

Ref. DBP. 114 / 2022

November 9, 2022

Subject : Clarification on Operating Results for the 3rd quarter and 9-month Period ending September 30, 2022

To : President

The Stock Exchange of Thailand

Diamond Building Products Public Company Limited and its Subsidiary (together referred to as the "Corporate Group") would like to clarify on the operating results according to the consolidated financial statements for the 3rd quarter and 9-month Period ending September 30, 2022 as follows.

The net profit of the Corporate Group for the 3rd quarter and 9-month Period ending September 30, 2022 were Baht 130.32 million and Baht 508.39 million, respectively. In comparison with the same periods of previous year with the net profit of Baht 118.76 million and Baht 493.26 million, respectively, the net profit increased by Baht 11.56 million or an increase of 9.73 percent for the 3rd quarter and for the 9-month period, the net profit increased by Baht 15.13 million or an increase of 3.07 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

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

(For the Consolidated Financial Statements of the 3rd Quarter Ending September 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 3rd quarter and 9-month period ending September 30, 2022, which can be summarized as follows.

(1.1) For the 3rd quarter 2022, the revenue from sales and services of the Corporate Group totaled Baht 1,236.84 million, which increased from the same period of previous year by 15.78 percent and the net profit was Baht 130.32 million, which increased from the same period of previous year by 9.73 percent.

(1.2) For the 9-month period of year 2022, the revenue from sales and services of the Corporate Group totaled Baht 3,984.32 million, which increased from the same period of previous year by 7.70 percent and the net profit was Baht 508.39 million, which increased from the same period of previous year by 3.07 percent.

The revenue has increased from the sales volume and price adjustment in order to lessen impacts from the increase in raw material prices and energy costs, causing the reduction in gross profit. Nonetheless, the gross profit still increased as compared with the same period of the previous year. The Corporate Group still moves forward with the management of product mix, machinery availability rate, production costs and operating expenses, as well as continuing investments, enabling the Corporate Group to maintain its gross margin within the established criteria and achieve an increase in 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	%
3rd Quarter (July – September)						
Revenues from Sales	1,118.78	90.03	987.04	92.25	131.74	13.35
Revenues from Services	118.06	9.50	81.25	7.59	36.81	45.30
Total Revenue from Sales and Services	1,236.84	99.53	1,068.29	99.84	168.55	15.78
Gain on Sales of Fixed Assets	4.14	0.33	0.52	0.05	3.62	696.15
Gain on Foreign Exchange Rate – Net	-	-	-	-	-	-
Other Income	1.64	0.14	1.20	0.11	0.44	36.67
Total Other Income	5.78	0.47	1.72	0.16	4.06	236.05
Total Revenue	1,242.62	100.00	1,070.01	100.00	172.61	16.13

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
9-Month Period (January – September)						
Revenues from Sales	3,662.92	91.66	3,431.31	92.55	231.61	6.75
Revenues from Services	321.40	8.04	268.23	7.24	53.17	19.82
Total Revenue from Sales and Services	3,984.32	99.70	3,699.54	99.79	284.78	7.70
Gain on Sales of Fixed Assets	4.18	0.10	2.90	0.08	1.28	44.14
Gain on Foreign Exchange Rate – Net	-	-	-	-	-	-
Other Income	7.85	0.20	4.89	0.13	2.96	60.53
Total Other Income	12.03	0.30	7.79	0.21	4.24	54.43
Total Revenue	3,996.35	100.00	3,707.33	100.00	289.02	7.80


The Corporate Group's total revenue in the 3rd Quarter 2022 increased from the same period of previous year by 16.13 percent, consisting of:


 Revenues from sales were Baht 1,118.78 million, which increased from the same period of previous year by Baht 131.74 million or 13.35 percent, due to increase in revenues from product sales through group of housing projects of 87.58 percent, group of domestic distribution agents of 8.79 percent and group of modern trade customers of 2.52 percent.


 Revenues from services were Baht 118.06 million, which increased from the same period of previous year by Baht 36.81 million or 45.30 percent, due to the increase in revenue from transportation of Baht 10.08 million and increase in revenue from services of Baht 26.73 million.

 Other income was Baht 5.78 million, which increased from the same period of previous year by Baht 4.06 million or 236.05 percent, due to the increase in gain on sales of fixed assets of Baht 3.62 million and increase in other income of Baht 0.44 million.

