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14 May 2026

Subject : Management Discussion and Analysis for Q1/2026

Attention : President

The Stock Exchange of Thailand

Vanachai Group Public Company Limited (“the Company”) has submitted the consolidated financial statements for the 1st quarter ended 31 March 2026, which is summarized as follows:

1. Consolidated Statements of Comprehensive Income for the three-month ended 31 March 2026 and 2025.

Consolidated Financial Statements	The first quarter 2026	The first quarter 2025	Change	
	Thousand Baht	Thousand Baht	Thousand Baht	%
Revenue from sales	2,537,368	3,099,562	(562,194)	(18%)
Cost of sales	(2,413,905)	(2,691,610)	(277,705)	(10%)
Gross profit	123,463	407,952	(284,489)	(70%)
Gain from exchange rate	22,472	21,839	633	3%
Other income	5,048	17,380	(12,332)	(71%)
Selling and distribution expenses	(167,551)	(219,870)	(52,319)	(24%)
Administrative expenses	(131,153)	(124,532)	6,621	5%
Management benefit expenses	(22,127)	(23,307)	(1,180)	(5%)
Profit (loss) from operating activities	(169,848)	79,462	(249,310)	(314%)
Finance cost	(81,408)	(97,447)	(16,039)	(16%)
Profit (loss) before income tax	(251,256)	(17,985)	233,271	1297%
Income (expenses) tax revenues	2,564	(13,529)	16,093	119%
Non-controlling interests	(9,462)	578	(10,040)	(1737%)
Profit (loss) - Shareholders of the Company	(239,230)	(32,092)	207,138	645%
Basic earnings profit (loss) per share (Baht)	(0.14)	(0.02)	0.12	645%

An overview of the results in the passing

The performance in the Q1/2026, the company and its subsidiaries have the total revenue from sales in amount of 2,537 million baht which is decreasing from the 2025 at equivalence of 562 million baht, about 18%. These caused, revenue from sales of domestic and export decreased about 7% and 21% respectively.

Analysis of profit (loss) of company and its subsidiaries

The Q1/2026, the company and its subsidiaries have loss attributable to equity holders of the company of 239 million baht as compared to the 2025, the company and its subsidiaries have loss attributable to equity holders of the company of 32 million baht, loss increased 207 million baht or 645% for the following main reasons;

1. The total sales has decreased of 562 million baht, due to sales volume of Particleboard has decreased by 24%. While the average price of MDF Board and Particleboard have decreased by 14%.
2. Cost of sales of 2,414 million baht, decreased of 278 million baht, due to the decreased in sales volume of MDF Board and Particleboard.
3. Administrative expenses increased by 7 million baht, due to the increase in the allowance for expected credit losses on trade receivables.

2. Statements of Financial positions as of 31 March 2026 and 31 March 2025.

Consolidated Financial Statements	31 March 2026	31 March 2025	Change	
	Thousand Baht	Thousand Baht	Thousand Baht	%
Assets				
Current assets				
Cash and cash equivalent items	560,012	980,792	(420,780)	(43%)
Trade and other current receivable	997,199	1,130,427	(133,228)	(12%)
Revenue Department receivable	108,680	133,888	(25,208)	(19%)
Inventories	2,663,651	2,707,466	(43,815)	(2%)
Maintenance supplies	793,586	765,350	28,236	4%
Current tax assets	8,940	1,715	7,225	421%
Total current assets	5,132,068	5,719,638	(587,570)	(10%)
Non-current assets				
Property, plant and equipment	12,282,806	10,940,218	1,342,588	12%
Right-of-use assets	743,470	749,448	(5,978)	(1%)
Intangible assets	111,966	124,198	(12,232)	(10%)
Deferred tax assets	80,194	68,273	11,921	17%
Other non-current assets	67,116	162,730	(95,614)	(59%)
Total non-current assets	13,285,552	12,044,867	1,240,685	10%
Total assets	18,417,620	17,764,505	653,115	4%

