

Ref. DBP. 067 / 2022

August 10, 2022

Subject : Clarification on Operating Results for the 2nd quarter and 6-month Period ending June 30, 2022

To : President

The Stock Exchange of Thailand

Diamond Building Products Public Company Limited and its Subsidiary (together referred to as “Corporate Group”) would like to clarify on the operating results according to the consolidated financial statements for the 2nd quarter and 6-month Period ending June 30, 2022 as follows.

The net profit of the Corporate Group for the 2nd quarter and 6-month Period ending June 30, 2022 were Baht 186.13 million and Baht 378.07 million, respectively. In comparison with the same periods of previous year with the net profit of Baht 178.53 million and Baht 374.50 million, respectively, the net profit increased by Baht 7.60 million or an increase of 4.26 percent for the 2nd quarter and for the 6-month period, the net profit increased by Baht 3.57 million or an increase of 0.95 percent.

Details of the changes or impacts are described in the Management Discussion and Analysis (MD&A) as attached herewith.

Please be informed accordingly.

Yours faithfully,

For and on behalf of Diamond Building Products Public Company Limited

(Mr. Satid Sudbuntad)

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DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
MANAGEMENT DISCUSSION AND ANALYSIS

(For the Consolidated Financial Statements of the 2nd Quarter Ending June 30, 2022)

(1) Overall Operating Results

The Company and its subsidiary company (together referred to as the “Corporate Group”) have overall operating results for the 2nd quarter and 6-month period ending June 30, 2022, which can be summarized as follows.

(1.1) For the 2nd quarter 2022, the revenue from sales and services of the Corporate Group totaled Baht 1,368.31 million, which increased from the same period of previous year by 5.16 percent and the net profit was Baht 186.13 million, which increased from the same period of previous year by 4.26 percent.

(1.2) For the 6-month period of year 2022, the revenue from sales and services of the Corporate Group totaled Baht 2,747.49 million, which increased from the same period of previous year by 4.42 percent and the net profit was Baht 378.07 million, which increased from the same period of previous year by 0.95 percent.

The revenue has increased due to the adjustment of selling prices as there were increases in the price of raw materials and energy costs resulting from the conflict between Russia and Ukraine. Nonetheless, the Corporate Group still manages its product mix, machine availability rate, production costs and operating expenses, as well as continues to make investments with prudence, resulting in the Corporate Group being able to maintain its gross margin within good criteria and achieve an increase in net profit.


(2) Analysis of Operating Results and Profitability


(2.1) Revenues from Sales and Services


Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
2nd Quarter (April – June)						
Revenues from Sales	1,263.80	92.15	1,205.89	92.33	57.91	4.80
Revenues from Services	104.51	7.62	95.24	7.29	9.27	9.73
Total Revenue from Sales and Services	1,368.31	99.77	1,301.13	99.62	67.18	5.16
Gain on Sales of Fixed Assets	0.02	-	2.31	0.18	(2.29)	(99.13)
Gain on Foreign Exchange Rate – Net	1.04	0.08	-	-	1.04	-
Other Income	2.15	0.15	2.66	0.20	(0.51)	(19.17)
Total Other Income	3.21	0.23	4.97	0.38	(1.76)	(35.41)
Total Revenue	1,371.52	100.00	1,306.10	100.00	65.42	5.01

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
6-Month Period (January – June)						
Revenues from Sales	2,544.15	92.39	2,444.28	92.68	99.87	4.09
Revenues from Services	203.34	7.38	186.98	7.09	16.36	8.75
Total Revenue from Sales and Services	2,747.49	99.77	2,631.26	99.77	116.23	4.42
Gain on Sales of Fixed Assets	0.04	-	2.37	0.09	(2.33)	(98.31)
Gain on Foreign Exchange Rate – Net	1.60	0.06	-	-	1.60	-
Other Income	4.60	0.17	3.68	0.14	0.92	25.00
Total Other Income	6.24	0.23	6.05	0.23	0.19	3.14
Total Revenue	2,753.73	100.00	2,637.31	100.00	116.42	4.41


The Corporate Group's total revenue in the 2nd Quarter 2022 increased from the same period of previous year by 5.01 percent, consisting of:


 Revenues from sales were Baht 1,263.80 million, which increased from the same period of previous year by Baht 57.91 million or 4.80 percent, due to increase in revenues from product sales through group of housing project of 26.53 percent, group of domestic distribution agents of 5.81 percent and group of modern trade customers of 4.41 percent.