The Corporate Group's total revenue in the 9-month period of year 2022 increased from the same period of previous year by 7.80 percent, consisting of:

 Revenues from sales were Baht 3,662.92 million, which increased from the same period of previous year by Baht 231.61 million or 6.75 percent, due to increase in revenues from product sales through group of housing projects of 40.44 percent, group of domestic distribution agents of 5.97 percent and group of modern trade customers of 3.25 percent.


 Revenues from services were Baht 321.40 million, which increased from the same period of previous year by Baht 53.17 million or 19.82 percent, due to the increase in revenue from transportation of Baht 18.93 million and increase in revenue from services of Baht 34.24 million.


 Other income was Baht 12.03 million, which increased from the same period of previous year by Baht 4.24 million or 54.43 percent, due to the increase in gain on sales of fixed assets of Baht 1.28 million and increase in other income of Baht 2.96 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	%
3rd Quarter (July – September)						
Cost of Sales	798.29	64.54	687.33	64.34	110.96	16.14
Cost of Services	120.54	9.75	82.78	7.75	37.76	45.61
Total Cost of Sales and Services	918.83	74.29	770.11	72.09	148.72	19.31
9-Month Period (January – September)						
Cost of Sales	2,541.64	63.79	2,325.52	62.86	216.12	9.29
Cost of Services	334.05	8.38	269.71	7.29	64.34	23.86
Total Cost of Sales and Services	2,875.69	72.18	2,595.23	70.15	280.46	10.81


The Corporate Group's total cost of sales and services in the 3rd Quarter 2022 increased from the same period of previous year by 19.31 percent, consisting of:

 Cost of sales was Baht 798.29 million, which increased from the same period of previous year by Baht 110.96 million or 16.14 percent, due to the increase in product sales volume of 11.85 percent and increase in the costs of raw materials and energy.

 Cost of services was Baht 120.54 million, which increased from the same period of previous year by Baht 37.76 million or 45.61 percent, due to the increase in the transportation cost of Baht 15.89 million and increase in cost of services of Baht 21.87 million.

The Corporate Group's total cost of sales and services in the 9-month period of year 2022 increased from the same period of previous year by 10.81 percent, consisting of:

 Cost of sales was Baht 2,541.64 million, which increased from the same period of previous year by Baht 216.12 million or 9.29 percent, due to the increase in product sales volume of 3.93 percent and increase in the costs of raw materials and energy.


 Cost of services was Baht 334.05 million, which increased from the same period of previous year by Baht 64.34 million or 23.86 percent, due to the increase in the transportation cost of Baht 32.57 million and increase in cost of services of Baht 31.77 million.


(2.3) Selling and Administrative Expenses


Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
3rd Quarter (July – September)						
Selling Expenses	33.45	2.70	29.65	2.78	3.80	12.82
Administrative Expenses	112.26	9.08	106.02	9.92	6.24	5.89
Management's Remuneration*	13.74	1.11	13.83	1.29	(0.09)	(0.65)
Total Selling and Administrative Expenses	159.45	12.89	149.50	13.99	9.95	6.66

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
9-Month Period (January – September)						
Selling Expenses	103.53	2.60	94.91	2.57	8.62	9.08
Administrative Expenses	335.34	8.42	353.39	9.55	(18.05)	(5.11)
Management's Remuneration*	41.25	1.04	40.21	1.09	1.04	2.59
Total Selling and Administrative Expenses	480.12	12.05	488.51	13.20	(8.39)	(1.72)
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 3rd Quarter 2022 increased from the same period of previous year by 6.66 percent, consisting of:

 Selling expenses were Baht 33.45 million, which increased from the same period of previous year by Baht 3.80 million or 12.82 percent, due to the increase in sales promotion expenses of Baht 0.98 million, increase in salary and benefits of the employees of Baht 1.09 million, increase in travelling expenses of Baht 0.87 million, increase in fuel expenses of Baht 0.57 million and increase in other expenses of Baht 0.29 million.

 Administrative expenses were Baht 112.26 million, which increased from the same period of previous year by Baht 6.24 million or 5.89 percent, due to the increase in product packaging expenses of Baht 3.79 million, increase in depreciation and amortization of Baht 2.60 million, increase in salary and benefits of the employees of Baht 1.42 million, increase in maintenance expenses of Baht 1.37 million, increase in technology expenses of Baht 0.80 million, increase in fuel expenses of Baht 0.74 million, increase in electricity expenses of Baht 0.54 million, increase in travelling expenses of Baht 0.51 million, increase in processing expenses for export products of Baht 0.51 million and increase in other expenses of Baht 1.14 million, but there were decrease in allowance for dead stock of Baht 6.45 million, decrease in service expenses of Baht 0.47 million and decrease in tax and other fees of Baht 0.26 million.