Consolidated Financial Statements	31 March 2026	31 March 2025	Change	
	Thousand Baht	Thousand Baht	Thousand Baht	%
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	3,363,722	2,642,008	721,714	27%
Trade and other current payable	1,281,123	1,062,128	218,995	21%
Advances received from customers	461,786	521,107	(59,321)	(11%)
Current portion of long-term liabilities				
Long-term loans from financial institutions	1,021,825	1,043,700	(21,875)	(2%)
Lease liabilities	90,904	81,138	9,766	12%
Income tax payables	2,638	46,936	(44,298)	(94%)
Current provisions for employee benefits	76,280	19,433	56,847	293%
Total current liabilities	6,298,278	5,416,450	881,828	16%
Non-current liabilities				
Long-term loans from financial institutions	4,537,339	3,780,915	756,424	20%
Lease liabilities	638,002	665,533	(27,531)	(4%)
Non-current provisions for employee benefits	461,463	486,684	(25,221)	(5%)
Deferred tax liabilities	-	2,113	(2,113)	(100%)
Other non-current liabilities	5,665	5,991	(326)	(5%)
Total non-current liabilities	5,642,469	4,941,236	701,233	14%
Total liabilities	11,940,747	10,357,686	1,583,061	15%
Shareholders' equity				
Issued and paid-up share capital	1,735,238	1,735,238	-	0%
Premium on ordinary shares	1,482,634	1,482,634	-	0%
Retained earnings				
Appropriated-Legal reserve	173,524	173,524	-	0%
Unappropriated	3,030,877	3,926,497	(895,620)	(23%)
Total shareholders' equity of the Company	6,422,273	7,317,893	(895,620)	(12%)
Non-controlling interests of subsidiaries	54,600	88,926	(34,326)	(39%)
Total shareholders' equity	6,476,873	7,406,819	(929,946)	(13%)
Total liabilities and shareholders' equity	18,417,620	17,764,505	653,115	4%

Financial status

Total assets

As of 31 March 2026, the total assets of the company and its subsidiaries were 18,418 million baht, increased by 653 million baht, compared to the total assets of 17,765 million baht in 2025. This increase is due to an increase in maintenance supplies, current tax assets, property plant and equipment, deferred tax assets and a decrease in cash and cash equivalent items, trade and other current receivable, revenue department receivable, inventories, right-of-use assets, intangible assets, other non-current assets.

Total Liabilities

As of 31 March 2026, the total liabilities of the company and its subsidiaries were 11,941 million baht, increased by 1,583 million baht, compared to the total liabilities of 10,358 million baht in 2025. This increase is due to an increase in loans from financial institutions, trade and other current payable, provisions for employee benefits and a decrease in advances received from customers, lease liabilities, income tax payables, deferred tax liabilities, other non-current liabilities.

Total shareholder's equity

As of 31 March 2026, the total shareholder's equity of the company and its subsidiaries were 6,477 million baht, decreased by 930 million baht, compared to the total shareholders' equity of 7,407 million baht in 2025, due to operating losses.

As of 31 March 2026, the debt to equity ratio was 1.84:1, increased by 0.44 times compared to that of 1.40:1 in 2025. The main reason is due to an increase in loans from financial institutions and a decrease in shareholders' equity, due to operating losses.

3. Statements of Cash flow for the three-month period ended 31 March 2026 and 31 March 2025.

Consolidated Financial Statements	The first quarter 2026	The first quarter 2025	Change	
	Thousand Baht	Thousand Baht	Thousand Baht	%
Net cash received from operating activities	153,826	7,691	146,135	1,900%
Net cash received from (used in) investing activities	(254,590)	(112,911)	141,679	125%
Net cash received from (used in) financing activities	71,991	(157,478)	229,469	146%
Cash and cash equivalent items increase (decrease)-net	(28,773)	(262,698)	(233,925)	(89%)
Cash and cash equivalent items at the beginning of the period	588,785	1,243,490	(654,705)	(53%)
Cash and cash equivalent items at the end of the period	560,012	980,792	(420,780)	(43%)

Liquidity

Cash flow

For the three-month ended 31 March 2026, the company and its subsidiaries have cash flow received from operating activities 154 million baht, cash flow used in investing activities 255 million baht and cash flow received from financing activities 72 million baht. There was net cash flow used 29 million baht. The cash flow used was 234 million baht less than the same period in 2025 as summarized;

1. Net cash received from operating activities is 154 million baht, increased by 146 million baht, because of decreased of profit from operation before change in operating assets and liabilities by 257 million baht, decreased of operating assets 351 million baht, increased of operating liabilities 53 million baht.
2. Net cash used in investing activities is 255 million baht, increased by 142 million baht, due to cash received from disposed of property, plant and equipment decreased by 7 million baht, cash paid for purchase of property, plant and equipment increased by 200 million baht, cash paid for the purchase of assets decreased by 65 million baht.
3. Net cash received from financing activities is 72 million baht, increased by 229 million baht, due to short-term loans from financial institutions decreased by 238 million baht, cash received from long-term loans from financial institutions increased by 280 million baht, cash paid for long-term loans from financial institutions decreased by 170 million baht, cash paid for lease liabilities decreased by 3 million baht and cash paid for interest expenses of loans decreased by 14 million baht.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)

Director