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No. ECF 075/2026

15 September 2026

Subject: Management Discussion and Analysis for the Year Ended 31 December 2025

To President
The Stock Exchange of Thailand

East Coast Furnitech Public Company Limited ("the Company") would like to report on Management Discussion and Analysis from the Consolidated Financial Statements of the year ended 31 December 2025. Since the Company has its main revenue from the furniture business, the information between the Consolidated Financial Statements and Separate Financial Statements does not differ significantly.

Business Overview

The Company is a manufacturer and distributor of household furniture products, covering bedroom sets, living room furniture, dining tables, and sofas. The products include both ready-to-assemble and fully assembled formats.

Currently, the Company's main customer base consists of domestic customers, accounting for approximately 70%, and export customers around 30%. The key domestic customers include large retail chains (Thai hypermarkets), followed by small retailers nationwide and sales through various online channels. For international customers, the Company's primary market is Japan.

Summary of Events and Key Developments

There are no additional significant events or developments beyond what has already been disclosed.

Summary of Operating Results and Financial Position

Key information presented from the consolidated financial statements is as follows:

Revenue from sales and total revenue for the year 2025 decreased significantly compared with the same period of the previous year. Revenue from sales amounted to THB 263.56 million, while total revenue amounted to THB 281.91 million, representing significant decreases of 80.42% and 79.32%, respectively, compared with 2024.

The significant decrease was primarily attributable to the Company being in the process of organizational restructuring and revising its operational plans. As a result, production capacity was reduced in accordance with management's plan. The Company has also been reviewing its customer portfolio to ensure that sales are appropriately aligned with costs and expenses, taking into account prevailing economic conditions and rising labor costs. Consequently, during this transitional period, the Company experienced a significant decline in revenue from sales.

In addition, the Company is currently addressing liquidity constraints in its business operations, which remain a key challenge at present. These liquidity constraints have affected the availability of working capital facilities required to support an increase in production.

The proportion of cost of sales to revenue from sales remained unchanged from the previous period. Meanwhile, distribution costs as a proportion of total revenue increased slightly, primarily due to fixed production expenses, while the Company experienced a decline in revenue from sales. Administrative expenses also increased, mainly due to higher fixed expenses, both in terms of absolute amount and as a proportion of total revenue.

For the financial statements for the fourth quarter of 2025, the Company recorded a significant increase in expenses, primarily attributable to costs arising from inventory damage amounting to THB

983.38 million. This was a significant item contributing to the substantial loss incurred by the Company for the year 2025.

In addition, during the second quarter, on June 20, 2025, a fire incident occurred in certain areas of the factory used for the production of rubberwood furniture (the spray-painting area) at Branch 1, Wang Chan District, Rayong Province. The preliminary losses resulting from the fire primarily comprised (1) inventories and (2) buildings and equipment, with a carrying amount of approximately THB 76.12 million. This amount represents the net loss after deducting compensation received under the fire insurance policy maintained with a domestic insurance company.

The Company also recognized impairment losses on financial assets and fair value measurements of financial instruments. The principal items included an allowance for impairment of trade receivables, for which impairment was calculated in accordance with TFRS 9 by an actuary, and an allowance for impairment of investments in subsidiaries.

Finance costs increased compared with the same period of the previous year, as the Company continues to carry a relatively high level of debt obligations, comprising debentures, borrowings from financial institutions, and other borrowings.

Operating Results Analysis: Consolidated

1. Revenues

Unit: million baht

Revenue Structure	Consolidated			
	Amount		Change	
	Year 2025	Year 2024	Amount	%
Revenue from sales – net	263.56	1,345.82	-1,082.27	-80.42%
Others income	18.06	15.89	2.17	13.64%
Profit from exchange rate	0.29	1.71	-1.42	-83.13%
Total Revenue	**281.91**	**1,363.43**	**-1,081.52**	**-79.32%**
Share of gain from investment value of the associates	6.83	19.35	-12.51	-64.68%

During 2025, the Company recorded revenue from the operations of the Company and its subsidiaries of THB 263.56 million and total revenue of THB 281.91 million, compared with revenue from sales of THB 1,345.82 million and total revenue of THB 1,363.43 million in the same period of the previous year. This represented a significant decrease, with revenue from sales declining by 80.42% and total revenue declining by 79.32% compared with the same period of the previous year.