 Management's remunerations were Baht 13.74 million, which decreased from the same period of previous year by Baht 0.09 million or 0.65 percent, due to the appointments and retirements of executives.

The Corporate Group's selling and administrative expenses in the 9-month period of year 2022 decreased from the same period of previous year by 1.72 percent, consisting of:

 Selling expenses were Baht 103.53 million, which increased from the same period of previous year by Baht 8.62 million or 9.08 percent, due to the increase in sales promotion expenses of Baht 2.93 million, increase in salary and benefits of the employees of Baht 2.84 million, increase in travelling expenses of Baht 1.28 million, increase in fuel expenses of Baht 1.19million, increase in depreciation and amortization of Baht 0.33 million and increase in other expenses of Baht 0.85 million, but there were decrease in donation expenses of Baht 0.31 million and decrease in entertainment expenses of Baht 0.49 million.



Administrative expenses were Baht 335.34 million, which decreased from the same period of previous year by Baht 18.05 million or 5.11 percent, due to the decrease in tax and other fees of Baht 18.08 million, decrease in allowance for dead stock of Baht 12.47 million, decrease in salary and benefits of the employees of Baht 10.52 million, decrease in the consulting fees of Baht 1.77 million, decrease in processing expenses for export products of Baht 0.29 million and decrease in service expenses of Baht 0.94 million, but there were increase in product packaging expenses of Baht 10.38 million, increase in depreciation and amortization of Baht 4.30 million, increase in technology expenses of Baht 2.29 million, increase in maintenance expenses of Baht 1.74 million, increase in fuel expenses of Baht 1.66 million, increase in electricity expenses of Baht 1.22 million, increase in travelling expenses of Baht 0.77 million, increase in the foreign exchange loss of Baht 0.59 million and increase in other expenses of Baht 3.07 million.



Management's remunerations were Baht 41.25 million, which increased from the same period of previous year by Baht 1.04 million or 2.59 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	%
3rd Quarter (July – September)						
Revenues from Sales and Services	1,236.84	100.00	1,068.29	100.00	168.55	15.78
Costs of Sales and Services	918.83	74.29	770.11	72.09	148.72	19.31
GP	318.01	25.71	298.18	27.91	19.83	6.65
EBITDA	245.99	19.89	229.10	21.45	16.89	7.37
EBIT	164.35	13.29	150.41	14.08	13.94	9.27
NP	130.32	10.54	118.76	11.12	11.56	9.73
EPS (Baht per Share) *	0.15		0.14		0.01	9.73
Weighted Average Number of Ordinary Shares (Million Shares) *	855.03		855.03		-	-
9-Month Period (January – September)						
Revenues from Sales and Services	3,984.32	100.00	3,699.54	100.00	284.78	7.70
Costs of Sales and Services	2,875.69	72.18	2,595.23	70.15	280.46	10.81
GP	1,108.63	27.82	1,104.31	29.85	4.32	0.39
EBITDA	882.80	22.16	856.14	23.14	26.66	3.11
EBIT	640.54	16.08	623.59	16.86	16.95	2.72
NP	508.39	12.76	493.26	13.33	15.13	3.07
EPS (Baht per Share) *	0.59		0.58		0.01	3.07
Weighted Average Number of Ordinary Shares (Million Shares) *	855.03		855.03		-	-
Return on Equity (ROE) (%)	30.88%		28.67%		2.21%	
Return on Assets (ROA) (%)	19.20%		17.02%		2.18%	
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 3rd Quarter 2022 was Baht 318.01 million, an increase from the same period of previous year by Baht 19.83 million or 6.65 percent, due to the increase in revenues from sales and services of 15.78 percent and increase in cost of sales and services of 19.31 percent.



The Corporate Group's gross profit in the 9-month period of year 2022 was Baht 1,108.63 million, an increase from the same period of previous year by Baht 4.32 million or 0.39 percent, due to the increase in revenues from sales and services of 7.70 percent and increase in costs of sales and services of 10.81 percent.

Net Profit (NP)

The Corporate Group's net profit and net earnings per share in the 3rd Quarter 2022 as follows:



The Corporate Group's net profit was Baht 130.32 million, an increase from the same period of previous year by Baht 11.56 million or 9.73 percent, due to the increase in gross profit of 6.65 percent, despite the increase in selling and administrative expenses of 6.66 percent.