 Revenues from services were Baht 104.51 million, which increased from the same period of previous year by Baht 9.27 million or 9.73 percent, due to the revenue from transportation increased by Baht 5.08 million and the increase in revenue from services of Baht 4.19 million.

 Other income was Baht 3.21 million, which decreased from the same period of previous year by Baht 1.76 million or 35.41 percent, due to the decrease in gain on sales of fixed assets of Baht 2.29 million and decrease in other income of Baht 0.51 million but there was a gain on foreign exchange rate of Baht 1.04 million.

The Corporate Group's total revenue in the 6-month period of year 2022 increased from the same period of previous year by 4.41 percent, consisting of:

 Revenues from sales were Baht 2,544.15 million, which increased from the same period of previous year by Baht 99.87 million or 4.09 percent, due to increase in revenues from product sales through group of housing project of 22.47 percent, group of domestic distribution agents of 4.78 percent and group of modern trade customers of 3.59 percent.


 Revenues from services were Baht 203.34 million, which increased from the same period of previous year by Baht 16.36 million or 8.75 percent, due to the revenue from transportation increased by Baht 8.84 million and the increase in revenue from services of Baht 7.52 million.


 Other income was Baht 6.24 million, which increased from the same period of previous year by Baht 0.19 million or 3.14 percent, due to the gain on foreign exchange rate of Baht 1.60 million and increase in other income of Baht 0.92 million but there was a decrease in gain on sales of fixed assets of Baht 2.33 million.

(2.2) Cost of Sales and Services


Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
2nd Quarter (April – June)						
Cost of Sales	860.22	62.87	801.36	61.59	58.86	7.35
Cost of Services	109.98	8.04	95.03	7.30	14.95	15.73
Total Cost of Sales and Services	970.20	70.90	896.39	68.89	73.81	8.23
6-Month Period (January – June)						
Cost of Sales	1,743.35	63.45	1,638.19	62.26	105.16	6.42
Cost of Services	213.51	7.77	186.93	7.10	26.58	14.22
Total Cost of Sales and Services	1,956.86	71.22	1,825.12	69.36	131.74	7.22


The Corporate Group's total cost of sales and services in the 2nd Quarter 2022 increased from the same period of previous year by 8.23 percent, consisting of:

 Cost of sales was Baht 860.22 million, which increased from the same period of previous year by Baht 58.86 million or 7.35 percent, due to the increase in product sales volume of 2.73 percent and increases in the costs of raw materials and energy.

 Cost of services was Baht 109.98 million, which increased from the same period of previous year by Baht 14.95 million or 15.73 percent, due to the increase in the transportation cost of Baht 9.11 million and increase in cost of services of Baht 5.84 million.

The Corporate Group's total cost of sales and services in the 6-month period of year 2022 increased from the same period of previous year by 7.22 percent, consisting of:

 Cost of sales was Baht 1,743.35 million, which increased from the same period of previous year by Baht 105.16 million or 6.42 percent, due to the increase in product sales volume of 0.69 percent and increases in the costs of raw materials and energy.


 Cost of services was Baht 213.51 million, which increased from the same period of previous year by Baht 26.58 million or 14.22 percent, due to the increase in the transportation cost of Baht 16.67 million and increase in cost of services of Baht 9.91 million.


(2.3) Selling and Administrative Expenses


Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
2nd Quarter (April – June)						
Selling Expenses	37.56	2.74	34.00	2.61	3.56	10.47
Administrative Expenses	115.66	8.45	134.07	10.30	(18.41)	(13.73)
Management's Remuneration*	13.83	1.01	15.18	1.17	(1.35)	(8.89)
Total Selling and Administrative Expenses	167.05	12.21	183.25	14.08	(16.20)	(8.84)

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
6-Month Period (January – June)						
Selling Expenses	70.08	2.55	65.26	2.48	4.82	7.39
Administrative Expenses	223.08	8.12	247.37	9.40	(24.29)	(9.82)
Management's Remuneration*	27.51	1.00	26.38	1.00	1.13	4.28
Total Selling and Administrative Expenses	320.67	11.67	339.01	12.88	(18.34)	(5.41)
Remarks: * Management means the director, chief executive officer or the next four executives succeeding the chief executive officer, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.						


