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14 May 2021

Subject : Management Discussion and Analysis for Q1/2021

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q1/2021, the company and its subsidiaries have the total revenue from sales in amount of Baht 3,139.8 million which is increasing from the 2020 at equivalence of Baht 1,231.0 million, about 64%.

Analysis of Profit (Loss) of company and its subsidiaries

The Q1/2021, the company and its subsidiaries have profit for the period of Baht 129.5 million as compared to the 2020, the company and its subsidiaries have loss for the period of Baht 183.5 million, profit increased Baht 313.0 million or 171% for the following main reasons;

1. The total sales has increased of Baht 1,231.0 million, due to sales volume of MDF Board and Particleboard have increased by 90% and 45% respectively. The average price of MDF Board and Particleboard have increased by 2% and by 5% respectively.
2. Cost of sales of Baht 2,542.7 million, increased of Baht 862.0 million, due to increased sales volume and decreased average cost per unit of MDF Board and Particleboard.

Financial status

Total assets

As of 31 March 2021, the total assets of the company and its subsidiaries were Baht 19,372.0 million, increased by Baht 1,411.2 million compared to the total assets of Baht 17,960.8 million in 2020. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items increased by Baht 1,226.3 million.
2. Trade and other receivable increased by Baht 73.6 million.
3. Revenue Department receivable increased by Baht 2.0 million.
4. Inventories decreased by Baht 91.0 million due to the decreased of finished goods of Baht 144.2 million, raw materials of Baht 0.5 million, increased of work in process of Baht 7.4 million, supplies of Baht 7.7 million and goods in transit of Baht 38.6 million.
5. Maintenance supplies increased by Baht 47.2 million.

6. Property, Plant and equipment increased by Baht 201.0 million.
7. Right-of-use assets decreased by Baht 42.3 million.
8. Intangible assets increased by Baht 0.6 million.
9. Deferred tax assets increased by Baht 3.3 million.

Total Liabilities

As of 31 March 2021, the total liabilities of the company and its subsidiaries were Baht 12,966.8 million, increased by Baht 1,062.1 million, compared to the total liabilities of Baht 11,904.7 million in 2020. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions increased by Baht 132.8 million.
2. Trade and other payable increased by Baht 69.8 million.
3. Advances received from customers increased by Baht 183.1 million.
4. Income tax payables increased by Baht 1.5 million.
5. Short-term loans from related parties decreased by Baht 45.0 million.
6. Long-term loans from financial institutions increased by Baht 739.5 million.
7. Lease liabilities decreased by Baht 37.8 million.
8. Employee benefit obligations increased by Baht 11.3 million.
9. Deferred tax liabilities increased by Baht 5.1 million.

Total shareholder's equity

As of 31 March 2021, the total shareholder's equity of the company and its subsidiaries were Baht 6,405.2 million, increased by Baht 349.1 million, compared to the total shareholders' equity of Baht 6,056.1 million in 2020, due to increased of share capital of the company and net loss from operating.

As of 31 March 2021, the debt to equity ratio was 2.02:1, increased by 0.05 times compared to that of 1.97:1 in 2020. The main were the increased of long-term loans from financial institutions.

Liquidity

Cash flow

The Q1/2021, the company and its subsidiaries have cash flow received from operating activities Baht 725.9 million, cash flow used in investing activities Baht 221.7 million and cash flow used in financing activities Baht 62.0 million, cash and cash equivalent items as of the ended 31 March 2021 is Baht 1,537.8 million, increased from the Q1/2020 by Baht 1,226.3 million as summarized;

1. Net cash received from operating activities is Baht 725.9 million, increased by Baht 831.5 million, because of increased of profit from operation before change in operating assets and liabilities by Baht 273.0 million, decreased operating assets Baht 416.9 million and increased operating liabilities Baht 142.2 million.
2. Net cash used in investing activities is Baht 221.7 million, decreased by Baht 2.6 million, due to the payment of investment projects decreased.
3. Net cash used in financing activities is Baht 62.0 million, decreased by Baht 332.8 million, because of decreased of short-term loans from financial institutions by Baht 360.4 million, decreased of short-term loans from related parties by Baht 45.0 million, increased of long-term loans from financial institutions by Baht 74.5 million, increased of cash paid for lease liabilities by Baht 4.5 million, decreased of cash paid for interest expenses by Baht 2.6 million.

Please be acknowledged for your information.

Sincerely Yours,

(Mr.Wanthana Jaroennawarat)

Director