.00**	**382,345.51**	**994.74**
Income tax expense	(60,969.00)	(3,271.00)	(57,698.00)	1,763.93	(86,329.00)	(6,285.00)	80,044.00	1,273.57
Profit for the period	**238,930.00**	**15,062.00**	**223,868.00**	**1,486.31**	**338,953.00**	**30,514.00**	**302,301.51**	**940.23**
Allocation of profit (loss)								
Portion attributable to owners of the parent	**238,703.00**	**14,751.00**	**223,952.00**	**1,518.22**	**338,412.00**	**29,908.00**	308,504.00	**1,031.51**
Portion attributable to non-controlling interests of subsidiaries	**227.00**	**311.00**	**(84.00)**	**(27.01)**	**541.00**	**606.00**	(65.00)	**(10.73)**
Basic earnings per share (Baht per share)	**0.2200**	**0.0140**	**0.2060**	**1,471.43**	**0.3120**	**0.0280**	**0.2840**	**1,014.29**
Gross profit margin (%)	**39.25%**	**12.67%**		**26.57%**	**9.54%**	**9.05%**		**0.49%**
Net profit margin (%)	**23.92%**	**2.15%**		**21.77%**	**19.03%**	**2.11%**		**16.92%**

➢ Revenue from Sales and Services

For the six-month period ended June 30, 2026: The Company and its subsidiaries recorded sales revenue of THB 1,781.31 million, compared to THB 1,446.77 million for the period ended June 30, 2025, representing an increase of THB 334.54 million or 23.12%. This growth was driven by a smaller increase in the average cost of goods sold per kilogram compared to the average selling price per kilogram, particularly in the general chemical group (Solvent) and specialty chemical groups compared to the same period last year, despite a slight decrease in overall sales volume.

For the three-month period ended June 30, 2026: The Company and its subsidiaries recorded sales revenue of THB 998.86 million, compared to THB 699.24 million for the period ended June 30, 2025, representing an increase of THB 299.62 million or 42.85%. This was due to the average cost of goods sold per kilogram increasing less than the average selling price per kilogram. The average selling price rose substantially in line with market prices compared to the same period last year, particularly in the general chemical group (Solvent) and specialty chemical groups.

➢ Gross Profit

For the six-month period ended June 30, 2026: The Company and its subsidiaries achieved a gross profit of THB 596.55 million, compared to THB 181.09 million for the period ended June 30, 2025, representing an increase of THB 415.46 million or 229.41%. This increase was primarily due to the Company's ability to procure goods at appropriate costs, combined with rising market prices driven by market volatility and the conflict in the Middle East. Meanwhile, the Company expanded its storage capacity following the completion of the new warehouse facility, which allowed the Company to manage inventory and respond to market conditions more effectively, particularly in the general chemical group (Solvent) and specialty chemical groups.

For the three-month period ended June 30, 2026: The Company and its subsidiaries achieved a gross profit of THB 392.03 million, compared to THB 88.63 million for the period ended June 30, 2025, representing an increase of THB 303.41 million or 342.34%. The growth in gross profit compared to the same period last year was driven by selling inventory procured during Q1/2026 in Q2/2026. This was combined with rising market prices due to market volatility and the conflict in the Middle East, which led to an increase in the average selling price per kilogram. Meanwhile, the cost of goods remained at appropriate levels, resulting in higher gross profit, particularly in the general chemical group (Solvent) and specialty chemical groups.

➢ Distribution Costs

For the six-month and three-month periods ended June 30, 2026: The Company and its subsidiaries incurred distribution costs of THB 62.54 million and THB 37.34 million, respectively, representing increases of THB 12.11 million (24.00%) and THB 11.30 million (43.37%) compared to the same periods last year. This was due to increases in transportation expenses, promotional expenses, and fuel expenses, which varied in line with the growth in revenue.

➢ Administrative Expenses

For the six-month and three-month periods ended June 30, 2026: The Company and its subsidiaries' administrative expenses amounted to THB 102.86 million and THB 52.93 million, respectively, representing increases of THB 15.91 million (18.30%) and THB 11.61 million (28.09%) compared to the same periods last year. This increase was mainly due to higher personnel expenses (salaries and wages) resulting from the expansion of the new warehouse, as well as increased depreciation following the transfer of assets, buildings, and equipment for the new warehouse facility. Other contributing factors included building repairs and other maintenance expenses, and other service fees, which raised overall administrative expenses compared to the same period last year. Nevertheless, the Company maintained appropriate control over its expenditures. The increases in expenses over the past three-month and six-month periods were in line with the growth in revenue.

