

-Translation-**No. ECF2 057/2016**

August 10, 2017

Subject: Management Discussion and Analysis of the 2nd quarter ended June 30, 2017To 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 separate and consolidated financial statements of the 2nd quarter ended June 30, 2017. The details are as follows;

Operating Performance1. Revenues

Unit: Million Baht

Information of the 2 nd Quarter	Consolidated				Separate			
	3 months		Change		3 months		Change	
	2017	2016	Amount	%	2017	2016	Amount	%
Revenue from sale – net	311.03	307.18	3.85	1.25	306.79	304.31	2.49	0.82
Gain from exchange rate	0.14	0.50	-0.36	-71.54	0.13	0.51	-0.38	-74.61
Other income	6.42	0.66	5.77	877.78	6.22	3.38	2.84	83.96
Total Revenue	317.60	308.33	9.26	3.00	313.14	308.19	4.94	1.60

In general, the Company could generate revenue from furniture business for 2nd quarter of Y2017 that was approximate by comparing to the same period of the last year. The increasing revenue came from export sales which the growth rate was 4.74 percent and the export sales from furniture was equivalent to 60 percent of total revenue from sale. Besides, other income also increased from the revenue of by products, waste and material

Information of 1H.2017	Consolidated				Separate			
	6 months		Change		6 months		Change	
	2017	2016	Amount	%	2017	2016	Amount	%
Revenue from sale – net	713.46	682.57	30.89	4.53	705.29	676.49	28.80	4.26

Information of 1H.2017	Consolidated				Separate			
	6 months		Change		6 months		Change	
	2017	2016	Amount	%	2017	2016	Amount	%
Other income	13.73	9.03	4.70	51.99	13.00	7.54	5.47	72.55
Total Revenue	727.19	691.60	35.59	5.15	718.30	684.03	34.27	5.01

For the 6-months period ended June 30, 2017, revenue from sale-net and total revenue grew at 4.26 percent and 5.01 percent respectively. However the increase of total revenue came from the significant growth of other income from selling waste and material.

2. Cost of goods sold and expenses : Consolidated

Unit: Million Baht

Information of the 2 nd Quarter	3 months		Change	
	2017	2016	Amount	%
Cost of goods sold	216.62	216.86	-0.24	-0.11
Cost of sales	36.58	38.77	-2.19	-5.64
Administrative expenses	41.83	35.08	6.75	19.25
Financial costs	16.75	12.12	4.63	38.17
Sharing of gain (loss) from investment value of the associates	(1.65)	0.84	-2.49	N.A.
Income tax expense	0.76	6.00	-5.23	-87.26
Total cost of goods sold and expenses	310.89	309.67	1.22	0.40

The overview of cost of goods sold and expenses of the 2nd quarter of Y2017, the company could still managing the cost and expenses which were approximate as the same period of the last year.

The significantly increasing expenses of the 2nd quarter of Y2017 were administrative expenses which increased from feasibility study expenses of energy business and financial cost also increased due to the offering and issuance of debentures totaling Bath 500 million in May 2016 at the interest rate 5.4 percent per year. In this regard, the objective of issuance of debentures was to prepare the source of fund for supporting the expansion to other businesses that may occur in the future.

Information of 1H.2017	6 months		Change	
	2017	2016	Amount	%
Cost of goods sold	504.91	488.45	16.46	3.37
Cost of sales	77.08	74.96	2.12	2.83
Administrative expenses	85.55	75.48	10.07	13.34
Loss from exchange rate	0.80	(0.19)	0.99	N.A.
Financial costs	33.16	21.46	11.70	54.50
Sharing of gain (loss) from investment value of the associates	(2.02)	1.61	-3.63	-225.48
Income tax expense	3.04	7.65	-4.61	-60.29
Total cost of goods sold and expenses	702.52	669.42	33.10	4.94

For the expenses of the 6-months period ended June 30, 2017, the significant increasing expenses were administrative expenses, financial cost and including share of loss from investment in associates that the investing power plant projects have not been commenced the business. However the Company shall start receiving the share of profit from Prize of Wood Green Energy Co.,Ltd, Biomass Power Plant 7.5 Megawatt, Narathiwat Province, since July 1, 2017 onwards due to commencing the commercial operation.