The Corporate Group's net earnings per share was Baht 0.15 per share, an increase from the same period of previous year of Baht 0.01 per share or 9.73 percent, due to increase in net profit of 9.73 percent.

The Corporate Group's net profit and net earnings per share in the 9-month period of year 2022 as follows:



The Corporate Group's net profit was Baht 508.39 million, an increase from the same period of previous year by Baht 15.13 million or 3.07 percent, due to the increase in gross profit of 0.39 percent and decrease in selling and administrative expenses of 1.72 percent.



The Corporate Group's net earnings per share was Baht 0.59 per share, an increase from the same period of previous year of Baht 0.01 per share or 3.07 percent, due to increase in net profit of 3.07 percent.

EBITDA



The Corporate Group's EBITDA in the 3rd Quarter 2022 was Baht 245.99 million, an increase from the same period of previous year by Baht 16.89 million or 7.37 percent, due to the increase in gross profit of 6.65 percent, despite the increase in selling and administrative expenses excluding depreciation of 5.29 percent.



The Corporate Group's EBITDA in the 9-month period of year 2022 was Baht 882.80 million, an increase from the same period of previous year by Baht 26.66 million or 3.11 percent, due to the increase in gross profit of 0.39 percent and decrease in selling and administrative expenses excluding depreciation of 2.86 percent.

Earnings Efficiency



Return on Equity (ROE): The Corporate Group's ROE increased from 28.67 percent as at end of 2021 to 30.88 percent as at September 30, 2022 or an increase of 2.21 percent, due to an increase in annualized projected annual net profit of 15.79 percent, but there was an increase in average shareholders' equity of 7.52 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 19.20 percent as at September 30, 2022 or an increase of 2.18 percent, due to an increase in annualized projected annual net profit of 15.79 percent, but there was an increase in average total assets of 2.68 percent from the previous year.

(2.5) Financial Position

Description	Statement of Financial Position		Increase / (Decrease)	
	As at September 30, 2022	As at December 31, 2021		
	Million Baht	Million Baht	Million Baht	%
Total Assets	3,603.28	3,459.47	143.81	4.16
Total Liabilities	1,359.06	1,313.22	45.84	3.49
Total Shareholders' Equity	2,244.22	2,146.25	97.97	4.56
Weighted Average Number of Ordinary Shares (Million Shares)*	855.03	855.03	-	-
Book Value (Baht per Share)*	2.62	2.51	0.11	4.38
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 September 30, 2022 increased from the end of year 2021 by Baht 143.81 million or 4.16 percent, due to an increase in cash and cash in bank of Baht 3.56 million, net increase in trade accounts receivable and other accounts receivable of Baht 15.68 million, net increase in inventory of Baht 309.34 million, increase in intangible assets of Baht 1.42 million and increase in current assets and other non-current assets of Baht 3.70 million, but there were decrease in fixed assets of Baht 172.83 million, decrease in right-of-use assets of Baht 15.20 million, decrease in deferred income tax of Baht 0.61 million and decrease in cash advance payment for purchase of assets of Baht 1.25 million.



The Corporate Group's total liabilities as at September 30, 2022 increased from the end of year 2021 by Baht 45.84 million or 3.49 percent, due to the increase in trade accounts payable and other accounts payable of Baht 173.56 million, increase in provision for post-employment benefits obligation of Baht 6.72 million and increase in current income tax payable of Baht 3.51 million, but there were decrease in short-term loan of Baht 27 million, decrease in long-term loan of Baht 90 million, decrease in financial lease liabilities of Baht 15.79 million and decrease in other current liabilities of Baht 5.16 million.



The Corporate Group's total shareholders' equity as at September 30, 2022 increased from the end of year 2021 by Baht 97.97 million or 4.56 percent, due to the increase in net profit of Baht 508.39 million, but there was a dividend payment of Baht 410.42 million, resulting in an increase in share book value from Baht 2.51 per share as at end of year 2021 to Baht 2.62 per share as at September 30, 2022.

