

-TRANSLATION-

12 November 2021

Subject : Management Discussion and Analysis for Q3/2021

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q3/2021, the company and its subsidiaries have the total revenue from sales in amount of 3,303.5 million baht which is increased from the 2020 at equivalence of 1,237.3 million baht, about 60%. These caused, revenue from sales of export increased about 84%.

Analysis of Profit (Loss) of company and its subsidiaries

The Q3/2021, the company and its subsidiaries have profit for the period of 500.3 million baht as compared to the 2020, the company and its subsidiaries have loss for the period of 188.0 million baht, profit increased 688.3 million baht or 366% for the following main reasons;

1. The total sales has increased of 1,237.3 million baht, due to sales volume of MDF Board has increased by 51%. The average price of MDF Board and Particleboard have increased by 33% and 43% respectively.
2. Cost of sales of 2,295.6 million baht, increased of 459.1 million baht, due to increased sales volume of MDF Board.

Financial status

Total assets

As of 30 September 2021, the total assets of the company and its subsidiaries were 20,301.7 million baht, increased by 1,185.3 million baht compared to the total assets of 19,116.4 million baht in 2020. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items increased by 774.8 million baht.
2. Trade and other receivable decreased by 83.5 million baht.
3. Revenue Department receivable increased by 68.8 million baht.
4. Inventories increased by 698.4 million baht, due to the increased of finished goods 476.6 million baht, work in process 7.3 million baht, raw materials 207.4 million baht, supplies 26.2 million baht and decreased of goods in transit 19.2 million baht.
5. Maintenance supplies increased by 37.1 million baht.

6. Property, Plant and equipment decreased by 204.7 million baht.
7. Right-of-use assets decreased by 103.5 million baht.
8. Deferred tax assets increased by 2.5 million baht.

Total Liabilities

As of 30 September 2021, the total liabilities of the company and its subsidiaries were 13,227.0 million baht, increased by 568.8 million baht, compared to the total liabilities of 12,658.1 million baht in 2020. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased by 140.2 million baht.
2. Trade and other payable increased by 99.9 million baht.
3. Advances received from customers increased by 584.1 million baht.
4. Short-term loans from related parties decreased by 45.0 million baht.
5. Income tax payables increased by 16.8 million baht.
6. Long-term loans from financial institutions increased by 142.5 million baht.
7. Lease liabilities decreased by 102.4 million baht.
8. Employee benefit obligations increased by 18.4 million baht.
9. Deferred tax liabilities decreased by 4.4 million baht.

Total shareholder's equity

As of 30 September 2021, the total shareholder's equity of the company and its subsidiaries were 7,074.7 million baht, increased by 616.5 million baht, compared to the total shareholders' equity of 6,458.3 million baht in 2020, due to operating results with net profit.

As of 30 September 2021, the debt to equity ratio was 1.87:1, decreased by 0.09 times compared to that of 1.96:1 in 2020, due to increased and repayment of long-term loans from financial institutions, decreased lease liabilities and operating results with increased retained earnings.

Liquidity

Cash flow

For the nine-month period ended 30 September 2021, the company and its subsidiaries have cash flow received from operating activities 1,961.0 million baht, cash flow used in investing activities 616.2 million baht and cash flow used in financing activities 503.7 million baht, cash and cash equivalent items as of the ended 30 September 2021 is 1,936.8 million baht, increased from as of 30 September 2020, equal to 774.8 million baht as summarized:

1. Net cash received from operating activities is 1,961.0 million baht, increased by 1,699.8 million baht, because of increased of profit from operation before change in operating assets and liabilities by 1,393.7 million baht, increased of operating assets 232.2 million baht and increased of operating liabilities 539.0 million baht.
2. Net cash used in investing activities is 616.2 million baht, decreased by 377.8 million baht, due to the payment of investment projects decreased.
3. Net cash used in financing activities is 503.7 million baht, increased of cash used 2,027.9 million baht, because of decreased of short-term loans from financial institutions by 656.2 million baht, decreased of short-term loans from related parties by 45.0 million baht, decreased of cash received from long-term loans from financial institutions by 516.0 million baht, increased of cash paid for long-term loans from financial institutions by 6.5 million baht, decreased of cash received from increase of share capital Baht 630.9 million, increased of dividend paid by 173.5 million bant, decreased of cash paid for interest expenses by 0.5 million baht.

Please be acknowledged for your information.

Sincerely Yours,

(Mr.Wanthana Jaroennawat)

Director