➢ Financial Costs

For the six-month and three-month periods ended June 30, 2026: The Company and its subsidiaries incurred financial costs of THB 7.02 million and THB 3.52 million, respectively, representing decreases of THB 1.52 million (17.84%) and THB 0.81 million (18.74%) compared to the same periods last year. This reduction was due to the early repayment of short-term loans as sufficient working capital became available to gradually repay financial institutions, leading to a decrease in the utilization of short-term loans, combined with downward adjustments in interest rates by financial institutions.

➢ Net Profit

For the six-month period ended June 30, 2026: The Company and its subsidiaries recorded a net profit attributable to owners of the parent of THB 338.41 million, compared to THB 29.91 million for the period ended June 30, 2025, representing an increase of THB 308.50 million or 1,031.51%. This significant growth was driven by effective inventory and sales management, where goods procured in Q1/2026 were sold during Q2/2026, a period when market prices surged due to market volatility and the Middle East conflict. This resulted in an increase in the average selling price per kilogram that exceeded the increase in the average cost of goods sold per kilogram. Combined with appropriate expenditure controls, this led to a significant year-on-year increase in both gross profit and net profit for the six-month period.

For the three-month period ended June 30, 2026: The Company and its subsidiaries recorded a net profit attributable to owners of the parent of THB 238.70 million, compared to THB 14.75 million for the period ended June 30, 2025, representing an increase of THB 223.95 million or 1,518.22%. This was because market prices surged during Q2/2026 due to market volatility and the Middle East conflict, which boosted the average selling price of products. Additionally, the Company and its subsidiaries managed inventory and sales effectively by closely monitoring market situations and information, maintaining sufficient inventory to meet customer demands, and implementing appropriate expenditure controls. These factors contributed to a significant year-on-year increase in net profit for the three-month period.

Statement of Financial Position

(Unit : Million Baht)	As of June 30 June	As of December 31 December	Change Increase (Decrease)	
	2026	2025	Amount	%
Total Assets	2,115,441.00	1,693,205.00	422,236.00	24.94
Total Liabilities	995,071.00	895,534.00	99,537.00	11.11
Shareholders' Equity	1,120,370.00	797,671.00	322,699.00	40.46

➢ Assets

As of June 30, 2026, the Company and its subsidiaries had total assets of THB 2,115.44 million, compared to total assets of THB 1,693.21 million as of December 31, 2025, representing an increase of THB 422.24 million or 24.94%. The primary reasons were:

1. Trade and Other Receivables increased by THB 414.88 million or 83.76, primarily driven by sales in the general chemical group (Solvent). This increase in trade receivables aligns with the growth in sales in Q2/2026 compared to Q4/2025, which was mainly driven by higher average selling prices (while sales volume decreased).
2. Inventories increased by THB 62.71 million or 20.90%, resulting from the rising prices of goods imported from overseas towards the end of the period. These primarily consist of general chemicals (Solvents) and plastic resins.
3. Cash and Cash Equivalents decreased by THB 60.44 million or 24.68% from the end of the previous fiscal period, primarily due to net cash outflows from financing activities. The reduction in cash from financing activities was mainly driven by dividend payments to shareholders and payments of lease liabilities.

➢ Liabilities

As of June 30, 2026, the Company and its subsidiaries had total liabilities of THB 995.07 million, compared to total liabilities of THB 895.53 million as of December 31, 2025, representing an increase of THB 99.54 million or 11.11%. The primary reasons were:

1. Trade and Other Current Payables increased by THB 23.04 million or 12.69%, due to the procurement of chemical products towards the end of the period combined with price increases in those product groups, namely the general chemical group (Solvent) and specialty chemical groups.
2. Short-term Loans from Financial Institutions decreased by THB 0.26 million or 0.04%, following repayments upon maturity of short-term loans from financial institutions for the procurement of goods from overseas during the period.

➢ Shareholders' Equity

As of June 30, 2026, total shareholders' equity was THB 1,120.37 million, compared to total shareholders' equity of THB 797.67 million as of December 31, 2025, representing an increase of THB 322.70 million or 40.46%. This increase resulted from the net profit generated from the Company's operations.

➢ Key Events and Sustainable Developments in 2026

The company passed the verification and certification of its greenhouse gas emissions report in accordance with the ISO 14064-1 standard by the ISO Certification Institute on July 19, 2026.

Best regards

(Mr. Perapol Suwannapasri)

Managing Director