The Corporate Group's total selling and administrative expenses in the 2nd Quarter 2022 decreased from the same period of previous year by 8.84 percent, consisting of:

 Selling expenses were Baht 37.56 million, which increased from the same period of previous year by Baht 3.56 million or 10.47 percent, due to the increase in sales promotion expenses of Baht 2.74 million, increase in salary and benefits of the employees of Baht 0.71 million, increase in travelling expenses of Baht 0.45 million, increase in fuel expenses of Baht 0.30 million, increase in depreciation and amortization of Baht 0.10 million and increase in other expenses of Baht 0.06 million, but there were decrease in service expenses of Baht 0.33 million, decrease in donation expenses of Baht 0.29 million and decrease in entertainment expenses of Baht 0.18 million.

 Administrative expenses were Baht 115.66 million, which decreased from the same period of previous year by Baht 18.41 million or 13.73 percent, due to the decrease in tax and other fees of Baht 15.23 million, decrease in salary and benefits of the employees of Baht 6.64 million, decrease in allowance for dead stock of Baht 1.13 million, decrease in the consulting fees of Baht 1.74 million, decrease in processing expenses for export products of Baht 0.80 million and decrease in service expenses of Baht 0.28 million, but there were increase in product packaging expenses of Baht 4.95 million, increase in depreciation and amortization of Baht 0.78 million, increase in technology expenses of Baht 0.78 million and increase in other expenses of Baht 0.90 million.

 Management's remunerations were Baht 13.83 million, which decreased from the same period of previous year by Baht 1.35 million or 8.89 percent, due to the appointments and retirements of executives.

The Corporate Group's selling and administrative expenses in the 6-month period of year 2022 decreased from the same period of previous year by 5.41 percent, consisting of:

 Selling expenses were Baht 70.08 million, which increased from the same period of previous year by Baht 4.82 million or 7.39 percent, due to the increase in sales promotion expenses of Baht 1.95 million, increase in salary and benefits of the employees of Baht 1.75 million, increase in travelling expenses of Baht 0.41million, increase in fuel expenses of Baht 0.63 million, increase in depreciation and amortization of Baht 0.27 million, increase in service expenses of Baht 0.02 million and increase in other

expenses of Baht 0.50 million, but there were decrease in donation expenses of Baht 0.31 million and decrease in entertainment expenses of Baht 0.40 million.



Administrative expenses were Baht 223.08 million, which decreased from the same period of previous year by Baht 24.29 million or 9.82 percent, due to the decrease in tax and other fees of Baht 15.03 million, decrease in salary and benefits of the employees of Baht 13.07 million, decrease in allowance for dead stock of Baht 6.02 million, decrease in the consulting fees of Baht 1.81 million, decrease in processing expenses for export products of Baht 0.80 million and decrease in service expenses of Baht 0.47 million, but there were increase in product packaging expenses of Baht 6.60 million, increase in depreciation and amortization of Baht 1.70 million, increase in technology expenses of Baht 1.49 million and increase in other expenses of Baht 3.12 million.





Management's remunerations were Baht 27.51 million, which increased from the same period of previous year by Baht 1.13 million or 4.28 percent, due to the appointments and retirements of executives.

(2.4) Profitability

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
2nd Quarter (April – June)						
Revenues from Sales and Services	1,368.31	100.00	1,301.13	100.00	67.18	5.16
Costs of Sales and Services	970.20	70.90	896.39	68.89	73.81	8.23
GP	398.11	29.10	404.74	31.11	(6.63)	(1.64)
EBITDA	315.22	23.04	303.87	23.35	11.35	3.74
EBIT	234.28	17.12	226.46	17.40	7.82	3.45
NP	186.13	13.60	178.53	13.72	7.60	4.26
EPS (Baht per Share) *	0.22		0.21		0.01	4.26
Weighted Average Number of Ordinary Shares (Million Shares) *	855.03		855.03		-	-
6-Month Period (January – June)						
Revenues from Sales and Services	2,747.49	100.00	2,631.26	100.00	116.23	4.42
Costs of Sales and Services	1,956.86	71.22	1,825.12	69.36	131.74	7.22
GP	790.63	28.78	806.14	30.64	(15.51)	(1.92)
EBITDA	636.82	23.18	627.03	23.83	9.79	1.56
EBIT	476.20	17.33	473.17	17.98	3.03	0.64
NP	378.07	13.76	374.50	14.23	3.57	0.95
EPS (Baht per Share) *	0.44		0.44		0.00	0.95
Weighted Average Number of Ordinary Shares (Million Shares) *	855.03		855.03		-	-
Return on Equity (ROE) (%)	33.87%		28.67%		5.20%	
Return on Assets (ROA) (%)	21.77%		17.02%		4.75%	
Remark: * Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury share						
GP = Gross Profit, EBITDA = Earnings before Interest, Tax, Depreciation & Amortization, EBIT = Earnings before Interest & Tax,						
NP = Net Profit after Tax, EPS = Net Earnings per Share						


