



FANCY WOOD INDUSTRIES PUBLIC CO.,LTD.

357 MU 12 SOI SUKSAWAT 84, SUKSAWAT RD., PRASAMUTJADEE, SAMUTPRAKARN 10290, THAILAND

TEL : 0-2815-7060 , 0-2461-2100-1 , 0-2816-3060, FAX : 0-2461-2102 , 0-2816-0179

REF.SET: 63-07

14th May, 2020

Subject : Explanation of the business profits for the quarter 1/2020

To : The President of the Stock Exchange of Thailand

We, Fancy Wood Industries Public Co., Ltd., would like to explain the overall operations of the company and its subsidiaries for the quarter 1/2020 as at 31st May 2020 which was reviewed and authorized by Auditor with the details as follows:

Total revenue of the Company and its subsidiaries in the first quarter of 2020 was 62.89 million baht, a decrease of 15.00 million baht from the same quarter of the previous year which was 77.89 million baht, representing a 19.26 percent decrease. The drop in total revenues was partly a result of reduction in sales revenue which decreased to 60.38 million baht from the first quarter of the year before, when revenue from sales stood at 71.61 million baht, representing a 15.68 percent decrease. Key reason for this drop was as follows:

1. The main reason that sales revenue decreased was due to the processing of Rubber wood kiln dried sawn timber which is the main business of the company. The business was impacted by volatility caused since 2019 as a result of trade war between United States and China, where China was hit by tax barriers, causing the export of Thai rubber woods to China to be affected.

2. in addition China also implemented strict environmental regulations, which caused many factories in China to stop operations to improve their factories. Including the furniture manufacturing plants, thus stopping the orders of Rubber wood kiln dried sawn timber for their production, as we mainly export the Rubber wood to China Fancy Wood was impacted as well.

3. Last but not least, demand also took a hit following the spread of Coronavirus (COVID-19) which further impacted our sales.

In line with a drop in sales revenues the company reported a reduction in total expenses which decreased to 75.52 million baht in the first quarter of 2020 from the first quarter of 2019 when total expenses were 106.93 million baht, representing the rate of decrease of 29.37 percent, mainly due to a decrease in cost of sales from 78.89 million baht in the first quarter of 2019 to 59.51 million baht in the first quarter of 2020, representing a 24.57 percent reduction

For the 1st quarter of 2020, This showed an improvement from last year when consolidated loss was 16.11 million bath and 12.46 million bath for separate financial statements. The improvement in the year 2020 was attributed to increased rental and service income by 9 million baht in the consolidated financial statements and 4.5 million baht in the separate financial statements. In addition the company also saw a reduction in depreciation by approximately 5.9 million baht due to the depletion of assets and staff expenses which decreased by 1.6 million baht due to the reduction of the number of employees

Please be informed accordingly.

Yours Faithfully,

(Mr.Viboon Kosontanawong)

Chief Executive Officer