Chic Republic Public Company Limited
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Business Registration Number: 010 756 0000 389

10 August 2026

Re: MD&A for the three-month and six-month periods ended 30 June 2026

To the President
The Stock Exchange of Thailand

Chic Republic Public Company Limited (the "**Company**") would like to submit the reviewed financial information for the three-month and six-month periods ended 30 June 2026 and provide our Management Discussion and Analysis (MD&A) as following details:

Economic and Industrial Conditions Affecting Business Operations

In the second quarter of 2026, Thailand's property sector continued to recover unevenly. While the high-end segment maintained positive growth, the mid- and lower-end segments remained under pressure from limited purchasing power and tighter mortgage approval requirements imposed by financial institutions. Nevertheless, the furniture and home furnishing industry continued to benefit from growing demand for home renovations, increased spending to enhance living quality, and rising adoption of smart home products that align with modern lifestyles. These factors supported the continued growth outlook of the furniture business.

For the Company, such market conditions continued to present challenges during the first half of the year. Customers increasingly focused on mid-priced products and practical solutions that offer greater value for money. Demand from project customers remained concentrated on furniture packages for residential developments and fully furnished homes and condominiums. Although demand from project customers softened compared to the previous year, the domestic housing market and local customers remained the Company's primary sources of revenue.

On the cost side, the low inflation environment helped ease pressure on selling prices. However, the Company continued to face fluctuations in certain costs, particularly transportation expenses and imported product costs, due to economic conditions and energy price movements. Management therefore remained focused on inventory management, cost control, and operational efficiency improvements to maintain profitability and financial stability.

Looking ahead, management believes that business operations will continue to face uncertainty arising from global economic conditions, domestic purchasing power, and cost volatility. The Company will continue to adopt a prudent business strategy, focusing on developing products that deliver value, functionality, and meet evolving consumer needs. In addition, the Company will emphasize efficient inventory and working capital management, strengthen its online sales channels alongside physical stores, and enhance cost control and operational efficiency to mitigate demand fluctuations and support sustainable long-term growth.

Consolidated Statement of Comprehensive Income	Million Baht							
	Q2 2026	Q1 2026	Q2 2025	Change Inc (Dec)		1H 2026	1H 2025	Change Inc (Dec)
				QoQ	YoY			YoY
Merchandise sales revenue	102.35	98.57	97.40	3.78	4.95	200.92	204.65	(3.75)
Project-based revenue	24.93	52.60	31.79	(27.67)	(6.86)	77.53	56.40	21.13
Service revenue	12.77	12.78	11.77	(0.01)	1.00	25.55	24.43	1.12
Other revenue	1.00	2.69	1.73	(1.69)	(0.73)	3.69	2.49	1.20
Total revenues	141.05	166.64	142.70	(25.59)	(1.65)	307.69	287.97	19.72
Cost of sales and service	57.41	70.89	56.00	(13.47)	1.41	128.30	108.14	20.16
Gross profit	82.62	93.06	84.98	(10.45)	(2.36)	175.67	177.34	(1.67)
Selling expenses and administrative expenses	79.79	80.24	92.03	(0.45)	(12.24)	160.01	189.03	(29.02)
EBIT	3.85	15.52	(5.33)	(11.67)	9.18	19.37	(9.20)	28.57
Profit (loss) for the period	(3.18)	6.63	(12.81)	(9.81)	9.63	3.45	(25.29)	28.74
EPS (Baht)	(0.0023)	0.0049	(0.0092)			0.0025	(0.0177)	

Operating Results for the Second Quarter of 2026 Compared with the First Quarter of 2026 (QoQ)

In the second quarter of 2026, the Group reported total revenue of Baht 141.05 million, representing a decrease of Baht 25.59 million, compared to the first quarter of 2026. The decline was primarily attributable to lower project sales revenue following the scheduled delivery of projects during the period.

Cost of sales and services amounted to Baht 57.41 million, decreasing by Baht 13.47 million in line with the reduction in project-related revenue. As a result, gross profit decreased to Baht 82.62 million compared to the previous quarter.

Selling and administrative expenses totaled Baht 79.79 million, decreasing by Baht 0.45 million. Selling expenses increased by Baht 0.29 million due to higher marketing and promotional activities, while administrative expenses decreased by Baht 0.72 million.

