

-TRANSLATION-

22 February 2022

Subject : Management Discussion and Analysis for 2021

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the 2021, the company and its subsidiaries have the total revenue from sales in amount of 12,987.7 million baht which is increased from the 2020 at equivalence of 4,666.6 million baht, about 56%. These caused, revenue from sales of domestic and export increased about 14% and 70% respectively.

Analysis of Profit (Loss) of company and its subsidiaries

In 2021, the company and its subsidiaries have profit for the year of 1,308.4 million baht as compared to the 2020, the company and its subsidiaries have loss for the year of 594.7 million baht, profit increased 1,903.2 million baht or 320% for the following main reasons;

1. The total sales has increased of 4,666.6 million baht, due to sales volume of MDF Board and Particleboard have increased by 26% and 39% respectively. The average price of MDF Board and Particleboard have increased by 26% and 27% respectively.
2. Cost of sales of 9,746.9 million baht, increased of 2,437.6 million baht, due to increased sales volume of MDF Board and Particleboard.

Financial status

Total assets

As of 31 December 2021, the total assets of the company and its subsidiaries were 20,041.5 million baht, increased by 1,181.8 million baht compared to the total assets of 18,859.7 million baht in 2020. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items increased by 386.1 million baht.
2. Trade and other receivable increased by 468.2 million baht.
3. Revenue Department receivable increased by 101.5 million baht.
4. Inventories increased by 553.3 million baht, due to the increased of finished goods 561.0 million baht, raw materials 79.2 million baht, decreased of work in process 22.2 million baht, supplies 36.5 million baht and goods in transit 28.2 million baht.

5. Maintenance supplies increased by 16.3 million baht.
6. Property, Plant and equipment decreased by 417.2 million baht.
7. Right-of-use assets increased by 72.2 million baht.
8. Deferred tax assets increased by 3.7 million baht.

#### Total Liabilities

As of 31 December 2021, the total liabilities of the company and its subsidiaries were 12,630.9 million baht, increased by 46.9 million baht, compared to the total liabilities of 12,584.0 million baht in 2020. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased by 607.6 million baht.
2. Trade and other payable increased by 583.0 million baht.
3. Advances received from customers increased by 41.4 million baht.
4. Income tax payables increased by 26.2 million baht.
5. Long-term loans from financial institutions decreased by 95.3 million baht.
6. Lease liabilities increased by 77.2 million baht.
7. Employee benefit obligations increased by 26.9 million baht.
8. Deferred tax liabilities decreased by 4.4 million baht.

#### Total shareholder's equity

As of 31 December 2021, the total shareholder's equity of the company and its subsidiaries were 7,410.6 million baht, increased by 1,134.9 million baht, compared to the total shareholders' equity of 6,275.7 million baht in 2020, due to operating results with net profit and the distribution of an interim dividend in the year 2021.

As of 31 December 2021, the debt to equity ratio was 1.70:1, decreased by 0.31 times compared to that of 2.01:1 in 2020, due to increased of trade and other payable, decreased of long-term loans from financial institutions and operating results with increased retained earnings.

Liquidity

Cash flow

For the year ended 31 December 2021, the company and its subsidiaries have cash flow received from operating activities 2,417.3 million baht, cash flow used in investing activities 799.0 million baht and cash flow used in financing activities 1,232.1 million baht, cash and cash equivalent items as of the ended 31 December 2021 is 1,481.8 million baht, increased from as of 31 December 2020, equal to 386.1 million baht as summarized:

1. Net cash received from operating activities is 2,417.3 million baht, increased by 1,982.4 million baht, because of increased of profit from operation before change in operating assets and liabilities by 2,033.0 million baht, increased of operating assets 523.0 million baht and increased of operating liabilities 474.6 million baht.
2. Net cash used in investing activities is 799.0 million baht, decreased by 391.3 million baht, due to the payment of investment projects decreased.
3. Net cash used in financing activities is 1,232.1 million baht, The amount of cash used grew to 2,712.7 million baht, because of increased of cash paid for long-term loans from financial institutions by 383.4 million baht, increased of cash paid for lease liabilities by 5.7 million baht, increased of cash paid for interest expenses by 16.5 million baht, increased of dividend paid by 173.5 million baht, decreased of short-term loans from financial institutions by 1,125.7 million baht, decreased of cash received from long-term loans from financial institutions by 377.0 million baht and decreased of cash received from increase of share capital Baht 630.9 million

Please be acknowledged for your information.

Sincerely Yours,

(Mr.Wanthana Jaroennawarat)

Director