

-TRANSLATION-

13 August 2021

Subject : Management Discussion and Analysis for Q2/2021

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q2/2021, the company and its subsidiaries have the total revenue from sales in amount of Baht 2,715.4 million which is increasing from the 2020 at equivalence of Baht 661.4 million, about 32%. These caused, revenue from sales of domestic and export increased about 47% and 29% respectively.

Analysis of Profit (Loss) of company and its subsidiaries

The Q2/2021, the company and its subsidiaries have profit for the period of Baht 342.8 million as compared to the 2020, the company and its subsidiaries have loss for the period of Baht 34.9 million, profit increased Baht 377.6 million or 1,082% for the following main reasons;

1. The total sales has increased of Baht 661.4 million, due to sales volume of Particleboard has increased by 145%. The average price of MDF Board and Particleboard have increased by 25%.
2. Cost of sales of Baht 1,952.2 million, increased of Baht 224.7 million, due to increased sales volume of Particleboard.

Financial status

Total assets

As of 30 June 2021, the total assets of the company and its subsidiaries were Baht 20,181.1 million, increased by Baht 1,883.6 million compared to the total assets of Baht 18,297.5 million in 2020. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items increased by Baht 1,206.6 million.
2. Trade and other receivable increased by Baht 379.6 million.
3. Revenue Department receivable increased by Baht 55.9 million.
4. Inventories increased by Baht 379.9 million, due to the increased of finished goods Baht 220.6 million, work in process Baht 56.8 million, raw materials Baht 54.4 million, supplies Baht 18.4 million and goods in transit Baht 29.7 million.
5. Maintenance supplies increased by Baht 35.5 million.

6. Property, Plant and equipment decreased by Baht 69.9 million.
7. Right-of-use assets decreased by Baht 103.4 million.
8. Deferred tax assets increased by Baht 3.3 million.

Total Liabilities

As of 30 June 2021, the total liabilities of the company and its subsidiaries were Baht 13,433.1 million, increased by Baht 1,156.8 million, compared to the total liabilities of Baht 12,276.3 million in 2020.

The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions increased by Baht 105.2 million.
2. Trade and other payable increased by Baht 48.1 million.
3. Advances received from customers increased by Baht 811.7 million.
4. Short-term loans from related parties decreased by Baht 45.0 million.
5. Accrued income tax payable increased by Baht 1.6 million.
6. Long-term loans from financial institutions increased by Baht 319.0 million.
7. Lease liabilities decreased by Baht 102.7 million.
8. Employee benefit obligations increased by Baht 18.1 million.
9. Deferred tax liabilities increased by Baht 4.7 million.

Total shareholder's equity

As of 30 June 2021, the total shareholder's equity of the company and its subsidiaries were Baht 6,748.0 million, increased by Baht 726.8 million, compared to the total shareholders' equity of Baht 6,021.2 million in 2020, due to increased of share capital of the company and net profit from operating.

As of 30 June 2021, the debt to equity ratio was 1.99:1, decreased by 0.05 times compared to that of 2.04:1 in 2020, due to increased of share capital of the company, increased of loans from financial institutions, decreased lease liabilities and operating results with increased retained earnings.

Liquidity

Cash flow

The Q2/2021, the company and its subsidiaries have cash flow received from operating activities Baht 1,440.5 million, cash flow used in investing activities Baht 429.6 million and cash flow used in financing activities Baht 256.7 million, cash and cash equivalent items as of the ended 30 June 2021 is Baht 1,849.7 million, increased from the Q2/2020 by Baht 1,206.6 million as summarized:

1. Net cash received from operating activities is Baht 1,440.5 million, increased by Baht 1,115.7 million, because of increased of profit from operation before change in operating assets and liabilities by Baht 736.7 million, increased of operating assets Baht 386.1 million and increased of operating liabilities Baht 764.5 million.
2. Net cash used in investing activities is Baht 429.6 million, decreased by Baht 176.8 million, due to the payment of investment projects decreased.
3. Net cash used in financing activities is Baht 256.7 million, increased of cash used in Baht 810.9 million, because of decreased of short-term loans from financial institutions by Baht 411.7 million, decreased of short-term loans from related parties by Baht 45.0 million, decreased of cash received from long-term loans from financial institutions by Baht 501.0 million, decreased of cash paid for long-term loans from financial institutions by Baht 155.0 million, increased of cash paid for lease liabilities by Baht 7.9 million, increased of cash paid for interest expenses by Baht 0.3 million.

Please be acknowledged for your information.

Sincerely Yours,

(Mr.Wanthana Jaroennawarat)

Director