The decrease was primarily attributable to the Company being in the process of organizational restructuring and revising its operational plans, resulting in a reduction in production capacity in accordance with management's plan. Other contributing factors included prevailing economic conditions, the fire incident affecting certain production areas, and the Company's ongoing efforts to address liquidity constraints in its business operations, which have affected the availability of working capital facilities required to increase the Company's production. The Company is currently taking urgent measures to address the various debt obligations and financial challenges it is facing.

The share of profit from investment in an associate was derived from Green Earth Power (Thailand) Co., Ltd. ("GEP"), which has invested in a 220 MW solar power plant project located in Minbu, Myanmar. ECF Power Co., Ltd. ("ECF-P"), a subsidiary of the Company, holds a 20% equity interest in GEP. At present, Phase 1 of the project, with an installed capacity of 50 MW, is in commercial operation. GEP is currently in the process of securing financing for the construction of Phase 2 and intends to expedite the construction of the remaining phases in order to complete all four phases as soon as practicable.

At present, payments for electricity supplied to the Myanmar electricity authority continue to be received in accordance with the agreed terms. This indicates that the relevant electricity authority of the Myanmar government has not shown any indication of terminating the Power Purchase Agreement with the Company. Nevertheless, the construction of the subsequent phases following Phase 1 remains delayed due to the ongoing process of securing financing for the construction.

For 2025, the Company recognized a share of profit from its investment in GEP, as an associate, amounting to THB 6.83 million, compared with THB 19.35 million in the same period of the previous year. The decrease was attributable to the recognition by GEP of other income for accounting purposes in 2024, which arose from a one-time event and did not recur in 2025.

2. Cost of Goods Sold and Significant Expenses

Unit: million baht

Structure of Costs and Expenses	Consolidated					
	Amount		Change		Compared to Total Income	
	Year 2025	Year 2024	Amount	%	Year 2025	Year 2024
Cost of goods sold	237.15	1,215.84	-978.70	-80.50%	84.12%	89.18%
Costs arising from inventory damage	983.38	-	983.38	N.A.	348.83%	0.00%
Cost of sales	22.77	95.79	-73.02	-76.23%	8.08%	7.03%
Administrative expenses	132.49	171.31	-38.82	-22.66%	47.00%	12.56%
Other expenses - losses from fire accident	76.12	-	76.12	N.A.	27.00%	0.00%
Financial cost	191.68	180.67	11.01	6.10%	68.00%	13.25%
Losses from impairment of financial assets and fair value measurement of financial instruments	153.68	38.89	114.79	N.A.	54.52%	2.85%
Total cost and expenses	**1,797.27**	**1,702.50**	**94.77**	**5.57%**	**637.54%**	**124.87%**

The significant costs and expenses occurred during the period of 2025

The proportions of various costs and expenses to total revenue continued to increase, primarily due to the decrease in the Company's total revenue, while certain expenses remained fixed in nature.

In addition, the Company recognized the following significant expense items: (1) costs arising from inventory damage; (2) other expenses – loss from fire incident; and (3) losses from impairment of financial assets and fair value measurement of financial instruments. These three items represented significant expenses recognized in the financial statements during the fourth quarter of 2025. The details are as follows:

1. Costs Arising from Inventory Damage of THB 983.38 Million

During the fourth quarter of 2025, the Company conducted a physical inventory count under the **"2025 Inventory Inspection and Assessment Project."** Management assigned the relevant departments to jointly establish an inspection team to conduct a physical count of all inventories, as well as to perform a

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detailed assessment of the condition of the inventories and their storage environment. The results of the assessment were submitted to management for consideration and approval of the following actions:

1. Inventories damaged to an extent that they can be reprocessed: approval was sought to reprocess such inventories;

2. Inventories damaged to an extent that they remain saleable: approval was sought to sell such inventories at special prices based on their condition; and

3. Inventories damaged to an extent that they can neither be sold nor reprocessed: approval was sought to dispose of such inventories.

