

-TRANSLATION-

11 August 2015

Subject : Management Discussion and Analysis for Q2/2015

Attention : Managing Director of the Stock Exchange of Thailand.

An overview of the results in the passing throughout the Q2/2015

The summary of the results throughout the passing Q2/2015, The company and its subsidiaries have the total revenue from sales in amount of Baht 2,828.4 million which is increasing from the 2014 at equivalence of Baht 240.2 million or approximately by 9%. As a result, revenue from sales-export increased by about 22%, as compared to the Q2/2014.

Analysis of Profit of company and subsidiaries

In Q2/2015, the company and its subsidiaries have net profit of Baht 417.9 million as compared to the Q2/2014, the company and its subsidiaries have net profit Baht 126.4 million, the net profit has increased Baht 291.5 million or 231% for the following main reasons;

1. The total sales has increased Baht 240.2 million, due to sales volume of MDF Board has increased by 36%, Particleboards has decreased by 13%.
2. Cost of sales Baht 1,961.4 million, decreased of Baht 73.6 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, as compared to the Q2/2014
3. Selling expenses Baht 314.8 million, increased of Baht 16.9 million, due to higher sales volumes of MDF board.
4. Financial cost Baht 43.1 million, decreased of Baht 12.8 million due to a decrease in the principal amount of the loan repayment schedule.

## Financial status

### Total assets

As of 30 June 2015, the company and its subsidiaries have the total assets valued Baht 13,378.2 million, as compared to 2014, Baht 13,524.9 million, decreased Baht 146.7 million as below detailed.

1. Cash and cash equivalent items increased Baht 389.0 million.
2. Trade and other receivable decreased Baht 278.0 million.
3. Revenue Department receivable decreased Baht 38.4 million.
4. Net inventory increased Baht 90.8 million, mainly caused by increased of finished goods Baht 150.4 million and supplies Baht 17.0 million, decreased of work in process Baht 32.0 million, raw material Baht 29.6 million and goods in transit Baht 15.0 million.
5. Property, Plant and equipment decreased Baht 302.5 million.

### Total Liabilities

As of 30 June 2015, the company and its subsidiaries have the total liabilities valued Baht 6,356.2 million, compared to the 2014, Baht 7,327.2 million, decreased Baht 971.1 million, mainly caused by increased overdrafts and short-term loans from financial institutions Baht 86.3 million and employee benefits obligations Baht 17.4 million, decreased of advance receivable for customers Baht 25.0 million and the long-term loans from financial institutions Baht 1,050.3 million.

### Total shareholder's equity

As of 30 June 2015, the company and its subsidiaries have the total shareholder's equity valued Baht 7,022.1 million, as compared to the 2014, Baht 6,197.7 million, increased Baht 824.4 million, due to increased of retained earnings Baht 563.2 million and increased share capital Baht 261.2 million in Q4/2014.

In 2015, the company and its subsidiaries have debt to equity ratio is 0.91:1, compared to the 2014 is 1.18:1, decreased by 0.28 times, due to decreased of long-term loans from financial institutions.

## Liquidity

### Cash flow

The period ended 30 June 2015, the company and its subsidiaries have cash flow received from operating activities Baht 1,114.9 million, cash flow used investing activities Baht 278.5 million, cash flow used financing activities Baht 919.1 million, cash and cash equivalent items as of the ended 30 June 2015 is Baht 609.7 million, decreased from the 2014 Baht 389.0 million as summarized.

1. Net cash flow received operating activities is Baht 1,114.9 million, increased Baht 1,156.3 million from the previous year, because of increased of profit from operation before change in operating assets and liabilities Baht 490.9 million, decreased of trade and other receivable Baht 401.8 million, revenue department receivable Baht 78.3 million, inventories Baht 361.9 million, trade and other payable Baht 209.9 million and increase of received from customers Baht 58.9 million.
2. Net cash flow used in investing activities is Baht 278.5 million, increased Baht 161.2 million. In 2015, the company have invested in expansion projects of Laminated Flooring and Laminated Particleboard.
3. Net cash flow used in financing activities is Baht 919.1 million, increased Baht 769.1 million from the previous year, because of increased of overdrafts and short-term loans from financial institutions Baht 147.1 million, long-term loans from financial institutions Baht 545.3 million, dividend paid Baht 391.8 million and decreased interest Baht 20.9 million.

Please be acknowledged for your information.

Sincerely Your,

(Mr.Wanthana Jaroennawarat)

Director