FANCY WOOD INDUSTRIES PUBLIC CO., LTD.
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REF. : SET 69-12

12 November 2026

Subject : Management Discussion and Analysis (MD&A) for the Third Quarter of 2026
To : The President of the Stock Exchange of Thailand

We, Fancy Wood Industries Public Co., Ltd., would like to clarify the overall operations of the Company and its subsidiary company for the second quarter of 2026 period ended September 2026 with the details below.

The company's performance began to gradually recover in Q3 2026, driven by the recovery of the rubberwood production and sales business. This was in line with the upward trend in rubberwood prices after being pressured by the US reciprocal tariffs announced in Q3 2025, which caused a rapid decline in global rubberwood prices. The main supporting factor in this quarter was the performance of the company's wood product sales business group, as some leased areas were converted to resume normal operations in rubberwood production and sales. As a result, the company's total revenue increased compared to the same period of the previous year.

For the subsidiary's real estate development business, performance improved compared to the same period last year. However, the overall real estate market in 2026 still faces several challenges, including domestic purchasing power that has not fully recovered, high levels of household debt, continued stringent lending policies by financial institutions, and uncertainty in the global economy. In addition, geopolitical conflicts in several regions are impacting energy prices and transportation costs in the global market, adding pressure on the real estate sector as a whole. As a result, the market remains sluggish, and consumers are more cautious in their spending and delaying their decision to purchase housing.

The overall Thai economy in the third quarter of 2026 showed signs of slowing improvement from the previous quarter, primarily driven by sustained growth in merchandise exports supported by the global AI cycle alongside a strengthening of domestic demand. This domestic momentum was fueled by continued private sector investment, particularly in machinery and equipment, as well as an increase in private consumption, partly bolstered by government measures. Headline inflation rose from the previous quarter, reflecting higher energy costs linked to an increase in global crude oil prices, while core inflation remained relatively stable. Key factors that warrant continued monitoring include: 1) the sustainability of the global technology and artificial intelligence cycle; 2) developments regarding international conflicts and trade

protectionist policies; 3) the recovery of the tourism sector; and 4) the impacts of flooding and the El Niño phenomenon.

In summary, the company's performance in the third quarter of 2026 maintained growth amidst challenging market conditions, primarily driven by domestic demand. However, management continues to prioritize proactive risk management, especially regarding external factors and the volatile impact of global trade policies. The company is prepared to adapt and closely monitor the situation, while integrating its plans with government economic stimulus measures to maintain a competitive advantage and ensure sustainable organizational growth.

Consolidated Operating Results Analysis

Based on the consolidated financial statements for the year ending September 30, 2026, compared to September 30, 2025.

Summary of Profit and Loss Statement

Performance results	Quarter 3, three-month period			Quarter 3, nine-month period		
Unit: Million Baht	Sep 2026	Sep 2025	% Change	Sep 2026	Sep 2025	% Change
Revenue from Sales and Services	15.10	4.73	+ 219.24%	48.66	5.48	+ 787.96%
Rental and service income	10.22	18.09	- 43.50%	49.52	43.34	+ 14.26%
Other income	8.27	0.16	+ 5,068.75%	12.33	0.73	+ 1,589.04%
Total income	33.59	22.98	+ 46.17%	110.51	49.55	+ 123.03%
Cost of Sales and Services	20.68	4.58	+ 351.53%	58.17	6.22	+ 835.21%
Rental cost	7.61	5.53	+ 37.61%	25.37	11.88	+ 113.55%
Distribution costs	1.55	0.77	+ 101.30%	3.35	1.72	+ 94.77%
Rental income	9.19	12.05	- 23.73%	30.84	32.16	- 4.10%
Impairment loss on assets	-	-	-	68.74	-	+ 100.00%
Financial cost	0.01	0.01	-	0.02	0.01	+ 100.00%
Total expenses	39.04	22.94	+ 70.18%	186.49	51.99	+ 258.70%
Profit and (Loss)	(5.45)	0.04	- 13,725.00%	(75.98)	(2.44)	+ 3,013.93%

Total Revenue

Quarter 3 for the three-month period.

Total revenue amounted to 33.59 million baht, an increase of 10.61 million baht from the same period last year, which had total revenue of 22.98 million baht, representing an increase of 46.17%

Revenue from sales and services totaled 15.10 million baht, an increase of 10.37 million baht or 219.24 %, primarily from the production and sale of wood products.

Rental and service income of 10.22 million baht, a decrease of 7.87 million baht or 43.50%, resulted from changes in both the number of tenants and the leased area in the space rental business, leading to a decrease in rental income compared to the same period last year.

Other income amounted to 8.27 million baht, an increase of 8.11 million baht, or 5,068.75%. This increase stemmed from the sale of by-products from the timber production business and the forfeiture of rental security deposits from one tenant who terminated their lease. As a result, other income increased compared to the same period last year.

Quarter 3 for the nine-month period.