Gross Profit (GP)


 The Corporate Group's gross profit in the 2nd Quarter 2022 was Baht 398.11 million, a decrease from the same period of previous year by Baht 6.63 million or 1.64 percent, due to the increase in revenues from sales and services of 5.16 percent but there was an increase in cost of sales and services of 8.23 percent.

 The Corporate Group's gross profit in the 6-month period of year 2022 was Baht 790.63 million, a decrease from the same period of previous year by Baht 15.51 million or 1.92 percent, due to the increase in revenues from sales and services of 4.42 percent but there was an increase in costs of sales and services of 7.22 percent.


Net Profit (NP)


The Corporate Group's net profit and net earnings per share in the 2nd Quarter 2022 as follows:

 The Corporate Group's net profit was Baht 186.13 million, an increase from the same period of previous year by Baht 7.60 million or 4.26 percent, due to the decrease in selling and administrative expenses of 8.84 percent, despite the decrease in gross profit of 1.64 percent.


 The Corporate Group's net earnings per share was Baht 0.22 per share, an increase from the same period of previous year of Baht 0.01 per share or 4.26 percent, due to increase in net profit of 4.26 percent.


The Corporate Group's net profit and net earnings per share in the 6-month period of year 2022 as follows:

 The Corporate Group's net profit was Baht 378.07 million, an increase from the same period of previous year by Baht 3.57 million or 0.95 percent, due to the decrease in selling and administrative expenses of 5.41 percent, despite the decrease in gross profit of 1.92 percent.

 The Corporate Group's net earnings per share was Baht 0.44 per share, which was equivalent to the same period of previous year due to the increase in net profit of 0.95 percent.

EBITDA

 The Corporate Group's EBITDA in the 2nd Quarter 2022 was Baht 315.22 million, an increase from the same period of previous year by Baht 11.35 million or 3.74 percent, due to the decrease in selling and administrative expenses excluding depreciation of 9.92 percent, despite the decrease in gross profit of 1.64 percent.

 The Corporate Group's EBITDA in the 6-month period of year 2022 was Baht 636.82 million, an increase from the same period of previous year by Baht 9.79 million or 1.56 percent, due to the decrease in selling and administrative expenses excluding depreciation of 6.40 percent, despite the decrease in gross profit of 1.92 percent.

Earnings Efficiency



Return on Equity (ROE): The Corporate Group's ROE increased from 28.67 percent as at end of 2021 to 33.87 percent as at June 30, 2022 or an increase of 5.20 percent, due to an increase in annualized projected annual net profit of 29.16 percent, but there was an increase in average shareholders' equity of 0.98 percent from the previous year.



Return on Assets (ROA): The Corporate Group's ROA increased from 17.02 percent as at end of 2021 to 21.77 percent as at June 30, 2022 or an increase of 4.75 percent, due to an increase in annualized projected annual net profit of 29.16 percent, but there was an increase in average total assets of 9.36 percent from the previous year.

(2.5) Financial Position

Description	Statement of Financial Position		Increase / (Decrease)	
	As at June 30, 2022	As at December 31, 2021		
	Million Baht	Million Baht	Million Baht	%
Total Assets	3,486.34	3,459.47	26.87	0.78
Total Liabilities	1,167.23	1,313.22	(145.99)	(11.12)
Total Shareholders' Equity	2,319.11	2,146.25	172.86	8.05
Weighted Average Number of Ordinary Shares (Million Shares)*	855.03	855.03	-	-
Book Value (Baht per Share)*	2.71	2.51	0.20	7.97

Remark: * Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury stock



The Corporate Group's total assets as at June 30, 2022 increased from the end of year 2021 by Baht 26.87 million or 0.78 percent, due to a net increase in trade accounts receivable and other accounts receivable of Baht 120.99 million, net increase in inventory of Baht 34.78 million, increase in intangible assets of Baht 1.62 million and increase in other current assets and other non-current assets of Baht 4.72 million but there were decrease in cash and cash in bank of Baht 1.45 million, decrease in fixed assets of Baht 121.46 million, decrease in right-of-use assets of Baht 10.89 million, decrease in deferred income tax of Baht 0.19 million and decrease in cash advance payment for purchase of assets of Baht 1.25 million.



