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9 May 2022

Subject : Management Discussion and Analysis for Q1/2022

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q1/2022, the company and its subsidiaries have the total revenue from sales in amount of Baht 3,540.0 million which is increasing from the 2021 at equivalence of Baht 400.2 million, about 13%.

Analysis of profit of company and its subsidiaries

The Q1/2022, the company and its subsidiaries have profit for the period of Baht 323.5 million as compared to the 2021, the company and its subsidiaries have profit for the period of Baht 129.5 million, profit increased Baht 194.0 million or 150% for the following main reasons;

1. The total sales has increased of Baht 400.2 million, due to sales volume of Particleboard has increased by 29%. The average price of MDF Board and Particleboard have increased by 29% and by 28% respectively.
2. Cost of sales of Baht 2,778.8 million, increased of Baht 236.1 million, due to increased sales volume of Particleboard.

Financial status

Total assets

As of 31 March 2022, the total assets of the company and its subsidiaries were Baht 21,014.5 million, increased by Baht 1,642.5 million compared to the total assets of Baht 19,372.0 million in 2021. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items increased by Baht 323.6 million.
2. Trade and other receivable increased by Baht 363.8 million.
3. Revenue Department receivable increased by Baht 60.6 million.
4. Inventories increased by Baht 1,191.9 million, due to the increased of finished goods of Baht 1,102.5 million, work in process of Baht 64.2 million, goods in transit of Baht 55.9 million, decreased of raw materials of Baht 21.9 million and supplies of Baht 8.7 million.
5. Maintenance supplies decreased by Baht 11.1 million.

6. Property, Plant and equipment decreased by Baht 370.6 million.
7. Right-of-use assets increased by Baht 84.7 million.
8. Intangible assets increased by Baht 0.4 million.
9. Deferred tax assets increased by Baht 0.6 million.

Total Liabilities

As of 31 March 2022, the total liabilities of the company and its subsidiaries were Baht 13,264.3 million, increased by Baht 297.5 million, compared to the total liabilities of Baht 12,966.8 million in 2021. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased by Baht 450.4 million.
2. Trade and other payable increased by Baht 343.8 million.
3. Advances received from customers increased by Baht 507.4 million.
4. Income tax payables increased by Baht 37.7 million.
5. Long-term loans from financial institutions decreased by Baht 224.7 million.
6. Lease liabilities increased by Baht 88.4 million.
7. Employee benefit obligations increased by Baht 8.0 million.
8. Deferred tax liabilities decreased by Baht 10.1 million.

Total shareholder's equity

As of 31 March 2022, the total shareholder's equity of the company and its subsidiaries were Baht 7,750.2 million, increased by Baht 1,345.0 million, compared to the total shareholders' equity of Baht 6,405.2 million in 2021, due to operating results with net profit.

As of 31 March 2022, the debt to equity ratio was 1.71:1, decreased by 0.31 times compared to that of 2.02:1 in 2021, due to increased of trade and other payable, increased of advances received from customers, increased of lease liabilities, decreased of loans from financial institutions and operating results with increased retained earnings.

Liquidity

Cash flow

The Q1/2022, the company and its subsidiaries have cash flow received from operating activities Baht 589.5 million, cash flow used in investing activities Baht 174.0 million and cash flow used in financing activities Baht 35.8 million, cash and cash equivalent items as of the ended 31 March 2022 is Baht 1,861.4 million, increased from the Q1/2021 by Baht 323.6 million as summarized;

1. Net cash received from operating activities is Baht 589.5 million, decreased by Baht 136.4 million, because of increased of profit from operation before change in operating assets and liabilities by Baht 293.0 million, increased operating assets Baht 537.5 million and increased operating liabilities Baht 107.8 million.
2. Net cash used in investing activities is Baht 174.0 million, decreased by Baht 47.7 million, due to the payment of investment projects decreased.
3. Net cash used in financing activities is Baht 35.8 million, decreased by Baht 26.1 million, because of increased of short-term loans from financial institutions by Baht 163.8 million, decreased of long-term loans from financial institutions by Baht 129.4 million, decreased of cash paid for lease liabilities by Baht 3.4 million, increased of cash paid for interest expenses by Baht 11.7 million.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)

Director