Based on the results of the inspection and assessment conducted under the aforementioned project, the Company recognized costs arising from inventory damage for the year ended December 31, 2025, totaling approximately THB 983.38 million. The details are as follows:

Costs Arising from Inventory Damage – THB Thousand

Nature of Damage	Finished Goods	Work in Process	Raw Materials	Factory Supplies	Total
1) Accumulated moisture, breakage, deterioration and scratches	353,692	107,194	46,093	7,827	514,806
2) Reprocessed through the production process	24,568	231,025	40,765	39,717	336,075
3) Termite damage	86,304	–	–	–	86,304
4) Fire damage	22,984	–	492	2,935	26,411
5) Deterioration	17,149	–	–	2,632	19,781
Total	**504,697**	**338,219**	**87,350**	**53,111**	**983,377**

- **Damage from the 2024 Flood and Inappropriate Storage Conditions** — The Company was affected by flooding in the surface-finishing factory area and nearby areas used as warehouses, resulting in damage to assets and inventories. The Company has already received insurance compensation for the damage from the insurance company.
  During 2025, certain warehouses were periodically closed, and there was an insufficient number of personnel available to adequately supervise the warehouses as a result of the organizational restructuring undertaken in line with the Company's efforts to address its financial liquidity constraints.
  Based on the physical inventory count conducted under the aforementioned project in the fourth quarter of 2025, the Company identified indirect damage to inventories that had not been directly damaged by the flood. Such inventories had not been in direct contact with floodwater and their external condition had appeared normal at the time the Company finalized its assessment of flood-related damage for the purpose of submitting an insurance claim. Subsequently, however, the inventories were found to have accumulated moisture, resulting in swelling and mold growth. Certain inventories were also damaged by termites to such an extent that they could neither be sold nor reprocessed.
  As a result, the Company recognized costs arising from inventory damage as described in items (1) and (3) above, amounting to approximately THB 514.8 million and THB 86.3 million, respectively.

- **Reprocessing through the Production Process** — This item represents incremental costs incurred from reprocessing long-held inventories that remained in usable condition into new products. The majority of such inventories consisted of work in process relating to cancelled customer orders. Management adopted a highest and best use approach to inspect and sort these inventories for disassembly, removal of excess components, repair or replacement of missing parts, and subsequent reprocessing into new products. As a result, the Company incurred incremental reprocessing costs of approximately THB 336.1 million.

- **Damage from the 2025 Fire Incident** — This item represents inventories stored in areas adjacent to the fire-affected area that were subsequently identified by the Company through further inspection, amounting to approximately THB 26.4 million. Such damage was identified after the Company had finalized its assessment of losses for the purpose of submitting an insurance claim.

- **Damage from Deterioration** — This item represents inventories comprising finished surface-finishing paper rolls and PVC edge banding (plastic edge-banding materials), which were reassessed by the inspection team in 2025. The assessment found that certain inventories had begun to exhibit discoloration, fading, or staining and could therefore no longer be sold as normal merchandise. Accordingly, such inventories were required to be sold at special discounts or on a bulk lot basis to the Company's subsidiaries and its regular customers. The total cost of such inventories amounted to approximately THB 19.8 million.

2. Other Expenses – Loss from Fire Incident

On June 20, 2025, a fire occurred in certain areas of the factory used for the production of rubberwood furniture (the spray-painting area) at Branch 1, Wang Chan District, Rayong Province. The losses resulting from the fire primarily comprised (1) inventories and (2) buildings and equipment.

The Company had maintained fire insurance policies with two domestic insurance companies. Subsequently, during November–December 2025, the Company received total insurance compensation of approximately THB 32.83 million in respect of the fire incident.

Accordingly, the Company recognized the loss from the write-off of the aforementioned assets, net of the insurance compensation received, in the consolidated and separate statements of comprehensive income for the year ended December 31, 2025, as follows:

	THB Thousand
Damage to inventories	80,082
Damage to buildings and equipment	28,867
Total damage – Loss from write-off of assets due to fire incident	**108,949**
Insurance compensation received under fire insurance policies	(32,831)
Other expenses – Loss from fire incident	**76,118**

3. Losses from Impairment of Financial Assets and Fair Value Measurement of Financial Instruments

The impairment of financial assets and fair value measurement of financial instruments resulted from the assessment of losses in accordance with Thai Financial Reporting Standard No. 9 ("TFRS 9"), as assessed by an actuary, amounting to a total of THB 153.68 million. The significant items are summarized as follows:

During 2023, the Company entered into installment repayment agreements with trade receivables, the majority of which had been overdue for periods ranging from 1 month to 13 months as of the end of 2022. These debtors had been adversely affected by the economic impact of the COVID-19 pandemic. In order to facilitate the debtors' repayment of their outstanding balances to the Company and mitigate the risk of bad debts, the Company and the respective debtors entered into such repayment agreements. The terms and conditions varied among individual debtors; however, in general, the outstanding balances were repayable in monthly installments over periods ranging from 12 to 36 months, bearing interest at a rate of 6.6% per annum.