Consequently, the Group recorded operating profit of Baht 3.85 million, lower than that of the previous quarter as a result of the decline in revenue. The Group reported a net loss of Baht 3.18 million for the second quarter of 2026.

Operating Results for the Second Quarter of 2026 Compared with the Second Quarter of 2025 (YoY)

In the second quarter of 2026, the Group reported total revenue of Baht 141.05 million, a decrease of Baht 1.65 million, compared to the same period last year. The increase was mainly due to higher revenue from merchandise sales revenue but project-based revenue decreased, reflecting the timing of project deliveries during the period.

Cost of sales and services amounted to Baht 57.41 million, increasing by Baht 1.41 million from the same period of the previous year. As a result, gross profit decreased by Baht 2.36 million year-on-year.

Selling and administrative expenses totaled Baht 79.79 million, representing a decrease of Baht 12.24 million compared to the same period last year. The decrease was primarily attributable to lower personnel expenses, sales promotion expenses, and utility costs. As a result of effective cost control and expense management, the Group generated operating profit of Baht 3.85 million in the second quarter of 2026, compared to an operating loss of Baht 5.33 million in the second quarter of 2025.

Overall performance summary, for the second quarter of 2026, the Group reported a net loss of Baht 3.18 million. However, the net loss improved compared to the same period last year, reflecting enhanced operational efficiency and effective cost and expense management. Although revenue declined, resulting in an overall improvement in operating performance compared to the previous year.

Operating Results for the Six-Month Period Ended 30 June 2026 compared with the Six-Month Period Ended 30 June 2025 (YoY)

For the six-month period ended 30 June 2026, the Group reported total revenue of Baht 307.69 million, an increase of Baht 19.72 million from the same period last year, primarily driven by higher project sales revenue following project deliveries during the period.

Cost of sales and services increased by Baht 20.16 million to Baht 128.30 million in line with the growth in project sales, resulting in a decrease in gross profit of Baht 1.67 million compared to the corresponding period of the previous year.

Selling and administrative expenses totaled Baht 160.01 million, a decrease of Baht 29.02 million, mainly attributable to lower personnel, sales promotion, utility, and depreciation and amortization expenses.

As a result, the Group recorded operating profit of Baht 19.37 million, compared to an operating loss of Baht 9.20 million in the same period last year. Net profit for the six-month period amounted to Baht 3.45 million, representing an improvement of Baht 28.74 million year-on-year. The improved profitability was primarily driven by revenue growth and effective cost and expense management, reflecting enhanced operating performance and improved operational efficiency.

Analysis of Consolidated Statement of Financial Position

Consolidated Statement of Financial Position	As at 30 June 2026	As at 31 December 2025	Change	
	Million Baht	Million Baht	Million Baht	%
Total assets	1,771.51	1,822.05	(50.54)	(2.77)
Total liabilities	954.38	1,007.81	(53.43)	(5.30)
Total shareholders' equity	817.13	814.24	2.89	0.35

Total assets as at 30 June 2026 amounting to Baht 1,771.51 million, a decline by Baht 50.54 million from 31 December 2025 are mainly from declining of trade accounts and other receivable from collections during the period and inventories decreased from retailed sales and project-based work delivered during the period. Property and equipment decreased by Baht 26.99 and right-of-use assets decreased by Baht 14.16 million mainly from recognition of depreciation and amortization for the six-month period ended 30 June 2026.

Total liabilities amounting to Baht 954.38 million, a decline by Baht 53.43 million from 31 December 2025 are mainly from declining of trade and other accounts payable including repayments of loans made during the period and lease payments under lease agreements made during the period.

Total shareholders' equity amounting to Baht 817.13 million, an increase of Baht 2.89 million from operation results for the six-month period ended 30 June 2026.

On 20 April 2026, the 2026 Annual General Meeting of Shareholders approved to transfer of the legal reserve and the share premium to offset all accumulated losses as presented in the Company's separate financial statements as at 31 December 2025, amounting to Baht 21,305,132 (excluding the accumulated effects from the remeasurement of defined benefit plans). The transfer comprised the entire legal reserve amounting to Baht 19,500,000 and the share premium amounting to Baht 1,805,132. This transfer represents a transfer within shareholders' equity and has no impact on the Company's assets, liabilities and cash flows.

Ms. Piyanuch Nakayodhin

CFO, Chic Republic Public Company Limited