The Corporate Group's total liabilities as at June 30, 2022 decreased from the end of year 2021 by Baht 145.99 million or 11.12 percent, due to the decrease in short-term loan of Baht 277.01 million, decrease in long-term loan of Baht 60 million, decrease in financial lease liabilities of Baht 10.93 million and decrease in other current liabilities of Baht 12.12 million, but there were increase in trade accounts payable and other accounts payable of Baht 145.12 million, increase in provision for post-employment benefits obligation of Baht 2.89 million and increase in current income tax payable of Baht 66.06 million.



The Corporate Group's total shareholders' equity as at June 30, 2022 increased from the end of year 2021 by Baht 172.86 million or 8.05 percent, due to the increase in net profit of Baht 378.07 million, but there was a dividend payment of Baht 205.21 million, resulting in an increase in share book value from Baht 2.51 per share as at end of year 2021 to Baht 2.71 per share as at June 30, 2022.

(2.6) Cash Flows

Description	Unit: Million Baht	
	Year 2022	Year 2021
Cash Flows from Operating Activities	638.29	690.25
Cash Flows used in Investing Activities	(84.46)	(55.35)
Cash Flows used in Financing Activities	(556.89)	(629.08)
Unrealized exchange gain (loss) of cash and cash equivalents	1.61	0.61
Cash Increase (Decrease) – Net	(1.45)	6.43
Cash at the Beginning of the Period	23.00	22.07
Cash at the Ending of the Period	21.55	28.50
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	57.16%	39.61%



The Corporate Group's net cash from operating activities in the 6-month period of year 2022 was Baht 638.29 million, which was higher than the net profit before tax by Baht 165.64 million, due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 160.62 million, increase in trade accounts payable and other accounts payable of Baht 200.11 million and increase in other non-current liabilities of Baht 2.88 million, but there were net increase in trade accounts receivable and other accounts receivable of Baht 124.11 million, net increase in inventory of Baht 34.78 million, decrease in other current liabilities of Baht 9.62 million, increase in other current assets of Baht 1.10 million, increase in other non-current assets of Baht 0.03 million and payment of accrued corporate income tax for year 2021 of Baht 28.33 million.



The Corporate Group's net cash used in investing activities in the 6-month period of year 2022 was Baht 84.46 million, due to cash payment for tools and equipment replacement after their useful life of Baht 80.58 million, cash advance payment for purchase of assets of Baht 0.18 million and cash payment for intangible assets of Baht 3.75 million but there was cash received from sale of damaged and unusable assets of Baht 0.05 million.



The Corporate Group's net cash used in financing activities in the 6-month period of year 2022 was Baht 556.89 million, due to repayment of short-term loan of Baht 277.01 million, repayment of long-term loan of Baht 60 million, dividend payment of Baht 205.21 million, repayment of financial lease of Baht 11.65 million and interest payment of Baht 3.02 million.

(2.7) Financial Ratios

Financial Ratios	As at June 30, 2022	As at December 31, 2021
Current Ratio (Times)	1.73	1.42
Quick Ratio (Times)	0.79	0.59
Cash flow Liquidity Ratio (Times)	1.36	0.73
Account Receivable Turnover Ratio (Times)	9.59	9.99
Average Collection Period (Days)	38	36
Inventory Turnover Period (Days)	14	18
Average Payable Period (Days)	17	11
Cash Cycle (Days)	35	43
Total Debt to Equity Ratio (Times)	0.50	0.61
Interest Coverage Ratio (Times)	206.58	94.62
Debt Service Coverage Ratio (Times)	8.54	33.37

(3) Asset Management Capability

(3.1) Debtor Quality, Accounts Receivable Aging, Provision and Sufficiency of Allowance for Doubtful Debts

The Corporate Group's trade accounts receivable and other accounts receivable as at June 30, 2022 accounted for 19.41 percent of the total assets with 79.99 percent not yet due for payment. The Corporate Group has established policy for setting provision or allowance for doubtful debts which is based on the analysis of accounts receivable aging and assessment of past debt collection experience. Accordingly, the Corporate Group has experienced no bad debt.