For the nine-month period of 2026, total revenue was 110.51 million baht, an increase of 60.96 million baht from the same period of the previous year, which had total revenue of 49.55 million baht, or an increase of 123.03%. The main reason was

Revenue from sales and services totaled 48.66 million baht, an increase of 43.18 million baht, or 787.96%, resulting from a strategic business adjustment. The company resumed production in the processed rubberwood manufacturing and sales business segment, coupled with increased revenue from real estate sales by its subsidiary in the real estate development business. This led to a significant overall increase in revenue from sales and services compared to the same period last year.

Rental and service income totaled 49.52 million baht, an increase of 6.18 million baht or 14.26%. This growth was primarily driven by the space rental business, as revenue from electricity and water utility charges is recognized within this segment, leading to an overall increase in rental revenue compared to the same period of the previous year.

Other income totaled 12.33 million baht, an increase of 11.60 million baht or 1,589.04%. This increase was primarily due to the forfeiture of security deposits from tenants who terminated their leases, as well as income from the sale of by-products from the processed rubberwood business. As a result, overall other income increased significantly compared to the same period last year.

Total Expenses

Quarter 3 for the three-month period.

Expenses for the three-month period in 2026 amounted to 39.04 million baht, an increase of 16.10 million baht from the same period of the previous year in 2025, which had expenses of 22.94 million baht. This represents an increase of 70.18%, which is partly in line with the increase in revenue.

Quarter 3 for the nine-month period.

For the nine-month period of 2026, expenses amounted to 186.49 million baht, an increase of 134.50 million baht from the same period of the previous year, which had expenses of 51.99 million baht in 2025. This represents an increase of 258.70% which is consistent with the increase in revenue.

Furthermore, in the second quarter of 2026, the company was contacted by a company, a legal entity incorporated in Thailand and unrelated to the company's management, board of directors, or major shareholders, expressing interest in purchasing particleboard manufacturing equipment from the company. As of September 30, 2026, the book value of the said particleboard manufacturing equipment was 85.96 million baht. Currently, the company has temporarily ceased using the said equipment, and management has no plans to bring it back into operation. Its remaining useful life is approximately 7 years.

For the nine-month periods ended September 30, 2026, management recognized an impairment loss on the said particleboard manufacturing equipment, considering the expected recoverable value from the sale of 68.74 million baht in the consolidated and separate comprehensive income statements. (Summary Note to the Interim Financial Statements, Item 10)

Profit (loss)

Due to the various factors affecting the company's performance as mentioned above, the company incurred a net loss of 5.45 million baht for the three-month period, compared to a profit of 0.04 million baht in the same period of 2025, representing an increase in losses of 5.49 million baht compared to the same period of the previous year. Furthermore.

For the nine-month period, the company and its subsidiaries incurred a net loss of 75.98 million baht, compared to a loss of 2.44 million baht in the same period of 2025, representing an increase in losses of 73.54 million baht compared to the same period of the previous year.

Performance results of the wood product manufacturing and distribution business group.

In 2026, over the past nine months, the company has been restoring the operational capabilities of its wood product manufacturing and sales business group. The full-scale resumption of the processed rubberwood production line began in mid-February, enhancing the group's revenue generation capacity. As a result, in the second quarter, the company recognized revenue of 37.93 million baht from this business group, an increase of 37.18 million baht, or a growth rate of 4,957.33%.

Performance of the rental business group

For operating results in the third quarter of 2026, the factory space rental business in Surat Thani Province, the company continues to recognize income from the main tenants according to the original contract, totaling 3 people, in the area of rental business in the Khu Sang area. In Samut Prakan Province, the contract was canceled during the second quarter. However, the company has prepared a plan to recruit new tenants to replace the space as quickly as possible. Overall, the company's rental income from the space rental business group totaled 49.52 million baht, an increase of 6.18 million baht or an increase of 14.26%.