3. Profit for the period

Unit: Million Baht

Information of the 2 nd Quarter	Consolidated				Separate			
	3 months		Change		3 months		Change	
	2017	2016	Amount	%	2017	2016	Amount	%
Gross Profit	94.41	90.31	4.10	4.53	92.70	93.77	-1.07	-1.14
Share of Profit (Loss) from Investment in associates	(1.65)	0.84	-2.49	-296.79	0.00	0.00	0.00	N.A.
Profit (Owners of the parent)	4.90	3.98	0.92	23.15	11.09	14.79	-3.69	-24.97
Total Comprehensive Income for the Period	3.40	0.24	3.17	1346.81	11.09	14.79	-3.69	-24.97

In sum, the profit of the 2nd quarter of Y2017 (Consolidated) for profit (Owners of the parent) was Baht 4.90 million which was approximate the same period of the last year.

Information of 1H.2017	Consolidated				Separate			
	6 months		Change		6 months		Change	
	2017	2016	Amount	%	2017	2016	Amount	%
Gross Profit	208.56	140.12	68.43	7.43	204.93	194.20	10.73	5.53

Information of 1H.2017	Consolidated				Separate			
	6 months		Change		6 months		Change	
	2017	2016	Amount	%	2017	2016	Amount	%
Share of Profit (Loss) from Investment in associates	(2.02)	1.61	-3.63	-225.48	0.00	0.00	0.00	N.A.
Profit (Owners of the parent)	23.53	28.96	-5.44	-18.76	34.25	39.53	-5.28	-13.36
Total Comprehensive Income for the Period	20.64	28.35	-7.72	-27.21	34.25	39.53	-5.28	-13.36

From consolidated financial statements, Profit (Owners of the parent) for the period of 6 months of Y2017 was Baht 23.53 million which decreased from the last year 18.76 percent from the reason of the increase of administrative expenses, financial cost and also share of loss from investment in associates whereas the investment in power plant projects of the Company have not been started the commercial operation.

Financial Position: Consolidated Financial Statements

1. Total Assets

Statement of Financial Position	June 30, 2017		December 31, 2016		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Assets	1,305.97	55.19	1,532.73	65.02	-226.76	-14.79
Non-Current Assets	1,060.34	44.81	824.55	34.98	235.79	28.60
Total Assets	2,366.31	100.00	2,357.28	100.00	9.03	0.38

As of June 30, 2017, the Company's total assets was Baht 2,366.31 million, increased by Baht 9.03 million from the significant reasons of the increase of inventory and investment in associates. In this regard, the investment in associates increased evidently since the 2nd quarter of Y2017 and the amount of investment in associates as of June 30, 2017 representing to Baht 290.13 million increasing from as of December 31, 2017 equivalent to Baht 8.00 million.

2. Total Liabilities and Shareholder's Equity

Statement of Financial Position	June 30, 2017		December 31, 2016		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Liabilities	1,627.12	68.76	1,076.24	45.66	550.88	51.19
Non-Current Liabilities	86.17	3.64	621.95	26.38	-535.78	-86.15

Statement of Financial Position	June 30, 2017		December 31, 2016		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Liabilities	1,713.29	72.40	1,698.19	72.04	15.10	0.89
Shareholder's Equity	653.02	27.60	659.09	27.96	-6.07	-0.92
Total Liabilities and Shareholder's Equity	2,366.31	100.00	2,357.28	100.00	9.03	0.38

As of June 30, 2017, the Company's total liabilities was Baht 1,713.29 million, increased Baht 15.10 million from as of December 31, 2016 resulted from the increase of factoring payable from Bath 60.24 million as of December 31, 2016 to be Baht 111.81 million as of June 30, 2017.

Shareholder's Equity as of June 30, 2017 was Baht 653.02 million slightly decreased from 659.09 million as of December 31, 2016 due to the decrease of other components of equity.

Kindly be informed accordingly,

Yours sincerely,

East Coast Furnitech Public Company Limited

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(Arak Suksawad)

Managing Director