(2.6) Cash Flows

Description	Unit: Million Baht	
	Year 2022	Year 2021
Cash Flows from Operating Activities	653.61	701.12
Cash Flows used in Investing Activities	(102.62)	(89.99)
Cash Flows used in Financing Activities	(549.49)	(617.79)
Unrealized exchange gain (loss) of cash and cash equivalents	2.06	0.84
Cash Increase (Decrease) – Net	3.56	(5.82)
Cash at the Beginning of the Period	23.00	22.07
Cash at the Ending of the Period	26.56	16.25
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	39.69%	39.61%



The Corporate Group's net cash from operating activities in the 9-month period of year 2022 was Baht 653.61 million, which was higher than the net profit before tax by Baht 18 million, due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 242.26 million, increase in trade accounts payable and other accounts payable of Baht 224.49 million, increase in other non-current liabilities of Baht 6.71 million and decrease in other current assets of Baht 0.45 million, but there were net increase in trade accounts receivable and other accounts receivable of Baht 18.81 million, net increase in inventory of Baht 309.34 million, decrease in other current liabilities of Baht 0.50 million, increase in other non-current assets of Baht 4.16 million and payment of accrued corporate income tax for year 2021 of Baht 28.33 million, payment of mid-year corporate income tax of year 2022 of Baht 92.49 million and payment of withholding tax of Baht 2.28 million.



The Corporate Group's net cash used in investing activities in the 9-month period of year 2022 was Baht 102.62 million, due to cash payment for tools and equipment replacement after their useful life of Baht 101.99 million, cash advance payment for purchase of assets of Baht 0.18 million and cash payment for intangible assets of Baht 4.66 million but there was cash received from sale of damaged and unusable assets of Baht 4.21 million.



The Corporate Group's net cash used in financing activities in the 9-month period of year 2022 was Baht 549.49 million, due to repayment of short-term loan of Baht 27 million, repayment of long-term loan of Baht 90 million, dividend payment of Baht 410.42 million, repayment of financial lease of Baht 17.94 million and interest payment of Baht 4.13 million.

(2.7) Financial Ratios

Financial Ratios	As at September 30, 2022	As at December 31, 2021
Current Ratio (Times)	1.55	1.42
Quick Ratio (Times)	0.54	0.59
Cash flow Liquidity Ratio (Times)	0.83	0.73
Account Receivable Turnover Ratio (Times)	10.22	9.99
Average Collection Period (Days)	35	36
Inventory Turnover Period (Days)	19	18
Average Payable Period (Days)	20	11
Cash Cycle (Days)	34	43
Total Debt to Equity Ratio (Times)	0.61	0.61
Interest Coverage Ratio (Times)	158.27	94.62
Debt Service Coverage Ratio (Times)	7.91	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 September 30, 2022 accounted for 15.83 percent of the total assets with 78.12 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 September 30, 2022 accounted for 31.19 percent of the total assets, of which 21.34 percent are finished products, 16.08 percent are work in progress, 41.20 percent are raw materials, 14.90 percent are goods in transits and 6.48 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 September 30, 2022 was at 0.61 times, which was the same as at end of year 2021, due to the increase in total liabilities from the end of year 2021 of 3.49 percent but the shareholders' equity increased from the end of year 2021 by 4.56 percent and the interest coverage ratio was at 158.27 times, an increase from end of year 2021, due to an increase in annualized cash flow from operating activities from the previous year of 7.56 percent and decrease in annualized interest on loan from the previous year of 33.16 percent.

 The Corporate Group's current ratio as at September 30, 2022 was 1.55 times, an increase from the end of year 2021, due to an increase in current assets of 23.77 percent and increase in current liability of 13.76 percent and the quick ratio of 0.54 times, which decreased from the end of year 2021, due to an increase in inventory of 37.98 percent and increase in current liability of 13.76 percent and the cash flow liquidity ratio was 0.83 times, an increase from end of year 2021, due to an increase in annualized cash flow from operating activities from the previous year of 7.56 percent.


 The Corporate Group's cash cycle as at September 30, 2022 was 34 days, a decrease from the end of year 2021 of 9 days, due to the decrease in the average collection period increased by 1 day and increase in average payable period of 9 days, but there was an increase in inventory turnover period of 1 day.

 The Corporate Group's debt service coverage ratio decreased from 33.37 times as at end of year 2021 to 7.91 times as at September 30, 2022, due to an increase in annualized EBITDA from end of year 2021 of 14.21 percent and decrease in annualized interest on loan from the previous year of 33.61 percent, but there was an increase in the long-term loan and financial lease liabilities due within one year of 575.50 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 September 30, 2022, the Corporate Group's average collection period was 35 days, in line with the established policy and the average repayment period was 20 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 September 30, 2022, the Corporate Group had long-term debt obligations with commercial banks totaling Baht 120 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 September 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 price of raw materials and energy costs are not expected to decline while the value of Thai Baht currency remains weak and supply of construction materials are in the surplus, causing fierce market competition, the Corporate Group is required to closely manage its procurement, production, sales and marketing, as well as constant adjustment of its strategies in order to cope with such factors mentioned above.