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No. ECF2 045/2016

May 15, 2017

Subject: Management Discussion and Analysis of the 1st quarter ended March 31, 2017

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 separate and consolidated financial statements of the 1st quarter ended March 31, 2017. The details are as follows;

Operating Performance

1. Revenues

Unit: Million Baht

Information of the 1 st Quarter	Consolidated				Separate			
	3 months		Change		3 months		Change	
	2017	2016	Amount	%	2017	2016	Amount	%
Revenue from sale – net	402.43	375.39	27.04	7.20%	398.50	372.19	26.32	7.07%
Other income	7.31	8.38	-1.07	-12.77%	6.79	4.16	2.63	63.27%
Total Revenue	409.74	383.77	25.97	6.77%	405.29	376.34	28.95	7.69%

In general, the Company could generate revenue for the 1st quarter of Y2017 that grew continuously especially revenue from furniture business. The growth of revenue came from domestic sales by the distribution channels of the Company's brand products, ELEGA showroom and retail stores and dealer shops over the country, which was equivalent to 20.80 percent. However the revenue from export sales slightly decreased 0.57 percent.

2. Cost of goods sold and expenses : Consolidated

Unit: Million Baht

	1 st Quarter		Change	
	2017	2016	Amount	%
Cost of goods sold	288.29	271.59	16.70	6.15%
Cost of sales	40.50	36.20	4.31	11.90%
Administrative expenses	43.72	40.40	3.32	8.21%

	1 st Quarter		Change	
	2017	2016	Amount	%
Loss from exchange rate	0.95	0.31	0.63	202.24%
Financial costs	16.41	9.34	7.07	75.67%
Sharing of gain (loss) from investment value of the associates	-0.37	0.77	-1.14	-147.59%
Income tax expense	2.27	1.65	0.62	37.78%
Total cost of goods sold and expenses	391.77	360.26	31.52	8.75%

The overview of cost of goods sold and expenses of the 1st quarter of Y2017, the company could still manage the cost of production and cost of goods sold by continuously decreasing from the policy of control and management of factory. The percentage of cost of goods sold per sales revenue represented 71.64 percent comparing to 72.35% of same period of the last year.

The significant expense of the 1st quarter of Y2017 was financial cost by comparing to the same period of the last year. Due to the offering and issuance of debentures totaling Bath 500 million in May 2016 at the interest rate 5.4 percent per year. For other expenses such as administrative expenses, etc., these expenses were similar as the proportion of the same period of last 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.

3. Profit for the period

Unit: Million Baht

Information of the 1 st Quarter	Consolidated				Separate			
	3 months		Change		3 months		Change	
	2016	2015	Amount	%	2016	2015	Amount	%
Gross Profit	114.15	103.81	10.34	9.96%	112.24	100.44	11.80	11.75%
Share of Profit (Loss) from Investment in associates	-0.37	0.77	-1.14	-147.59%	0.00	0.00	0.00	N.A.
Profit (Owners of the parent)	18.63	24.99	-6.36	-25.44%	23.16	24.75	-1.59	-6.42%
Total Comprehensive Income for the Period	17.24	28.12	-10.88	-38.70%	23.16	24.75	-1.59	-6.42%

In sum, the profit of the 1st quarter of Y2017 (Consolidated) for profit (Owners of the parent) was Baht 18.63 million decreased from the last year Baht 6.36 million representing to 25.44 percent due to the financial cost of the debentures. This reason caused to the increase of financial cost of the 1st quarter representing to Baht 7.07 million. Whereas now there is no any commencement of realized gain from any investment. However, the Company expects that there will have some projects could gain the return from investment within this year.

Financial Position: Consolidated Financial Statements1. Total Assets

Statement of Financial Position	March 31, 2017		December 31, 2016		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Assets	1,433.69	64%	1,532.73	65%	-99.04	-6.46%
Non-Current Assets	812.61	36%	824.55	35%	-11.94	-1.45%
Total Assets	2,246.30	100%	2,357.28	100%	-110.98	-4.71%

As of March 31, 2017, the Company's total assets was Baht 2,246.30 million, decreased by Baht 110.98 million or 4.71 percent from as of December 31, 2016. Main reason was the decrease of Cash and cash equivalents decreased from Baht 408.67 million to Baht 307.49 million as of March 31, 2017 representing to 25 percent approximately due to the management of working capital for the business.

2. Total Liabilities and Shareholder's Equity

Statement of Financial Position	March 31, 2017		December 31, 2016		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Liabilities	1,464.14	65%	1,076.24	46%	387.91	36.04%
Non-Current Liabilities	105.83	5%	621.95	26%	-516.12	-82.98%
Total Liabilities	1,569.97	70%	1,698.19	72%	-128.21	-7.55%
Shareholder's Equity	676.33	30%	659.09	28%	17.24	2.62%
Total Liabilities and Shareholder's Equity	2,246.30	100%	2,357.28	100%	-110.98	-4.71%

As of March 31, 2017, the Company's total liabilities was Baht 1,569.97 million, decreased by 7.55 percent from as of December 31, 2016 resulted from the decrease of overdraft and short-term loan from the financial institution from Bath 672.87 million as of December 31, 2016 to be Baht 551.04 million as of March 31, 2017 or equivalent to 18 percent approximately.

Shareholder's Equity as of March 31, 2017 was Baht 676.33 million slightly increased from 659.09 million as of December 31, 2016 due to the profit from the operating result.

Kindly be informed accordingly,



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Yours sincerely,

East Coast Furnitech Public Company Limited

-Signature-

(Arak Suksawad)
Managing Director