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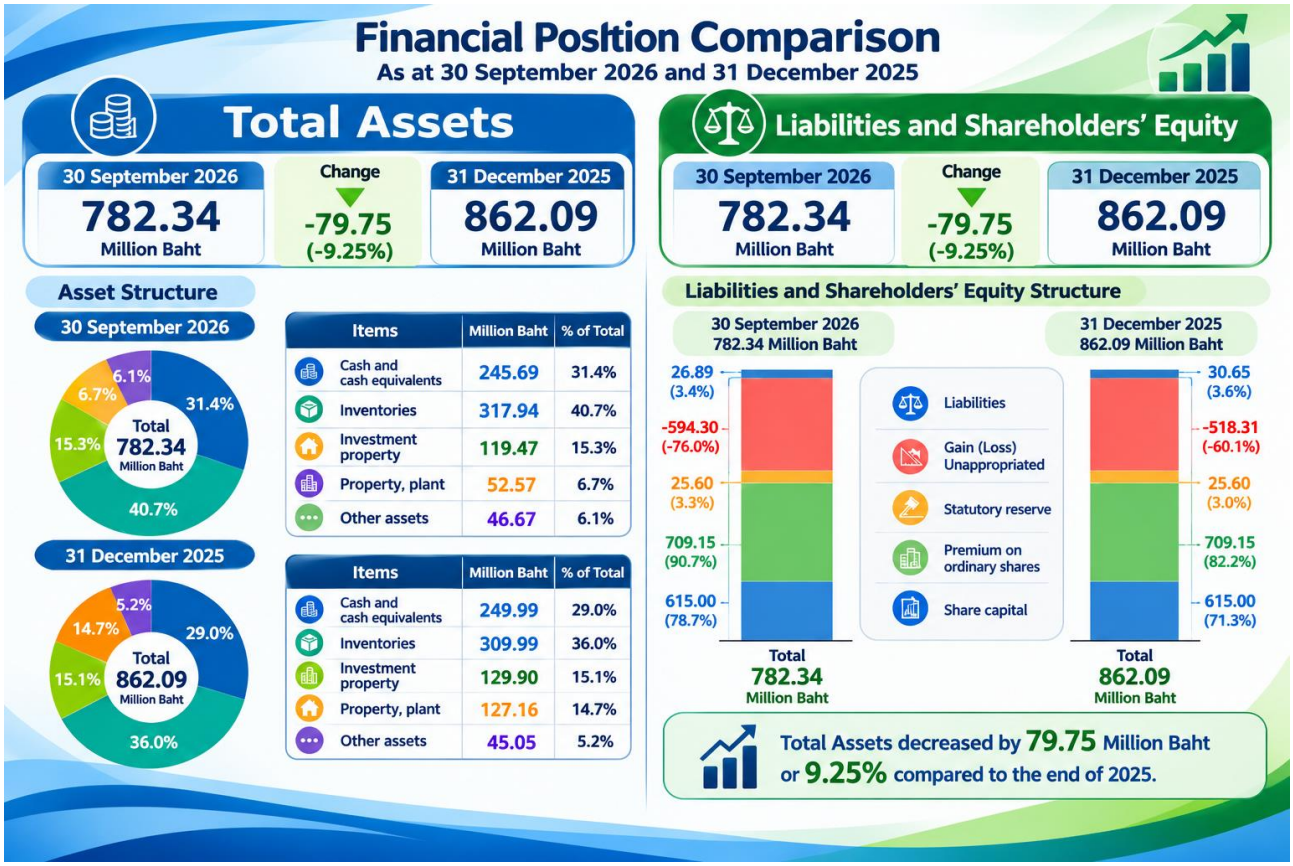
Financial Analysis of the Company – Consolidated Financial Statements

Based on consolidated financial statements as of September 30, 2026, compared to December 31, 2025.



Summary of financial statements				
Performance results	30 Sep. 2026	31 Dec. 2025	Changes	
Unit: Million Baht			Amount	Percent
Total Assets	782.34	862.09	(79.75)	(9.25)
Total Liabilities	26.89	30.65	(3.76)	(12.27)
Total Shareholders' Equity	755.45	831.44	(75.99)	(9.14)

Total Assets

As of September 30, 2026, the company's total assets amounted to 782.34 million baht, a decrease of 79.75 million baht, or 9.25%. The main reasons for this decrease were the reduction in the value of land, buildings, and equipment due to depreciation, and the recognition of an impairment loss of 68.74 million baht from an expected sale of particleboard manufacturing equipment, resulting in an overall decrease in total assets.

In 2026, over the past nine months, the Company recognized an expected impairment allowance for assets to accurately assess the value of assets as potentially recoverable and to prevent overvaluation of assets in the financial statements, in accordance with sound accounting principles.

Total Liabilities

As of September 30, 2026, the company's total liabilities amounted to 26.89 million baht, a decrease of 3.76 million baht, or 12.27%. This decrease was primarily due to the termination of security deposit obligations from 3 tenant whose lease agreement had been terminated, resulting in a reduction in the company's total liabilities.

Shareholders' Equity

As of September 30, 2026, the company's shareholders' equity amounted to 755.45 million baht, a decrease of 75.99 million baht, or 9.14%. The main reason for this decrease is the company's higher accumulated losses, resulting in a decrease in shareholders' equity commensurate with the increased losses.

Cash flow analysis

	Second Quarter	
	2026	2025
Net cash provided by (used in) operating activities	(3.94)	31.60
Net cash used in investing activities	(0.09)	-
Net cash used in financing activities	(0.28)	(0.28)
Net increase in cash and cash equivalent	(4.30)	31.32
Cash and cash equivalents, beginning balance	249.99	200.75
Cash and cash equivalents, ending balance	245.69	232.06

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For the third quarter ended September 30, 2026, the Company had net cash used in operations, net cash used in investing activities, and net cash used in financing activities of 3.94 million baht, 0.09 million baht, and 0.28 million baht, respectively.

- Net cash used in operating activities, derived from the company's business operations.
- Net cash used in investing activities resulted from the purchase of office equipment during the period.
- Net cash used in financing activities, primarily resulting from the payment of lease liabilities according to the contract period.

Please be informed accordingly.

Yours Faithfully

(Mr.Viboon Kosoltanawong)
Chief Executive Officer