

-TRANSLATION-

May 11, 2015

Subject : Management Discussion and Analysis for Q1/2015

Attention : Managing Director of the Stock Exchange of Thailand.

An overview of the results in the passing throughout the Q1/2015

The summary of the results throughout the passing Q1/2015, The company and its subsidiaries have the total revenue from sales in amount of Baht 2,531.5 million which is increasing from the year 2014 at equivalence of Baht 240.4 million or approximately by 10%. These caused, the world economic is likely to be rebounded. As a result, revenue from sales – export increased by about 14%

Analysis of Profit of company and subsidiaries

In Q1/2015, the company and its subsidiaries have net profit of Baht 269.1 million as compared to the Q1/2014. The company and its subsidiaries have net profit Baht 68.0 million, the net profit has increase Baht 201.1 million or 296% for the following main reasons;

1. The total sales has increased Baht 240.4 million, due to sales volume of Particleboards has increased by 29%. The average price of Particleboards has increased by 4%.
2. Cost of sales Baht 1,840.8 million, decreased of Baht 13.7 million, Mainly from cost of sales per unit of MDF Board and Particleboards have decreased, due to the raw material price in manufacturing has decreased.
3. Selling expenses Baht 283.1 million, increased of Baht 56.8 million, due to higher sales volumes.
4. Financial cost Baht 45.4 million, decreased of Baht 8.5 million due to a decrease in the principal amount of the loan repayment schedule.

## Financial status

### Total assets

As of 31 March 2015, the company and its subsidiaries have the total assets valued Baht 13,431.0 million, as compared to the Q1/2014, Baht 13,213.3 million, increase Baht 217.6 million as below detailed.

1. Cash and cash equivalent items increased Baht 448.3 million.
2. Trade and other receivable decreased Baht 82.2 million.
3. Revenue Department receivable decreased Baht 41.1 million.
4. Net inventory increased Baht 312.7 million, mainly caused by increased of finished goods Baht 319.8 million, work in process Baht 55.4 million, supplies Baht 17.4 million, goods in transit Baht 3.8 million and decreased of raw material Baht 83.8 million.
5. Property, Plant and equipment decreased Baht 409.5 million.

### Total Liabilities

As of 31 March 2015, the company and its subsidiaries have the total liabilities valued Baht 6,435.0 million, compared to the Q1/2014, Baht 7,142.0 million, decreased by Baht 707.0 million, mainly caused by increased overdrafts and short-term loans from financial institutions Baht 515.6 million, advance receivable for customers Baht 62.4 million and decreased the long-term loans from financial institutions Baht 1,285.3 million, employee benefits obligations Baht 17.7 million.

### Total shareholder's equity

As of 31 March 2015, the company and its subsidiaries have the total shareholder's equity valued Baht 6,996.0 million, as compared to the Q1/2014, Baht 6,071.3 million, increased Baht 924.7 million, due to net profit from operating.

In Q1/2015, the company and its subsidiaries have debt to equity ratio is 0.92:1, compared to the Q1/2014 is 1.18:1, decreased by 0.26 times, due to decreased of long-term loans from financial institutions.

## Liquidity

### Cash flow

In Q1/2015, the company and its subsidiaries have cash flow received from operating activities Baht 286.7 million, cash flow used investing activities Baht 126.7 million, cash flow used financing activities Baht 179.5 million, cash and cash equivalent items as of the ended 31 March 2015 is Baht 672.9 million, decreased from Q1/2014 by Baht 448.3 million as summarized.

1. Net cash flow received operating activities is Baht 246.8 million, increased by Baht 533.4 million from the previous year because of increased of profit from operation before change in operating assets and liabilities by Baht 202.9 million, decreased of trade and other receivable by Baht 204.6 million, revenue department receivable by Baht 81.0 million, inventories by Baht 133.3 million, trade and other payable by Baht 211.2 million and increase of received from customers by Baht 146.3 million.
2. Net cash flow used in investing activities is Baht 126.7 million, increased by Baht 74.5 million, because the year 2015, the company has invested in expansion projects of Laminated Flooring and Laminated Particleboard.
3. Net cash flow used in financing activities is Baht 179.5 million, increased by Baht 173.6 million from the previous year, due to the repayment of long-term loans from financial institutions decreased by Baht 207.8 million, decreased of long-term loans from financial institutions by Baht 988.0 million and increased the overdrafts and short-term loans from financial institutions by Baht 595.0 million, decreased interest by Baht 11.6 million.

Please be acknowledged for your information.

Sincerely Your,

(Mr.Wanthana Jaroennawarat)

Director