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22 February 2023

Subject : Management Discussion and Analysis for 2022

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the 2022, the company and its subsidiaries have the total revenue from sales in amount of 13,137.6 million baht which is increasing from the 2021 at equivalence of 149.9 million baht, about 1%. These caused, revenue from sales of export increased about 2%.

Analysis of profit of company and its subsidiaries

In 2022, the company and its subsidiaries have profit for the year of 742.4 million baht as compared to the 2021, the company and its subsidiaries have profit for the year of 1,308.4 million baht, profit decreased 566.0 million baht or 43% for the following main reasons;

1. The total sales has increased of 149.9 million baht, due to average price of MDF Board and Particleboard have increased by 12% and 10% respectively.
2. Cost of sales of 10,553.8 million baht, increased of 806.8 million baht, due to the price of the main raw materials in production and the cost of electricity increases, resulting in increased production costs.

Financial status

Total assets

As of 31 December 2022, the total assets of the company and its subsidiaries were 20,127.9 million baht, increased by 86.4 million baht compared to the total assets of 20,041.5 million baht in 2021. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items decreased by 126.2 million baht.
2. Trade and other receivable decreased by 154.3 million baht.
3. Revenue Department receivable increased by 106.1 million baht.
4. Inventories increased by 507.0 million baht, due to the increased of finished goods of 397.2 million baht, work in process of 61.4 million baht, supplies of 54.2 million baht, goods in transit of 10.9 million baht and decreased of raw materials of 16.5 million baht.
5. Maintenance supplies increased by 94.4 million baht.
6. Property, Plant and equipment decreased by 334.7 million baht.

7. Right-of-use assets decreased by 17.9 million baht.

8. Intangible assets increased by 18.4 million baht.

Total Liabilities

As of 31 December 2022, the total liabilities of the company and its subsidiaries were 12,658.9 million baht, increased by 28.0 million baht, compared to the total liabilities of 12,630.9 million baht in 2021. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions increased 618.2 million baht.
2. Trade and other payable decreased by 319.6 million baht.
3. Advances received from customers increased by 491.8 million baht.
4. Income tax payables increased by 30.4 million baht.
5. Long-term loans from financial institutions decreased by 783.9 million baht.
6. Lease liabilities decreased by 13.8 million baht.
7. Employee benefit obligations increased by 2.2 million baht.

Total shareholder's equity

As of 31 December 2022, the total shareholder's equity of the company and its subsidiaries were 7,469.0 million baht, increased by 58.4 million baht, compared to the total shareholders' equity of 7,410.6 million baht in 2021, due to operating results with net profit and dividend payment during the year 2022.

As of 31 December 2022, the debt to equity ratio was 1.69:1, decreased by 0.01 times compared to that of 1.70:1 in 2021, due to decreased of loans from financial institutions, decreased of trade and other payable, increased of advances received from customers, decreased of lease liabilities and operating results with increased retained earnings.

Liquidity

Cash flow

For the year ended 31 December 2022, the company and its subsidiaries have cash flow received from operating activities 1,866.0 million baht, cash flow used in investing activities 754.4 million baht and cash flow used in financing activities 1,237.8 million baht, cash and cash equivalent items as of the ended 31 December 2022 is 1,355.6 million baht, decreased from as of 31 December 2021, equal to 126.2 million baht as summarized:

1. Net cash received from operating activities is 1,866.0 million baht, decreased by 551.3 million baht, because of decreased of profit from operation before change in operating assets and liabilities by 365.5 million baht, decreased operating assets 367.5 million baht, decreased operating liabilities 483.4 million baht, decreased of cash received from interest income 1.6 million baht and increased of cash paid for income tax 68.9 million baht.
2. Net cash used in investing activities is 754.4 million baht, decreased by 44.7 million baht, due to the payment of investment projects decreased.
3. Net cash used in financing activities is 1,237.8 million baht, increased by 5.7 million baht, because of increased of short-term loans from financial institutions by 1,229.1 million baht, decreased of long-term loans from financial institutions by 688.6 million baht, decreased of cash paid for lease liabilities by 20.7 million baht, increased of cash paid for interest expenses by 40.5 million baht and increased of dividend payment by 526.6 million baht.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)

Director