



บริษัท ลำสูง (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 September 2019**

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 September 2019. Total revenues were Baht 1,492.4 million, compared to the same period of 2018 with revenues at Baht 1,685.7 million, decreasing by 11.5%. The Profit attributable to equity holders of the Company was Baht 125.5 million, compared to the same period of 2018 with the Profit at Baht 74.9 million, increasing by 67.5%.

The Company would like to submit the management discussion and financial performance analysis and explanation for the three-month period ended 30 September 2019.

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)
Managing Director

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Interim Management Discussion and Analysis For the three-month period ended 30 September 2019

Financial performance analysis and explanation

For the three-month period ended 30 September 2019, the Company's sales decreased by Baht 124.6 million or 10.5% compared to the same period of 2018 while cost of sales ratio decreased from 85.8% to 79.2%. As a result, the company had profit for the period at Baht 107.0 million, an increase of 45.1 million Baht or 72.8%.

The subsidiary company (UPOIC)'s sales increased by Baht 5.8 million or 5.0% from Q3/2018 since sales volume of CPO increased by 46.9% whereas sales volume and the average selling price of CPKO decreased by 64.7% and 35.3% respectively.

For its subsidiary company (UFC), sales decreased by Baht 53.4 million or 11.6%, driven by a decrease in sales of beverages Baht 30.9 million. Sales of canned fruits and vegetables decreased by Baht 23.1 million. Profit for the period decreased by Baht 15.7 million or 46.2%.

As reasons above, profit attributable to equity holders of the Company for the period was Baht 125.5 million, increasing by Baht 50.6 million or 67.5% (Q3/2018: Baht 74.9 million). Profit ratio for the period was 8.4% (Q3/2018: 4.4%).

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

1. Revenues

Sales and service income : Sales and service income under the Company and its subsidiaries for the period decreased by Baht 192.1 million or 11.5%. Sales and service income of LST decreased by Baht 124.6 million or 10.5%, resulted from the decrease in the average selling price 11.8%, while sales volume increased 1.6%.

Other income : The Company and its subsidiaries had income other than those generated by normal operation Baht 14.0 million or 0.9% of total revenues (Q3/2018: Baht 15.2 million)

2. Expenses

Cost of sales and service : The Company and its subsidiaries recorded cost of sales and service for the period at 79.9% of total sales (Q3/2018: 84.9%). Cost of sales and service under LST was 79.2% (Q3/2018: 85.8%) because average unit cost of CPO declined by 11.1%.

Plantation subsidiary (UPOIC) recorded cost of sales and service at Baht 120.7 million, decreasing by Baht 21.3 million or 15.0% from Q3/2018 because the average FFB cost has dropped. The subsidiary company (UFC) recorded cost of sales and service at 84.7% of total sales (Q3/2018: 80.1%).

Selling expenses : The Company and its subsidiaries recorded selling expenses at Baht 107.5 million (Q3/2018: Baht 124.5 million), decreasing by Baht 17.1 million.

Administrative expenses : Administrative expenses of the Company and its subsidiaries were Baht 48.9 million (Q3/2018: Baht 53.4 million), decreasing by Baht 4.5 million.

Loss from change in fair value of biological assets : The subsidiary (UPOIC) realized loss from change in fair value of biological assets of Baht 4.4 million (Q3/2018: loss Baht 9.3 million).

Interim Management Discussion and Analysis For the three-month period ended 30 September 2019

3. Profits

Gross profit (GP) : GP of the Company and its subsidiaries increased by Baht 45.0 million or 17.8%. The consolidated GP was 20.1% of total sales (Q3/2018: 15.1%). For the Company itself, GP increased by Baht 52.2 million.

Profit for the period : Profit attributable to equity holders of the Company for the three-month period ended 30 September 2019 was Baht 125.5 million (Q3/2018: Baht 74.9 million), increasing by Baht 50.6 million or 67.5%, with profit of 8.4% of total revenues (Q3/2018: 4.4%).