In 2025, the Company recognized an additional allowance for expected credit losses of approximately THB 146.4 million, based on the latest assessment of debtor information performed by an independent external specialist in January 2026 in respect of the balances as of December 31, 2025 and 2024.

With respect to investments in subsidiaries, during 2025, management reviewed the business plan of ECF Holdings Co., Ltd. ("ECFH"), which had been in place since 2024, together with the expected future cash flows. The assessment indicated that the carrying amount of the investment exceeded the present value of the expected future cash flows. As management planned to defer ECFH's business operations, the Company recognized an impairment loss on its investment in ECFH in full, including an additional impairment loss of THB 21.25 million recognized in the Company's separate statement of comprehensive income for 2025.

During 2025, management also reviewed the business plan of VV Rich Co., Ltd. ("VVR") and determined not to proceed with any business operations through VVR. Accordingly, the Company recognized an impairment loss on its investment in VVR in full in the Company's separate statement of comprehensive income for 2025.

With respect to investments in associates and joint ventures, during 2025, management reviewed the business plan of ECF Design Co., Ltd. ("ECFD"), which had been in place since 2024, together with the expected future cash flows. The assessment indicated that the carrying amount of the investment exceeded the present value of the expected future cash flows. Accordingly, the Company recognized an impairment loss on its investment in ECFD of THB 1.1 million in the Company's separate statement of comprehensive income for 2025.

With respect to finance costs, a significant portion was attributable to the issuance and offering of debentures, with an outstanding balance of THB 980.98 million as of December 31, 2025. In addition, the Company had borrowings from financial institutions amounting to THB 806.79 million, as well as other borrowings. Finance costs for the year 2025 amounted to THB 191.68 million.

3. Loss for the period

Unit: million baht

Profit Information	Consolidated			
	Amount		Change	
	Year 2025	Year 2024	Amount	%
Gross Profit	26.41	129.98	-103.57	-79.68%
Loss (Owners of the parent)	**-1,534.97**	**-231.37**	**-1,303.60**	**N.A.**
Loss for the period	-1,535.56	-232.68	-1,302.89	N.A.
Loss ratio for the period (Owners of the parent) to total revenue (%)	**-544.50%**	**-16.97%**		

With respect to the overall losses incurred in 2025, a significant contributing factor was the Company's financial liquidity constraints, which limited its ability to secure sufficient working capital facilities to support production. At the same time, the Company continued to incur various fixed operating expenses and finance costs associated with its outstanding debt obligations. In particular, the Company had previously issued debentures to finance its investment in the solar power plant project, while the construction of the project has been delayed and has not progressed in accordance with the original plan.

In addition, the Company recognized three significant expense items, as detailed above: (1) costs arising from inventory damage; (2) other expenses – loss from fire incident; and (3) losses from impairment of financial assets and fair value measurement of financial instruments.

Collectively, these factors had a significant adverse impact on the Company's operating results and contributed substantially to the significant losses incurred by the Company for the year 2025.

Financial Position: Consolidated Financial Statements

1. Total Assets

Unit: million baht

Statement of Financial Position	As of 31 December 2025		As of 31 December 2024		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Assets	469.08	19.99%	1,723.42	44.42%	-1,254.33	-72.78%
Non-Current Assets	1,877.52	80.01%	2,156.75	55.58%	-279.23	-12.95%
Total Assets	**2,346.60**	**100.00%**	**3,880.17**	**100.00%**	**-1,533.57**	**-39.52%**

As of December 31, 2025, the Company had total assets of THB 2,346.60 million. The significant decrease in total assets was primarily attributable to a decrease in current assets, particularly net inventories, which decreased by THB 1,254.33 million compared with the balance as of December 31, 2024. In addition, trade receivables decreased by THB 249.78 million compared with the balance as of December 31, 2024.

