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27 February 2024

Subject : Management Discussion and Analysis for 2023

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the 2023, the company and its subsidiaries have the total revenue from sales in amount of 14,148.2 million baht which is increasing from the 2022 at equivalence of 1,010.6 million baht, about 8%. These caused, revenue from sales of export increased about 9%.

Analysis of profit of company and its subsidiaries

In 2023, the company and its subsidiaries have profit for the year of **44.9** million baht as compared to the 2022, the company and its subsidiaries have profit for the year of 742.4 million baht, profit decreased 697.5 million baht or 94% for the following main reasons;

1. The total sales has increased of 1,010.6 million baht, due to sales volume of MDF Board and Particleboard have increased by 28% and 18% respectively. While the average price of MDF Board and Particleboard have decreased by 13% and by 17% respectively.
2. Cost of sales of 11,822.3 million baht, increased of 1,268.5 million baht, due to increased sales volume.

Financial status

Total assets

As of 31 December 2023, the total assets of the company and its subsidiaries were 18,568.1 million baht, decreased by 1,559.8 million baht compared to the total assets of 20,127.9 million baht in 2022. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items decreased by 720.5 million baht.
2. Trade and other receivable decreased by 232.6 million baht.
3. Other current financial assets increased by **221.0** million baht.
4. Revenue Department receivable decreased by 7.6 million baht.
5. Inventories decreased by 348.1 million baht, due to the decreased of finished goods of 349.6 million baht, work in process of 73.4 million baht and increased of raw materials of 64.5 million baht, supplies of 6.4 million baht, goods in transit of 4.0 million baht.
6. Maintenance supplies increased by 49.6 million baht.
7. Property, Plant and equipment decreased by 630.7 million baht.
8. Right-of-use assets increased by **79.3** million baht.
9. Intangible assets increased by 19.7 million baht.
10. Deferred tax assets increased by 2.1 million baht.

Total Liabilities

As of 31 December 2023, the total liabilities of the company and its subsidiaries were 11,233.6 million baht, decreased by 1,425.3 million baht, compared to the total liabilities of 12,658.9 million baht in 2022. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased 384.2 million baht.
2. Trade and other payable decreased by 147.1 million baht.
3. Advances received from customers decreased by 148.2 million baht.
4. Income tax payables increased 0.3 million baht.
5. Long-term loans from financial institutions decreased by 816.9 million baht.
6. Lease liabilities increased by 59.6 million baht.
7. Employee benefit obligations increased by 31.4 million baht.
8. Deferred tax liabilities decreased by 16.0 million baht.

Total shareholder's equity

As of 31 December 2023, the total **shareholder's equity** of the company and its subsidiaries were 7,334.5 million baht, decreased by 134.5 million baht, compared to the total **shareholders' equity** of 7,469.0 million baht in 2022, due to operating results with decreased net profit and dividend payment during the year 2022 and 2023.

As of 31 December 2023, the debt to equity ratio was 1.53:1, decreased by 0.16 times compared to that of 1.69:1 in 2022, due to decreased of short-term loans from financial institutions, repayment of principal of long-term loans from financial institutions as scheduled, decreased of trade and other payable, decreased of advances received from customers.

Liquidity

Cash flow

For the year ended 31 December 2023, the company and its subsidiaries have cash flow received from operating activities 1,600.0 million baht, cash flow used in investing activities 470.5 million baht and cash flow used in financing activities 1,849.9 million baht. There was net cash flow used in 720.5 million baht, the cash flow used was Baht 594.3 million more than the same period in 2022 as summarized;

1. Net cash received from operating activities is 1,600.0 million baht, decreased by 266.0 million baht, because of decreased of profit from operation before change in operating assets and liabilities by 632.1 million baht, decreased of operating assets 791.7 million baht, decreased of operating liabilities 411.3 million baht, increased of cash received from interest income 4.0 million baht and increased of cash paid for income tax 17.6 million baht.
2. Net cash used in investing activities is 470.5 million baht, decreased by 283.9 million baht, due to the payment of investment projects decreased.

3. Net cash used in financing activities is 1,849.9 million baht, decreased by 612.1 million baht, because of decreased of short-term loans from financial institutions by 1,002.4 million baht, decreased of long-term loans from financial institutions by 33.0 million baht, increased of cash paid for lease liabilities by 5.7 million baht, increased of cash paid for interest expenses by 91.5 million baht and decreased of dividend payment by 520.6 million baht.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)
Director