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No. ECF2 041/2019

November 14, 2019

Subject: Management Discussion and Analysis of the 3rd quarter ended September 30, 2019To 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 3rd quarter ended September 30, 2019. The details are as follows;

Operating Performance1. Revenue

Unit: Million Baht

Information of period	Consolidated				Separate			
	Value		Change		Value		Change	
	Q3.2019	Q3.2018	Value	%	Q3.2019	Q3.2018	Amount	%
Revenue from sale – net	332.26	359.55	-27.30	-7.59%	331.64	358.87	-27.22	-7.59%
Gain on exchange rate	0.66	-0.44	1.09	N.A.	0.66	-0.44	1.10	N.A.
Other income	6.87	9.97	-3.10	-31.05%	5.96	9.60	-3.64	-37.94%
Total Revenue	339.79	369.08	-29.30	-7.94%	338.26	368.03	-29.77	-8.09%
Sharing of gain (loss) from investment value of the associate and joint venture	0.83	-1.27	2.10	N.A.				

The overview of revenue for 3-month period ended September 30, 2019 by comparing to the same period of the last year, the revenue from sale decreased 7.59 percent from consolidated and the main revenue generated from furniture as the core business decreased 7.59 from the previous year. That caused from the management policy of some distribution channels in domestic to enhance the efficiency of expenses. Such policy made the decrease of revenue but decrease the expenses caused from that distribution channels. In this regard, the other revenues decreased significantly for the 3rd quarter, 2019 that caused from disappearing of the disposal of asset of the Company.

For the sharing of gain (loss) from investment value of the associate and joint venture valued profit Baht 0.83 million when comparing to the same period of the last year with loss Baht 1.27 million. This sharing of gain (loss) has come from the investment in energy business i.e. the biomass power plant in the

southern of Thailand and the solar power plant, Myanmar that has already accomplished the construction for the 1st phase 50MW from totaling 220 MW since the end of June. For the 3rd quarter, the Company realized the profit from the biomass power plant Baht 2.99 million from SAFE Energy Holdings Company Limited and loss Baht 2.16 million from the solar power plant that is going to start the commercial operation from Green Earth Power (Thailand) Company Limited.

Unit: Million Baht

Information of period	Consolidated				Separate			
	Value		Change		Value		Change	
	9M.2019	9M.2018	Value	%	9M.2019	9M.2018	Amount	%
Revenue from sale – net	999.75	1,037.34	-37.59	-3.62%	997.27	1,029.56	-32.29	-3.14%
Other income	32.90	33.59	-0.69	-2.04%	28.66	30.60	-1.94	-6.35%
Total Revenue	1,032.65	1,070.93	-38.27	-3.57%	1,025.92	1,060.16	-34.23	-3.23%
Sharing of gain (loss) from investment value of the associates	1.92	1.25	0.67	54.06%				

For the 9-month period ended September 30, 2019, the revenue from sale-net of furniture products and revenue from sale-net of consolidated decreased approximately about 3 percent. The main reason came from the sales of furniture products decreased as the above-mentioned. However, the export sales of furniture products in term of USD currency was still increasing continuously for the 9-month period which equivalent to 6.61 percent and the sales via large retail shops such as Home Pro, Lotus, Big C was also increasing by 5 percent.

2. Cost of goods sold and expenses: Consolidated

Unit: Million Baht

Information of period	Value		Change		Compare total income		Value	
	Q3.2019	Q3.2018	Amount	%	Q3.2019	Q3.2018	Q3.2019	Q3.2018
Cost of goods sold	230.87	247.98	-17.11	-6.90%	67.95%	67.19%	230.63	247.59
Cost of sales	30.74	41.60	-10.86	-26.11%	9.05%	11.27%		
Administrative expenses	38.02	40.40	-2.38	-5.89%	11.19%	10.95%		
Financial costs	30.93	26.48	4.46	16.83%	9.10%	7.17%		
Total cost of goods sold and expenses	330.56	356.46	-25.90	-7.27%				

Unit: Million Baht

Information of period	Value		Change		Compare total income		Value	
	9M2019	9M.2018	Amount	%	9M.2019	9M.2018	9M.2019	9M.2018
Cost of goods sold	695.95	718.06	-22.11	-3.08%	67.39%	67.05%	694.23	712.87
Cost of sales	101.23	122.05	-20.82	-17.06%	9.80%	11.40%		
Administrative expenses	125.54	131.75	-6.21	-4.71%	12.16%	12.30%		
Gain on exchange rate	0.00	-0.72	0.72	N.A.	0.00%	-0.07%		
Financial costs	84.01	74.72	9.29	12.43%	8.14%	6.98%		
Total cost of goods sold and expenses	1,006.73	1,045.86	-39.13	-3.74%				

The overview of cost of goods sold and expenses of the 3rd quarter and 9 months of the year 2019 was in the same direction when comparing to the last period with the fact that the company has still managed the cost of goods sold efficiently. In this regard, the cost of sales has decreased significantly since the management of distribution channel to reduce the cost more.

