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14 May 2024

Subject : Management Discussion and Analysis for Q1/2024

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q1/2024, the company and its subsidiaries have the total revenue from sales in amount of Baht 3,188.0 million which is decreasing from the 2023 at equivalence of Baht 566.5 million, about 15%.

Analysis of profit (loss) of company and its subsidiaries

The Q1/2024, the company and its subsidiaries have profit for the period of Baht 75.9 million as compared to the 2023, the company and its subsidiaries have loss for the period of Baht 245.1 million, profit increased Baht 321.0 million or 131% for the following main reasons;

1. The total sales has decreased of Baht 566.5 million, due to sales volume of MDF Board has decreased by 30%, Particleboard has increased by 23%. While the average price of MDF Board and Particleboard have increased by 5% and by 1% respectively.
2. Cost of sales of Baht 2,579.1 million, decreased of Baht 844.6 million, due to decreased sales volume of MDF Board.

Financial status

Total assets

As of 31 March 2024, the total assets of the company and its subsidiaries were Baht 19,395.7 million, decreased by Baht 468.3 million compared to the total assets of Baht 19,864.0 million in 2023. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items decreased by Baht 127.2 million.
2. Trade and other receivable decreased by Baht 83.8 million.
3. Other current financial assets increased by Baht **221.0** million.
4. Revenue Department receivable decreased by Baht 260.6 million.
5. Inventories increased by Baht 266.0 million, due to the increased of finished goods of Baht 194.2 million, raw materials of Baht 132.8 million, supplies of Baht 16.4 million, goods in transit of Baht 9.5 million and decreased of work in process of Baht 87.0 million.
6. Maintenance supplies increased by Baht 56.4 million.
7. Property, Plant and equipment decreased by Baht 856.2 million.
8. Right-of-use assets increased by Baht 268.5 million.
9. Intangible assets increased by Baht 45.3 million.
10. Deferred tax assets increased by Baht 3.7 million.

Total Liabilities

As of 31 March 2024, the total liabilities of the company and its subsidiaries were Baht 11,985.2 million, decreased by Baht 654.8 million, compared to the total liabilities of Baht 12,640.0 million in 2023. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions increased by Baht 206.4 million.
2. Trade and other payable decreased by Baht 274.1 million.
3. Advances received from customers decreased by Baht 64.9 million.
4. Income tax payables increased by Baht 20.5 million.
5. Long-term loans from financial institutions decreased by Baht 801.0 million.
6. Lease liabilities increased by Baht 249.8 million.
7. Provisions for employee benefits increased by Baht 29.5 million.
8. Deferred tax liabilities decreased by Baht 16.0 million.

Total shareholder's equity

As of 31 March 2024, the total **shareholder's equity** of the company and its subsidiaries were Baht 7,410.4 million, increased by Baht 186.4 million, compared to the total shareholders' equity of Baht 7,224.0 million in 2023, due to operating results with net profit.

As of 31 March 2024, the debt to equity ratio was 1.62:1, decreased by 0.13 times compared to that of 1.75:1 in 2023. The main reason is that total debt decreased and operating results with increased retained earnings.

Liquidity

Cash flow

For the three-months period ended 31 March 2024, the company and its subsidiaries have cash flow received from operating activities of Baht 626.6 million, cash flow used in investing activities of Baht 103.5 million and cash flow received from financing activities of Baht 362.0 million. There was net cash flow received Baht 885.0 million. The cash flow received was Baht 593.3 million more than the same period in 2023 as summarized;

1. Net cash received from operating activities is Baht 626.6 million, decreased by Baht 40.7 million, because of increased of profit from operation before change in operating assets and liabilities by Baht 315.9 million, increased operating assets Baht 468.2 million, increased operating liabilities Baht 111.2 million.
2. Net cash used in investing activities is Baht 103.5 million, decreased by Baht 47.1 million, due to the decreasing investment of the investment project.

3. Net cash received from financing activities is Baht 362.0 million, increased by Baht 586.9 million, because of increased of loans from financial institutions by Baht 606.6 million, increased of cash paid for lease liabilities by Baht 4.6 million and increased of cash paid for interest expenses of loans by Baht 15.1 million.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)

Director