(3.2) Inventory and Deterioration or Obsolete

The Corporate Group's inventory as at June 30, 2022 accounted for 24.36 percent of the total assets, of which 16.52 percent are finished products, 24.38 percent are work in progress, 44.20 percent are raw materials, 7.38 percent are goods in transits and 7.52 percent are supplies.

(4) Liquidity and Capital Sufficiency

The Corporate Group manages its capital by preparing cash flow projection in order to manage the working capital for sufficient liquidity and low financial cost, which can be summarized as follows.



The Corporate Group's total debt to equity ratio as at June 30, 2022 was at 0.50 times, a decrease from end of year 2021, due to the decrease in total liabilities from the end of year 2021 of 11.12 percent and the shareholders' equity increased from the end of year 2021 by 8.05 percent and the interest coverage ratio was at 206.58 times, an increase from end of year 2021, due to an increase in annualized cash flow from operating activities from the previous year of 57.56 percent and decrease in annualized interest on loan from the previous year of 27.91 percent.



The Corporate Group's current ratio as at June 30, 2022 was 1.73 times, an increase from the end of year 2021, due to an increase in current assets of 11.38 percent, but decrease in current liability of 8.50 percent and the quick ratio of 0.79 times, which increased from the end of year 2021, due to an

increase in inventory of 4.27 percent, but there was a decrease in current liability of 8.50 percent and the cash flow liquidity ratio was 1.36 times, an increase from end of year 2021, due to an increase in annualized cash flow from operating activities from the previous year of 57.56 percent.



The Corporate Group's cash cycle as at June 30, 2022 was 35 days, a decrease from the end of year 2021 of 8 days, due to the decrease in inventory turnover period of 4 days and increase in average payable period of 6 days, but the average collection period increased by 2 days.



The Corporate Group's debt service coverage ratio decreased from 33.37 times as at end of year 2021 to 8.54 times as at June 30, 2022, due to an increase in annualized EBITDA from end of year 2021 of 23.59 percent and decrease in annualized interest on loan from the previous year of 27.91 percent, and there was an increase in the long-term loan and financial lease liabilities due within one year of 574.99 percent.

The Corporate Group has policy for setting the credit term period as follows.



Debt Collection Period: The credit term period is determined based on the risk assessment on payment by the customer, including contact period, financial position, guarantee and payment history, depending on the situation involving competition and sales promotion during each period of the Corporate Group by specifying the guarantee protection for credit limit as follows.

Risk Probability	Very Low	Low	Medium	High
Credit Term Period	60 days	45 days	30 days	Payment transfer first if no guarantee



Repayment Period: The repayment period is determined based on the type of product and raw material or hiring services, order value and payment conditions from trade discount negotiation.

Terms and Conditions	Type and Order Value of Product and Raw Material
Credit Term Period	30 – 60 days

As at June 30, 2022, the Corporate Group's average collection period was 38 days, in line with the established policy and the average repayment period was 17 days, which were better than the established policy, as the Corporate Group had cash payment for the raw materials in order to receive trade discount.

(5) Debt Obligation

The Corporate Group has established policy to mitigate risk from interest fluctuation by taking long-term loan with fixed interest rate. Currently, the Corporate Group has obligation to comply with the terms and conditions of the loan agreement with commercial bank in the country, having the loan agreement for the NT-11 Project with loan amount of Baht 300 million with interest rate starting since the first loan installment until September 30, 2023 at a fixed interest rate of 2.10 percent per annum and a loan repayment period within 2 years and 6 months with monthly repayment term and the first loan repayment starting on April 30, 2021.

As at June 30, 2022, the Corporate Group had long-term debt obligations with commercial banks totaling Baht 150 million. Accordingly, the Corporate Group must comply with the terms and conditions stipulated in the loan agreements, which state that the Total Debt to Equity Ratio (D/E Ratio) must not exceed 2 times and the Debt Service Coverage Ratio (DSCR) must not be less than 1.25 times. As at June 30, 2022, the Corporate Group was able to maintain the above financial ratios as stipulated by such loan agreements.

(6) Factors Having Impact on Future Operating Results

As the Russia-Ukraine crisis has not resolved, the prices of raw materials and energy including the supply chain have not returned to normalcy, including the weakening of Thai Baht currency and declining demand for the products entering into the off-sales season during the second half of the year; therefore, the Corporate Group must manage its procurement, production, sales and marketing activities at full capacity in order to handle the above-mentioned factors.