For the administrative expenses to total revenue was approximate when comparing to the last period and could not been decreased since the Company had the expenses for the feasibility study of some projects for the considering to investment of the management team. However, the financial cost has been increasing from the incremental issuance and offering of debenture in the amount of Baht 200 million for the 1st quarter and Baht 180.20 million for the 3rd quarter with the interest rate of 6.75 percent and 6.5 percent per annum respectively. In this regard, such issuance and offering of debenture caused from the objective to prepare the source of fund for the business expansion in the future.

3. Profit for the period

Unit: Million Baht

Information of period	Consolidated				Separate			
	Value		Change		Value		Value	
	Q3.2019	Q3.2018	Amount	%	Q3.2019	Q3.2018	Amount	%
Gross Profit	101.38	111.57	-10.19	-9.13%	101.02	111.28	-10.27	-9.22%
Profit (Owners of the parent)	7.48	8.52	-1.04	-12.21%	7.27	13.77	-6.50	-47.22%
Total Comprehensive Income for the Period	7.48	6.71	0.77	11.40%				
Net Profit Margin to Total Revenue (percent)	2.24	2.00						

In sum, the profit of the 3rd quarter of the year 2019 (Consolidated) for profit (Owners of the parent) was Baht 7.48 million which decreased 12.21 percent from the same period of the last year since the Company had the revenue decreasing from the policy to manage cost of sales to decrease efficiently as above mentioned. However, the Company has generated the proportion of net profit to total revenue increasing which equivalent to 2.24 percent when comparing to the same period of the last year valued 2 percent that meant the Company could manage the increase of net profit margin better than ever.

Unit: Million Baht

Information of period	Consolidated				Separate			
	Value		Change		Value		Change	
	9M.2018	9M.2018	Amount	%	9M.2019	9M.2018	Amount	%
Gross Profit	303.80	319.28	-15.48	-4.85%	303.04	316.69	-13.65	-4.31%
Profit (Owners of the parent)	21.26	21.52	-0.26	-1.19%	22.20	30.91	-8.71	-28.17%
Total Comprehensive Income for the Period	18.17	17.10	1.06	6.22%				
Net Profit Margin to Total Revenue (percent)	2.02	1.63						

From consolidated financial statements, Profit (Owners of the parent) for the period of 9 months of the year 2019 was Baht 21.26 million approximate to the last year valued Baht 21.52 million and when considering to the proportion of net profit to total revenue has shown that the increase of net profit margin with 2.02 percent to revenue of this period when comparing to the last year valued 1.63 percent.

Financial Position: Consolidated Financial Statements

1. Total Assets

Unit: Million Baht

Statement of Financial Position	30-Sep-2019		31-Dec-2018		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Assets	1,927.20	53.72%	1,872.72	55.15%	54.48	2.91%
Non-Current Assets	1,660.29	46.28%	1,522.81	44.85%	137.48	9.03%
Total Assets	3,587.49	100.00%	3,395.53	100.00%	191.96	5.65%

As of September 30, 2019, the Company's total assets was Baht 3,587.49 million, increased by Baht 191.96 million from as of December 31, 2019 from the significant reasons of the increase of inventory and the advance payment for purchase of investment.

2. Total Liabilities and Shareholder's Equity

Unit: Million Baht

Statement of Financial Position	30-Sep-2019		31-Dec-2018		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Liabilities	1,680.72	46.85%	1,181.25	34.79%	499.47	42.28%
Non-Current Liabilities	470.04	13.10%	766.96	22.59%	-296.92	-38.71%
Total Liabilities	2,150.76	59.95%	1,948.21	57.38%	202.55	10.40%
Shareholder's Equity	1,436.73	40.05%	1,447.32	42.62%	-10.59	-0.73%

Statement of Financial Position	30-Sep-2019		31-Dec-2018		Increased / (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Liabilities and Shareholder's Equity	3,587.49	100.00%	3,395.53	100.00%	191.96	5.65%

As of September 30, 2019, the Company's total liabilities was Baht 2,150.76 million, increased Baht 202.55 million from as of December 31, 2018 resulted from the increase of the outstanding balance of debentures in the amount of Baht 180.20 million since July 2019.

Shareholders' Equity as of September 30, 2019 was Baht 1,436.73 million decreased slightly from 1,447.32 million as of December 31, 2018 due to the decrease of other components of Shareholders' Equity – the premium of asset evaluation.

Kindly be informed accordingly,

Yours sincerely,

East Coast Furnitech Public Company Limited

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(Arak Suksawad)

Managing Director