2. Total Liabilities and Shareholder's Equity

Unit: million baht

Statement of Financial Position	As of 31 December 2025		As of 31 December 2024		Increased / (Decreased)	
	MB	%	MB	%	MB	%
Current Liabilities	2,726.63	116.19%	2,690.44	69.34%	36.19	1.35%
Non-Current Liabilities	47.48	2.02%	245.97	6.34%	-198.49	-80.70%
Total Liabilities	**2,774.11**	**118.22%**	**2,936.41**	**75.68%**	**-162.30**	**-5.53%**
Shareholder's Equity	**-427.51**	**-18.22%**	**943.76**	**24.32%**	**-1,371.27**	**-145.30%**
Total Liabilities and Shareholder's Equity	**2,346.60**	**100.00%**	**3,880.17**	**100.00%**	**-1,533.57**	**-39.52%**

As of December 31, 2025, the Company had total liabilities of THB 2,774.11 million. The Company continued to carry a significant level of liabilities, which remained a material factor affecting its business operations.

As of December 31, 2025, the Company had negative shareholders' equity of THB 427.51 million. The decrease in shareholders' equity was primarily attributable to the operating losses incurred during 2025, with the Company recording a loss for the year of THB 1,535.56 million.

Factors That May Affect Future Operations or Growth

Factors that may currently affect the Company's future operations or growth include financial liquidity constraints and debt obligations. Management has been closely and continuously monitoring and managing these circumstances to ensure that sufficient cash flows are available to support the liquidity of the Group and the Company. Management believes that the Group and the Company will be able to secure the necessary and appropriate sources of funding, taking into account the prevailing circumstances, in the near future through a combination of the following measures:

(1) Organizational restructuring and revision of operational plans and internal procedures to enhance the efficiency and effectiveness of resource utilization and internal processes within the Group and the Company. These measures include plans to increase revenue in 2026, as well as initiatives to

control and reduce production costs, which partly resulted in a significant reduction in the Company's production capacity during 2025.

(2) Proceeding with the construction of Phase 2 of the solar power plant project in Minbu, Myanmar. The associate undertaking the project is currently coordinating and working with several financial institutions in Myanmar to secure financing for the project.

(3) An alternative plan to dispose of the aforementioned solar power plant project. In the past, a number of foreign investors have expressed interest in the project; however, as of the present date, the Company has not yet been able to reach an agreement on an appropriate sale price.

(4) Negotiating and entering into debt restructuring arrangements with certain financial institutions and other creditors, including requests for debt payment deferrals and/or extensions of repayment periods, in order to address the liquidity constraints of the Group and the Company.

Clarification on progress regarding various matters, in accordance with the periodic financial disclosure schedule

Item 1:

Transaction Type	Nature of Transaction	Latest Progress
Other receivables – Deposit	The deposit was made for a feasibility study related to a potential investment project in a biomass power plant located in Saga Prefecture, Japan, totaling THB 100 million. The Company paid THB 75 million in 2018 and THB 25 million in 2019. In November 2024, the Company decided not to proceed with the investment and entered into an agreement to reclaim the deposit through five installment payments scheduled from December 2025 to December 2029, with interest charged at a rate of 7.15% per annum.	As of 31 December 2025, the deposit of THB 100 million remains recorded in the financial statements. According to the terms of the refund agreement, the first installment is due in December 2025. However, the Company received a payment of THB 20 million in February 2026. With respect to the remaining outstanding balance, the Managing Director is continuously following up and pursuing collection.

Note: Please refer to further details in the clarification letter submitted to the Stock Exchange of Thailand, reference number ECF2 016/2025, dated March 31, 2025, regarding Disclosure of Additional Information for the 2024 Financial Statements as Requested by the SET (Additional Clarification), available at www.set.or.th.

Item 2:

Transaction Type	Nature of Transaction	Latest Progress
Financial Assistance to a Third Party	The financial assistance was provided to Mr. Supasit Pokinjaruras in the form of a loan totaling THB 40 million. As of March 31, 2025, the outstanding loan amount, including accrued interest, totaled THB 48.84 million.	As of 31 December 2025, the outstanding loan balance of THB 39 million, including accrued interest, remained on record. The Company is continuing to pursue collection of this receivable on an ongoing basis.

Note: Please refer to further details in the clarification letter submitted to the Stock Exchange of Thailand, reference number ECF2 020/2025, dated April 8, 2025, regarding Ratification of the Transaction Involving Financial Assistance to a Related Party (Additional Clarification), available at www.set.or.th.

Please be informed accordingly,

Yours sincerely,
East Coast Furnitech Public Company Limited
-Signature-
(Mr.Pacharatanapong Suksawad)
Managing Director